



## Invesco V.I. High Yield Fund



The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semi-annual 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 (or any successor Form). The Fund's Form N-Q (or any successor Form) filings are available on the SEC website, [sec.gov](http://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 (or any successor Form), have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

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

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

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

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

# Management's Discussion of Fund Performance

## Performance summary

For the year ended December 31, 2018, Series I shares of Invesco V.I. High Yield Fund (the Fund) underperformed the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index, the Fund's style-specific index.

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

## Fund vs. Indexes

Total returns, 12/31/17 to 12/31/18, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	-3.35%
Series II Shares	-3.60
Bloomberg Barclays U.S. Aggregate Bond Index <sup>▼</sup> (Broad Market Index)	0.01
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index <sup>▼</sup> (Style-Specific Index)	-2.08
Lipper VUF High Yield Bond Funds Classification Average <sup>■</sup> (Peer Group)	-2.63

Source(s): <sup>▼</sup>FactSet Research Systems Inc.; <sup>■</sup>Lipper Inc.

## Market conditions and your Fund

In 2018, the high yield market came under pressure from a variety of factors including trade tensions, slowing global economic growth, an increase in equity market volatility and declining oil prices. Despite these pressures, credit fundamentals remained solid and defaults continued to stay below the long-term average.

The US Federal Reserve (the Fed) raised interest rates four times during the year to a range of 2.25% to 2.50% and has now done so nine times since the global financial crisis ended.<sup>1</sup> At its December 2018 meeting, the Fed noted solid job gains, low unemployment and strong growth in household spending in an environment where inflation has stayed near 2.00%.<sup>1</sup>

The high yield market posted roughly flat returns through November, but in December the market sold off significantly

as credit spreads widened 100 basis points. (A basis point is 0.01%.)<sup>2</sup> Concerns about slower global economic growth, market volatility and global trade tensions increased toward the end of the year. This spilled over to the high yield market and led to a negative total return in December and the year as a whole in the high yield market.

Despite the increase in market turmoil during the year, the par-weighted high yield default rate increased only modestly in 2018 and ended the year at 1.81% compared to 1.28% at the end of 2017.<sup>3</sup> New issuance fell dramatically in 2018 with no new deals in December – the first month with no issuance since November 2008.<sup>3</sup> For the year, total issuance was \$187 billion compared to \$328 billion in 2017, a 43% decline and the lowest amount since 2009.<sup>3</sup> In 2018, high yield mutual funds had outflows in 10 out of 12 months of the year for a total of

\$45 billion at year end, compared to \$20 billion in outflows in 2017.<sup>3</sup>

The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index, which measures the performance of the US high yield bond market and is the Fund's style-specific index, returned -2.08% for the year ended December 31, 2018. Likewise, the Fund generated a negative return for the year.

During the year, the Fund benefited from its positioning in the energy and consumer cyclicals sectors. The energy sector was notably volatile, especially in the fourth quarter when oil prices fell more than 30%.<sup>2</sup> While the Fund had an overweight allocation to the independent energy sector relative to the style-specific index, security selection was a significant contributor to the Fund's relative performance. In particular, the Fund avoided the distressed part of the independent energy sector and issuers with idiosyncratic problems. The underweight allocation to consumer cyclicals was also beneficial, along with security selection in the automotive industry. Specifically, avoidance of problem credits – those with weaker fundamentals or those that have underperformed – in the automotive industry benefited relative Fund performance for the year.

The largest detractors from the Fund's performance during the year were positions in the metals and mining and technology industries. In metals and mining, **First Quantum** negatively impacted the Fund's performance due to poor sentiment in emerging markets and the industry in general. The Fund's underweight allocation to the technology industry versus the style-specific index, along with security selection in the industry, was also a drag on the Fund's performance.

During the year, we used currency forward contracts for the purpose of hedging currency exposure of non-US-dollar-denominated bonds held in the portfolio. We also used credit default swaps to efficiently manage the portfolio and to take advantage of relative value opportunities. The use of currency, interest rate and credit derivatives had an immaterial impact on the Fund's performance during the year.

Portfolio Composition <sup>†</sup> By credit quality	% of total investments
B	42.0%
BB	40.8
BBB	3.0
CCC	9.7
Non-Rated	4.5

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

Top Five Debt Issuers*	% of total net assets
1. Sprint Corp	2.5%
2. HCA, Inc.	1.8
3. DISH DBS Corp.	1.7
4. CCO Holdings LLC/CCO Holdings Capital Corp.	1.6
5. CSC Holdings LLC	1.6

Total Net Assets	\$141.9 million
Total Number of Holdings*	299

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

\*Excluding US Treasury bills and money market fund holdings.

Data presented here are as of December 31, 2018.

At the close of the year, we saw wider credit spreads that we believe could provide a favorable foundation for future returns. New issue supply is expected to remain constrained, providing technical support to the market. At the close of the year, we witnessed many companies that had already refinanced near-term maturities and the bank loan market continued to draw supply away from high yield. In our view, the main risk for the market continues to be slowing global growth. We believe a growth deceleration in the US that settles into the 2% area could still be sufficient to preserve the favorable fundamental backdrop the market has been experiencing. An added benefit of slower growth is that management teams tend to become more balance sheet focused, which is positive for creditors. Macroeconomic concerns also include the risk of a policy error on behalf of the Fed and growth-related challenges faced by China. At the sector level, we expect challenging conditions in retail and fixed wireline telecom to continue. At the close of the year, we saw cyclical industries being reviewed for risks and opportunities as volatility late in the year created a target-rich environment for security selection.

We wish to remind you that the Fund is subject to interest rate risk, meaning when interest rates rise, the value of fixed income securities tends to fall. This risk may be greater in the current market environment because interest rates are near historic lows. The degree to which the value of fixed income securities may decline due to rising interest rates may vary depending on the speed and magnitude of the increase in interest rates, as well as individual security characteristics such as price, maturity, duration and coupon and market forces such as supply and demand for similar securities. We are monitoring interest rates, and the market, economic and geopolitical factors that may impact the direction, speed and magnitude of changes to interest rates across the maturity spectrum, including the potential impact of monetary policy changes by the Fed and certain foreign central banks. If interest rates rise, markets may experience increased volatility, which may affect the value and/or liquidity of certain of the Fund's investments.

Thank you for investing in Invesco V.I. High Yield Fund and for sharing our long-term investment horizon.

*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.



**Andrew Geryol**

Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. High Yield Fund. He joined Invesco in 2011. Mr. Geryol earned a BS in business administration from Miami University.



**Jennifer Hartviksen**

Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. High Yield Fund. She is the Head of Canada Fixed

Income. Ms. Hartviksen joined Invesco in 2013. She earned a BA in economics from the University of Toronto.



**Joseph Portera**

Portfolio Manager, is manager of Invesco V.I. High Yield Fund. He joined Invesco in 2012. Mr. Portera earned BA and MA

degrees in Soviet studies and an MA in international political economy and development from Fordham University.



**Scott Roberts**

Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. High Yield Fund. He joined Invesco in 2000. Mr.

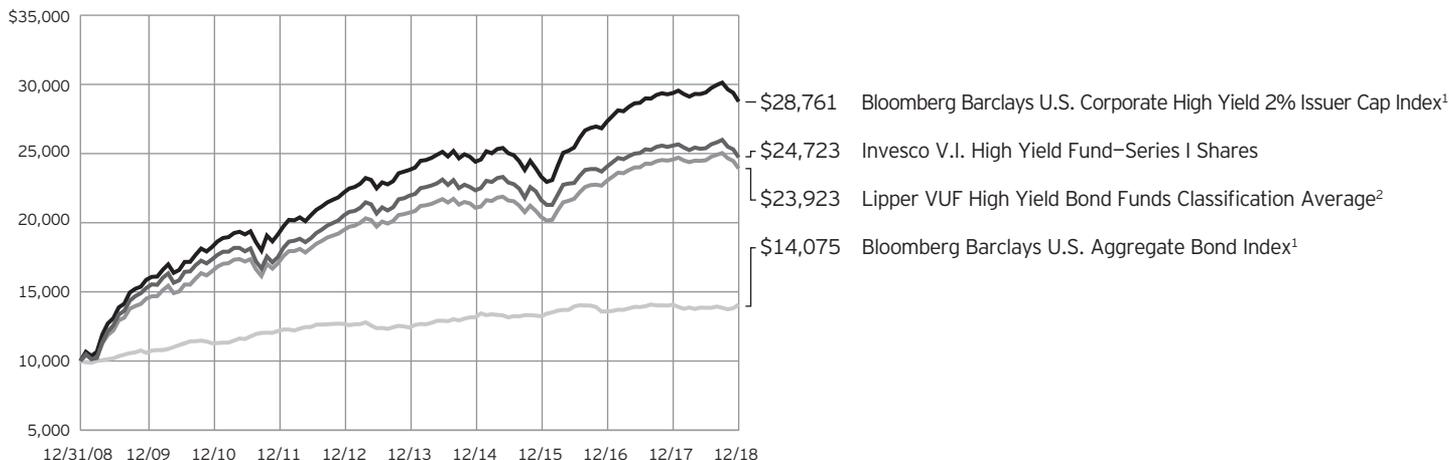
Roberts earned a BBA in finance from the University of Houston.

1 Source: US Federal Reserve  
2 Source: Bloomberg L.P.  
3 Source: JP Morgan

# Your Fund's Long-Term Performance

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

Fund and index data from 12/31/08



1 Source: FactSet Research Systems Inc.

2 Source: Lipper Inc.

Past performance cannot guarantee comparable future results.

Average Annual Total Returns	
<i>As of 12/31/18</i>	
<b>Series I Shares</b>	
Inception (5/1/98)	3.96%
10 Years	9.47
5 Years	2.39
1 Year	-3.35
<b>Series II Shares</b>	
Inception (3/26/02)	6.22%
10 Years	9.21
5 Years	2.16
1 Year	-3.60

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. Performance figures in the table and chart do not reflect deduction of taxes a shareholder would

pay on Fund distributions or the redemption of Fund shares. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

The net annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.01% and 1.26%, respectively.<sup>1</sup> The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.02% and 1.27%, 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. High Yield Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance figures given represent the Fund and are not intended to reflect actual

variable product values. They do not reflect sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

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

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

<sup>1</sup> Total annual Fund operating expenses after any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.

## **Invesco V.I. High Yield Fund's investment objective is total return, comprised of current income and capital appreciation.**

- Unless otherwise stated, information presented in this report is as of December 31, 2018, and is based on total net assets.
- Unless otherwise noted, all data provided by Invesco.

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

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

*Collateralized loan obligations risk.* CLOs are subject to the risks of substantial losses due to actual defaults by underlying borrowers, which will be greater during periods of economic or financial stress. CLOs may also lose value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of CLOs will be greater if the Fund invests in CLOs that hold loans of uncreditworthy borrowers or if the Fund holds subordinate tranches of the CLO that absorbs losses from the defaults before senior tranches. In addition, CLOs are subject to interest rate risk and credit risk.

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

may be rated below investment grade.

*Debt securities risk.* The prices of debt securities held by the Fund will be affected by changes in interest rates, the creditworthiness of the issuer and other factors. An increase in prevailing interest rates typically causes the value of existing debt securities to fall and often has a greater impact on longer-duration debt securities and higher quality debt securities. Falling interest rates will cause the Fund to reinvest the proceeds of debt securities that have been repaid by the issuer at lower interest rates. Falling interest rates may also reduce the Fund's distributable income because interest payments on floating rate debt instruments held by the Fund will decline. The Fund could lose money on investments in debt securities if the issuer or borrower fails to meet its obligations to make interest payments and/or to repay principal in a timely manner. Changes in an issuer's financial strength, the market's perception of such strength or in the credit rating of the issuer or the security may affect the value of debt securities. The Adviser's credit analysis may fail to anticipate such changes, which could result in buying a debt security at an inopportune time or failing to sell a debt security in advance of a price decline or other credit event.

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

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

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

*Foreign credit exposure risk.* US dollar-denominated securities carrying foreign credit exposure may be affected by unfavorable political, economic or governmental developments that could affect payments of principal and interest.

*Foreign securities risk.* The Fund's foreign investments may be adversely affected by political and social instability, changes in economic or taxation policies, difficulty in enforcing obligations, decreased liquidity or increased volatility. Foreign investments also involve the risk of the possible seizure, nationalization or expropriation of the issuer or foreign deposits (in which the Fund could lose its entire investments in a certain market) and the possible adoption of foreign governmental restrictions such as exchange controls. Unless the Fund has hedged its foreign securities risk, foreign securities

risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the Fund has exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. Currency hedging strategies, if used, are not always successful.

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

**Liquidity risk.** The Fund may be unable to sell illiquid investments at the time or price it desires and, as a result, could lose its entire investment in such investments. Liquid securities can become illiquid during periods of market stress. If a significant amount of the Fund's securities become illiquid, the Fund may not be able to timely pay redemption proceeds and may need to sell securities at significantly reduced prices.

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

**Market risk.** The market values of the Fund's investments, and therefore the value of the Fund's shares, will go up and down, sometimes rapidly or unpredictably. Market risk may affect a single issuer, industry or section of the economy, or it may affect the market as a whole. Individual stock prices tend to go up and down more dramatically than those of certain other types of investments, such as bonds. During a general downturn in the financial markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that specific investments held by the Fund will rise in value.

**Mortgage- and asset-backed securities risk.** Mortgage- and asset-backed securities, including collateralized debt obliga-

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

**Municipal securities risk.** The risk of a municipal obligation generally depends on the financial and credit status of the issuer. Constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives, and the issuer's regional economic conditions may affect the municipal security's value, interest payments, repayment of principal and the Fund's ability to sell the security. Failure of a municipal security issuer to comply with applicable tax requirements may make income paid thereon taxable, resulting in a decline in the security's value. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

**Preferred securities risk.** Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. Preferred securities also may be subordinated to bonds or other debt instruments, subjecting them to a greater risk of non-payment, may be less liquid than many other securities, such as

common stocks, and generally offer no voting rights with respect to the issuer.

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

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**About indexes used in this report**  
The **Bloomberg Barclays U.S. Aggregate Bond Index** is an unmanaged index considered representative of the US investment grade, fixed-rate bond market.

The **Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index** is an unmanaged index considered representative of the US high-yield, fixed-rate corporate bond market. Index weights for each issuer are capped at 2%.

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

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

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

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## Other information

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

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

December 31, 2018

	Principal Amount	Value
<b>U.S. Dollar Denominated Bonds &amp; Notes-94.46%</b>		
<b>Aerospace &amp; Defense-2.56%</b>		
BBA U.S. Holdings, Inc., Sr. Unsec. Notes, 5.38%, 05/01/2026 <sup>(b)</sup>	\$ 215,000	\$ 204,248
Bombardier Inc. (Canada), Sr. Unsec. Notes, 5.75%, 03/15/2022 <sup>(b)</sup>	215,000	201,563
6.13%, 01/15/2023 <sup>(b)</sup>	428,000	402,320
7.50%, 03/15/2025 <sup>(b)</sup>	832,000	787,280
8.75%, 12/01/2021 <sup>(b)</sup>	170,000	175,738
TransDigm Inc., Sr. Unsec. Gtd. Sub. Global Notes, 6.50%, 07/15/2024	157,000	153,271
6.50%, 05/15/2025	630,000	604,012
TransDigm UK Holdings PLC, Sr. Unsec. Sub. Gtd. Notes, 6.88%, 05/15/2026 <sup>(b)</sup>	400,000	382,000
Triumph Group, Inc., Sr. Unsec. Gtd. Global Notes, 7.75%, 08/15/2025	819,000	724,815
		3,635,247
<b>Agricultural &amp; Farm Machinery-0.63%</b>		
Titan International, Inc., Sr. Sec. Gtd. First Lien Global Notes, 6.50%, 11/30/2023	989,000	890,100
<b>Agricultural Products-0.28%</b>		
Kernel Holding S.A. (Ukraine), REGS, Sr. Unsec. Gtd. Euro Notes, 8.75%, 01/31/2022 <sup>(b)</sup>	418,000	401,944
<b>Airlines-0.30%</b>		
Air Canada (Canada), Sr. Unsec. Gtd. Notes, 7.75%, 04/15/2021 <sup>(b)</sup>	400,000	424,900
<b>Alternative Carriers-0.41%</b>		
Level 3 Financing, Inc., Sr. Unsec. Gtd. Global Notes, 5.25%, 03/15/2026	253,000	232,128
5.38%, 05/01/2025	365,000	343,100
		575,228
<b>Aluminum-0.73%</b>		
Novelis Corp., Sr. Unsec. Gtd. Notes, 5.88%, 09/30/2026 <sup>(b)</sup>	58,000	51,475
6.25%, 08/15/2024 <sup>(b)</sup>	1,046,000	985,855
		1,037,330
<b>Apparel Retail-1.11%</b>		
Hot Topic, Inc., Sr. Sec. Gtd. First Lien Notes, 9.25%, 06/15/2021 <sup>(b)</sup>	687,000	676,695
L Brands, Inc., Sr. Unsec. Gtd. Global Notes, 5.63%, 02/15/2022	473,000	473,000
6.75%, 07/01/2036	101,000	82,820
6.88%, 11/01/2035	404,000	339,441
		1,571,956

	Principal Amount	Value
<b>Auto Parts &amp; Equipment-0.71%</b>		
Dana Financing Luxembourg S.a.r.l., Sr. Unsec. Gtd. Notes, 5.75%, 04/15/2025 <sup>(b)</sup>	\$ 270,000	\$ 253,125
Dana Inc., Sr. Unsec. Notes, 5.50%, 12/15/2024	498,000	465,630
Flexi-Van Leasing, Inc., Sec. Second Lien Notes, 10.00%, 02/15/2023 <sup>(b)</sup>	346,000	281,990
		1,000,745
<b>Automobile Manufacturers-0.62%</b>		
J.B. Poindexter & Co., Inc., Sr. Unsec. Bonds, 7.13%, 04/15/2026 <sup>(b)</sup>	936,000	879,840
Motors Liquidation Co., Sr. Unsec. Deb., 0.00%, 07/15/2033 <sup>(c)(d)</sup>	1,060,000	0
		879,840
<b>Automotive Retail-1.08%</b>		
Lithia Motors, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 08/01/2025 <sup>(b)</sup>	248,000	229,090
Murphy Oil USA, Inc., Sr. Unsec. Gtd. Global Notes, 5.63%, 05/01/2027	472,000	455,480
Penske Automotive Group Inc., Sr. Unsec. Sub. Gtd. Notes, 5.50%, 05/15/2026	902,000	842,242
		1,526,812
<b>Broadcasting-2.53%</b>		
Clear Channel Worldwide Holdings Inc., Series B, Sr. Unsec. Gtd. Global Notes, 6.50%, 11/15/2022	694,000	697,470
Sr. Unsec. Gtd. Sub. Global Notes, 7.63%, 03/15/2020	747,000	731,126
Netflix, Inc., Sr. Unsec. Global Notes, 5.75%, 03/01/2024	355,000	361,213
Sr. Unsec. Notes, 5.88%, 11/15/2028 <sup>(b)</sup>	467,000	456,226
Nexstar Broadcasting, Inc., Sr. Unsec. Gtd. Notes, 5.63%, 08/01/2024 <sup>(b)</sup>	540,000	506,250
Sirius XM Radio Inc., Sr. Unsec. Gtd. Notes, 5.38%, 04/15/2025 <sup>(b)</sup>	4,000	3,805
5.38%, 07/15/2026 <sup>(b)</sup>	220,000	206,525
6.00%, 07/15/2024 <sup>(b)</sup>	168,000	169,050
TV Azteca, S.A.B. de C.V. (Mexico), REGS, Sr. Unsec. Gtd. Euro Notes, 8.25%, 08/09/2024 <sup>(b)</sup>	470,000	453,555
		3,585,220
<b>Building Products-0.95%</b>		
BMC East, LLC, Sr. Sec. Gtd. First Lien Notes, 5.50%, 10/01/2024 <sup>(b)</sup>	649,000	607,626
SRS Distribution Inc., Sr. Unsec. Gtd. Notes, 8.25%, 07/01/2026 <sup>(b)</sup>	315,000	289,800
Standard Industries Inc., Sr. Unsec. Notes, 5.00%, 02/15/2027 <sup>(b)</sup>	515,000	451,913
		1,349,339

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

	Principal Amount	Value
<b>Cable &amp; Satellite-10.20%</b>		
Altice France S.A. (France), Sr. Sec. Gtd. First Lien Bonds, 6.25%, 05/15/2024 <sup>(b)</sup>	\$ 556,000	\$ 520,555
Sr. Sec. Gtd. First Lien Notes, 7.38%, 05/01/2026 <sup>(b)</sup>	764,000	702,880
AMC Networks Inc., Sr. Unsec. Gtd. Global Notes, 4.75%, 08/01/2025	127,000	115,570
5.00%, 04/01/2024	500,000	475,000
CCO Holdings LLC/CCO Holdings Capital Corp., Sr. Unsec. Global Notes, 5.75%, 09/01/2023	620,000	618,450
5.75%, 01/15/2024	40,000	39,900
Sr. Unsec. Notes, 5.75%, 02/15/2026 <sup>(b)</sup>	1,670,000	1,640,775
CSC Holdings LLC, Sr. Sec. Gtd. First Lien Notes, 5.50%, 05/15/2026 <sup>(b)</sup>	440,000	415,800
Sr. Unsec. Gtd. Notes, 6.63%, 10/15/2025 <sup>(b)</sup>	200,000	203,000
Sr. Unsec. Notes, 10.13%, 01/15/2023 <sup>(b)</sup>	1,005,000	1,083,651
10.88%, 10/15/2025 <sup>(b)</sup>	445,000	500,812
DISH DBS Corp., Sr. Unsec. Gtd. Global Notes, 5.88%, 11/15/2024	1,446,000	1,169,452
7.75%, 07/01/2026	163,000	135,290
7.88%, 09/01/2019	1,111,000	1,136,331
Gray Escrow, Inc., Sr. Unsec. Notes, 7.00%, 05/15/2027 <sup>(b)</sup>	264,000	258,039
Hughes Satellite Systems Corp., Sr. Unsec. Gtd. Global Notes, 7.63%, 06/15/2021	942,000	979,680
Intelsat Jackson Holdings S.A. (Luxembourg), Sr. Unsec. Gtd. Global Bonds, 5.50%, 08/01/2023	1,563,000	1,367,625
Sr. Unsec. Gtd. Notes, 8.50%, 10/15/2024 <sup>(b)</sup>	501,000	488,475
Unitymedia Hessen GmbH & Co. KG/ Unitymedia NRW GmbH (Germany), Sr. Sec. Gtd. First Lien Bonds, 5.00%, 01/15/2025 <sup>(b)</sup>	885,000	869,070
UPCB Finance IV Ltd. (Netherlands), Sr. Sec. First Lien Notes, 5.38%, 01/15/2025 <sup>(b)</sup>	450,000	421,929
Virgin Media Finance PLC (United Kingdom), Sr. Unsec. Gtd. Notes, 6.00%, 10/15/2024 <sup>(b)</sup>	450,000	433,913
Virgin Media Secured Finance PLC (United Kingdom), Sr. Sec. Gtd. First Lien Notes, 5.50%, 08/15/2026 <sup>(b)</sup>	300,000	278,205
VTR Finance B.V. (Chile), Sr. Sec. First Lien Notes, 6.88%, 01/15/2024 <sup>(b)</sup>	440,000	441,650
Ziggo Bond Finance B.V. (Netherlands), Sr. Unsec. Notes, 5.88%, 01/15/2025 <sup>(b)</sup>	200,000	181,500
		14,477,552

	Principal Amount	Value
<b>Casinos &amp; Gaming-2.01%</b>		
Boyd Gaming Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 08/15/2026	\$ 226,000	\$ 212,157
6.88%, 05/15/2023	125,000	126,719
Codere Finance 2 (Luxembourg) S.A. (Spain), Sr. Sec. Gtd. First Lien Notes, 7.63%, 11/01/2021 <sup>(b)</sup>	448,000	383,224
MGM Resorts International, Sr. Unsec. Gtd. Notes, 6.00%, 03/15/2023	530,000	533,975
7.75%, 03/15/2022	169,000	180,196
Scientific Games International Inc., Sr. Unsec. Gtd. Global Notes, 10.00%, 12/01/2022	1,045,000	1,061,971
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., Sr. Unsec. Gtd. Notes, 5.50%, 03/01/2025 <sup>(b)</sup>	385,000	359,975
		2,858,217
<b>Commodity Chemicals-0.49%</b>		
Koppers Inc., Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2025 <sup>(b)</sup>	460,000	407,100
Nufarm Australia Ltd./Nufarm Americas Inc. (Australia), Sr. Unsec. Gtd. Notes, 5.75%, 04/30/2026 <sup>(b)</sup>	306,000	280,449
		687,549
<b>Construction Machinery &amp; Heavy Trucks-0.84%</b>		
Meritor Inc., Sr. Unsec. Gtd. Notes, 6.25%, 02/15/2024	592,000	568,320
Terex Corp., Sr. Unsec. Gtd. Notes, 5.63%, 02/01/2025 <sup>(b)</sup>	675,000	629,437
		1,197,757
<b>Consumer Finance-1.58%</b>		
Ally Financial Inc., Sr. Unsec. Global Notes, 5.13%, 09/30/2024	1,041,000	1,035,795
Discover Financial Services, Inc., Series C, Jr. Unsec. Sub. Global Notes, 5.50% <sup>(e)</sup>	385,000	320,351
Navient Corp., Sr. Unsec. Medium- Term Notes, 7.25%, 01/25/2022	345,000	334,219
8.00%, 03/25/2020	535,000	544,951
		2,235,316
<b>Copper-1.30%</b>		
First Quantum Minerals Ltd. (Zambia), Sr. Unsec. Gtd. Notes, 7.00%, 02/15/2021 <sup>(b)</sup>	280,000	269,325
7.50%, 04/01/2025 <sup>(b)</sup>	1,440,000	1,193,400
Taseko Mines Ltd. (Canada), Sr. Sec. Gtd. First Lien Notes, 8.75%, 06/15/2022 <sup>(b)</sup>	430,000	388,075
		1,850,800
<b>Diversified Banks-2.84%</b>		
Barclays Bank PLC (United Kingdom), Unsec. Sub. Global Notes, 7.63%, 11/21/2022	200,000	207,625

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

	Principal Amount	Value
<b>Diversified Banks-(continued)</b>		
Barclays PLC (United Kingdom), Jr. Unsec. Sub. Global Bonds, 7.75% <sup>(e)</sup>	\$ 300,000	\$ 289,326
REGS, Jr. Unsec. Sub. Euro Bonds, 7.88% <sup>(b)(e)</sup>	263,000	263,986
Credit Agricole S.A. (France), REGS, Jr. Unsec. Sub. Euro Notes, 8.13% <sup>(b)(e)</sup>	307,000	316,594
Dresdner Funding Trust I (Germany), REGS, Jr. Unsec. Sub. Euro Notes, 8.15%, 06/30/2031 <sup>(b)</sup>	465,000	563,766
ING Groep N.V. (Netherlands), Jr. Unsec. Sub. Global Notes, 6.50% <sup>(e)</sup>	274,000	253,861
REGS, Jr. Unsec. Sub. Euro Bonds, 6.88% <sup>(b)(e)</sup>	280,000	279,300
Lloyds Banking Group PLC (United Kingdom), Jr. Unsec. Sub. Global Bonds, 7.50% <sup>(e)</sup>	276,000	266,975
Royal Bank of Scotland Group PLC (The) (United Kingdom), Jr. Unsec. Sub. Bonds, 7.50% <sup>(e)</sup>	750,000	744,375
Jr. Unsec. Sub. Notes, 8.63% <sup>(e)</sup>	263,000	272,862
Société Générale S.A. (France), REGS, Jr. Unsec. Sub. Euro Notes, 7.38% <sup>(b)(e)</sup>	308,000	300,685
Standard Chartered PLC (United Kingdom), REGS, Jr. Unsec. Sub. Euro Bonds, 7.50% <sup>(b)(e)</sup>	263,000	264,315
		4,023,670
<b>Diversified Capital Markets-0.20%</b>		
Credit Suisse Group AG (Switzerland), REGS, Jr. Unsec. Sub. Euro Bonds, 7.13% <sup>(b)(e)</sup>	279,000	275,861
<b>Diversified Chemicals-0.33%</b>		
Chemours Co. (The), Sr. Unsec. Gtd. Global Notes, 7.00%, 05/15/2025	220,000	222,750
Trinseo Materials Operating S.C.A./Trinseo Materials Finance, Inc., Sr. Unsec. Gtd. Notes, 5.38%, 09/01/2025 <sup>(b)</sup>	285,000	250,515
		473,265
<b>Diversified Metals &amp; Mining-1.51%</b>		
Freeport-McMoRan Inc., Sr. Unsec. Gtd. Global Notes, 5.40%, 11/14/2034	1,118,000	886,015
HudBay Minerals, Inc. (Canada), Sr. Unsec. Gtd. Notes, 7.63%, 01/15/2025 <sup>(b)</sup>	396,000	389,070
Teck Resources Ltd. (Canada), Sr. Unsec. Notes, 6.13%, 10/01/2035	528,000	506,880
Vedanta Resources PLC (India), Sr. Unsec. Notes, 6.38%, 07/30/2022 <sup>(b)</sup>	407,000	365,384
		2,147,349
<b>Electrical Components &amp; Equipment-0.41%</b>		
EnerSys, Sr. Unsec. Gtd. Notes, 5.00%, 04/30/2023 <sup>(b)</sup>	598,000	586,040
<b>Electronic Equipment &amp; Instruments-0.29%</b>		
Itron, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 01/15/2026 <sup>(b)</sup>	452,000	414,710

	Principal Amount	Value
<b>Environmental &amp; Facilities Services-1.94%</b>		
Advanced Disposal Services, Inc., Sr. Unsec. Gtd. Notes, 5.63%, 11/15/2024 <sup>(b)</sup>	\$ 408,000	\$ 400,860
Core & Main LP, Sr. Unsec. Notes, 6.13%, 08/15/2025 <sup>(b)</sup>	861,000	768,442
Hulk Finance Corp. (Canada), Sr. Unsec. Notes, 7.00%, 06/01/2026 <sup>(b)</sup>	1,337,000	1,169,875
Waste Pro USA, Inc., Sr. Unsec. Notes, 5.50%, 02/15/2026 <sup>(b)</sup>	444,000	410,700
		2,749,877
<b>Fertilizers &amp; Agricultural Chemicals-0.34%</b>		
OCI N.V. (Netherlands), Sr. Sec. Gtd. Notes, 6.63%, 04/15/2023 <sup>(b)</sup>	481,000	474,988
<b>Food Distributors-0.45%</b>		
US Foods, Inc., Sr. Unsec. Gtd. Notes, 5.88%, 06/15/2024 <sup>(b)</sup>	653,000	637,491
<b>Food Retail-1.50%</b>		
1011778 BC ULC/ New Red Finance, Inc. (Canada), Sec. Gtd. Second Lien Notes, 5.00%, 10/15/2025 <sup>(b)</sup>	1,508,000	1,391,130
Albertsons Cos. LLC/ Safeway Inc./New Albertson's L.P./Albertson's LLC, Sr. Unsec. Gtd. Global Notes, 6.63%, 06/15/2024	783,000	730,147
		2,121,277
<b>Gas Utilities-1.66%</b>		
AmeriGas Partners, L.P./AmeriGas Finance Corp., Sr. Unsec. Global Notes, 5.88%, 08/20/2026	842,000	772,535
Ferrellgas L.P./Ferrellgas Finance Corp., Sr. Unsec. Global Notes, 6.50%, 05/01/2021	487,000	401,775
Sr. Unsec. Gtd. Global Notes, 6.75%, 06/15/2023	117,000	94,770
Suburban Propane Partners, L.P./Suburban Energy Finance Corp., Sr. Unsec. Global Notes, 5.50%, 06/01/2024	1,155,000	1,079,925
		2,349,005
<b>Health Care Equipment-0.79%</b>		
Eagle Holding Co. II, LLC, Sr. Unsec. PIK Notes, 8.38% PIK Rate, 7.63% Cash Rate, 05/15/2022 <sup>(b)(f)</sup>	526,000	503,645
Hill-Rom Holdings, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 02/15/2025 <sup>(b)</sup>	645,000	615,975
		1,119,620
<b>Health Care Facilities-3.07%</b>		
Acadia Healthcare Co., Inc., Sr. Unsec. Gtd. Global Notes, 6.50%, 03/01/2024	385,000	373,450

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	Principal Amount	Value
<b>Health Care Facilities-(continued)</b>		
Community Health Systems, Inc., Sec. Gtd. Second Lien Notes, 8.13%, 06/30/2024 <sup>(b)</sup>	\$ 15,000	\$ 11,025
Sr. Sec. Gtd. First Lien Global Notes, 5.13%, 08/01/2021	425,000	396,313
Sr. Sec. Gtd. First Lien Notes, 6.25%, 03/31/2023	502,000	458,100
Encompass Health Corp., Sr. Unsec. Gtd. Global Notes, 5.75%, 09/15/2025	640,000	627,200
HCA, Inc., Sr. Sec. Gtd. First Lien Notes, 5.25%, 04/15/2025	894,000	891,765
Sr. Unsec. Gtd. Global Notes, 7.50%, 02/15/2022	334,000	355,710
Sr. Unsec. Gtd. Notes, 5.38%, 02/01/2025	640,000	625,600
5.38%, 09/01/2026	220,000	214,500
5.88%, 02/15/2026	410,000	408,975
		4,362,638
<b>Health Care REITs-0.51%</b>		
MPT Operating Partnership L.P./MPT Finance Corp., Sr. Unsec. Gtd. Global Notes, 5.00%, 10/15/2027	795,000	728,916
<b>Health Care Services-3.03%</b>		
DaVita Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 05/01/2025	372,000	338,985
Heartland Dental, LLC, Sr. Unsec. Notes, 8.50%, 05/01/2026 <sup>(b)</sup>	723,000	652,508
MEDNAX, Inc., Sr. Unsec. Gtd. Notes, 6.25%, 01/15/2027 <sup>(b)</sup>	759,000	734,332
MPH Acquisition Holdings LLC, Sr. Unsec. Gtd. Notes, 7.13%, 06/01/2024 <sup>(b)</sup>	269,000	251,515
Surgery Center Holdings, Inc., Sr. Unsec. Gtd. Notes, 6.75%, 07/01/2025 <sup>(b)</sup>	233,000	199,215
8.88%, 04/15/2021 <sup>(b)</sup>	490,000	491,225
Team Health Holdings, Inc., Sr. Unsec. Gtd. Notes, 6.38%, 02/01/2025 <sup>(b)</sup>	460,000	377,775
Tenet Healthcare Corp., Sr. Unsec. Global Notes, 6.75%, 06/15/2023	1,335,000	1,258,237
		4,303,792
<b>Home Improvement Retail-0.57%</b>		
Hillman Group Inc. (The), Sr. Unsec. Gtd. Notes, 6.38%, 07/15/2022 <sup>(b)</sup>	980,000	803,600
<b>Homebuilding-2.64%</b>		
Ashton Woods USA LLC/Ashton Woods Finance Co., Sr. Unsec. Notes, 6.88%, 02/15/2021 <sup>(b)</sup>	446,000	430,390
Beazer Homes USA, Inc., Sr. Unsec. Gtd. Global Notes, 6.75%, 03/15/2025	402,000	347,228
8.75%, 03/15/2022	934,000	936,335

	Principal Amount	Value
<b>Homebuilding-(continued)</b>		
KB Home, Sr. Unsec. Gtd. Notes, 7.50%, 09/15/2022	\$ 236,000	\$ 243,670
8.00%, 03/15/2020	211,000	218,385
Lennar Corp., Sr. Unsec. Gtd. Global Notes, 5.25%, 06/01/2026	377,000	356,736
5.38%, 10/01/2022	304,000	304,380
8.38%, 01/15/2021	112,000	119,560
Meritage Homes Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 06/01/2025	200,000	189,500
Taylor Morrison Communities Inc./ Taylor Morrison Holdings II, Inc., Sr. Unsec. Gtd. Notes, 5.88%, 04/15/2023 <sup>(b)</sup>	498,000	483,060
William Lyon Homes, Inc., Sr. Unsec. Gtd. Global Notes, 6.00%, 09/01/2023	124,000	112,220
		3,741,464
<b>Household Products-1.32%</b>		
Reynolds Group Issuer Inc./LLC, Sr. Unsec. Gtd. Notes, 7.00%, 07/15/2024 <sup>(b)</sup>	1,261,000	1,203,467
Spectrum Brands, Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 07/15/2025	705,000	673,063
		1,876,530
<b>Independent Power Producers &amp; Energy Traders-1.11%</b>		
AES Corp. (The), Sr. Unsec. Notes, 5.50%, 04/15/2025	340,000	339,150
Calpine Corp., Sr. Unsec. Global Notes, 5.50%, 02/01/2024	334,000	306,862
NRG Energy, Inc., Sr. Unsec. Gtd. Global Notes, 6.25%, 05/01/2024	245,000	249,594
6.63%, 01/15/2027	175,000	176,969
7.25%, 05/15/2026	200,000	209,000
Vistra Energy Corp., Sr. Unsec. Gtd. Global Notes, 7.38%, 11/01/2022	285,000	294,975
		1,576,550
<b>Industrial Machinery-1.37%</b>		
Cleaver-Brooks, Inc., Sr. Sec. Notes, 7.88%, 03/01/2023 <sup>(b)</sup>	659,000	637,582
EnPro Industries, Inc., Sr. Unsec. Notes, 5.75%, 10/15/2026 <sup>(b)</sup>	345,000	333,787
Mueller Industries, Inc., Unsec. Sub. Deb., 6.00%, 03/01/2027	650,000	607,750
Mueller Water Products Inc., Sr. Unsec. Gtd. Notes, 5.50%, 06/15/2026 <sup>(b)</sup>	153,000	148,793
Stevens Holding Co., Inc., Sr. Unsec. Gtd. Notes, 6.13%, 10/01/2026 <sup>(b)</sup>	213,000	210,870
		1,938,782
<b>Integrated Oil &amp; Gas-0.69%</b>		
California Resources Corp., Sec. Gtd. Second Lien Notes, 8.00%, 12/15/2022 <sup>(b)</sup>	559,000	380,120

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	Principal Amount	Value
<b>Integrated Oil &amp; Gas--(continued)</b>		
Petrobras Global Finance B.V. (Brazil), Sr. Unsec. Gtd. Global Notes, 5.75%, 02/01/2029	\$ 645,000	\$ 598,237
		978,357
<b>Integrated Telecommunication Services--2.43%</b>		
CenturyLink, Inc., Series S, Sr. Unsec. Notes, 6.45%, 06/15/2021	635,000	635,793
Series Y, Sr. Unsec. Global Notes, 7.50%, 04/01/2024	696,000	673,380
Cincinnati Bell Inc., Sr. Unsec. Gtd. Notes, 7.00%, 07/15/2024 <sup>(b)</sup>	629,000	522,070
Sr. Unsec. Notes, 8.00%, 10/15/2025 <sup>(b)</sup>	94,000	78,020
Frontier Communications Corp., Sr. Unsec. Global Notes, 10.50%, 09/15/2022	1,272,000	890,400
11.00%, 09/15/2025	264,000	165,647
Telecom Italia Capital S.A. (Italy), Sr. Unsec. Gtd. Global Notes, 6.38%, 11/15/2033	95,000	86,225
7.20%, 07/18/2036	417,000	400,320
		3,451,855
<b>Internet Software &amp; Services--0.40%</b>		
Equinix, Inc., Sr. Unsec. Notes, 5.88%, 01/15/2026	556,000	561,560
<b>Leisure Products--0.19%</b>		
Mattel, Inc., Sr. Unsec. Gtd. Notes, 6.75%, 12/31/2025 <sup>(b)</sup>	303,000	271,091
<b>Life Sciences Tools &amp; Services--0.10%</b>		
Charles River Laboratories International, Inc., Sr. Unsec. Gtd. Notes, 5.50%, 04/01/2026 <sup>(b)</sup>	149,000	147,138
<b>Managed Health Care--0.93%</b>		
Centene Corp., Sr. Unsec. Notes, 5.38%, 06/01/2026 <sup>(b)</sup>	356,000	347,100
Molina Healthcare, Inc., Sr. Unsec. Gtd. Notes, 4.88%, 06/15/2025 <sup>(b)</sup>	340,000	311,525
WellCare Health Plans Inc., Sr. Unsec. Notes, 5.25%, 04/01/2025	367,000	354,614
5.38%, 08/15/2026 <sup>(b)</sup>	310,000	299,925
		1,313,164
<b>Metal &amp; Glass Containers--0.95%</b>		
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc. (Ireland), Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2025 <sup>(b)</sup>	500,000	462,810
7.25%, 05/15/2024 <sup>(b)</sup>	310,000	310,388
Flex Acquisition Co., Inc., Sr. Unsec. Notes, 7.88%, 07/15/2026 <sup>(b)</sup>	507,000	457,567

	Principal Amount	Value
<b>Metal &amp; Glass Containers--(continued)</b>		
OI European Group B.V., Sr. Unsec. Gtd. Notes, 4.00%, 03/15/2023 <sup>(b)</sup>	\$ 130,000	\$ 121,875
		1,352,640
<b>Movies &amp; Entertainment--0.78%</b>		
AMC Entertainment Holdings, Inc., Sr. Unsec. Gtd. Sub. Global Notes, 5.75%, 06/15/2025	735,000	649,556
Lions Gate Capital Holdings LLC, Sr. Unsec. Gtd. Notes, 5.88%, 11/01/2024 <sup>(b)</sup>	466,000	462,505
		1,112,061
<b>Oil &amp; Gas Drilling--1.77%</b>		
Diamond Offshore Drilling, Inc., Sr. Unsec. Global Notes, 4.88%, 11/01/2043	240,000	135,600
EnSCO PLC, Sr. Unsec. Global Notes, 4.50%, 10/01/2024	24,000	15,720
7.75%, 02/01/2026	827,000	616,115
Noble Holding International Ltd., Sr. Unsec. Gtd. Global Notes, 7.75%, 01/15/2024	953,000	725,471
Precision Drilling Corp. (Canada), Sr. Unsec. Gtd. Global Notes, 5.25%, 11/15/2024	514,000	429,190
7.75%, 12/15/2023	94,000	87,068
Transocean Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 04/15/2031	662,000	504,775
		2,513,939
<b>Oil &amp; Gas Equipment &amp; Services--0.98%</b>		
Archrock Partners, L.P./Archrock Partners Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 10/01/2022	490,000	463,050
SESI, L.L.C., Sr. Unsec. Gtd. Global Notes, 7.13%, 12/15/2021	521,000	445,455
Sunoco LP/ Sunoco Finance Corp., Sr. Unsec. Gtd. Global Notes, 4.88%, 01/15/2023	496,000	484,840
		1,393,345
<b>Oil &amp; Gas Exploration &amp; Production--6.35%</b>		
Ascent Resources Utica Holdings, LLC /ARU Finance Corp., Sr. Unsec. Notes, 10.00%, 04/01/2022 <sup>(b)</sup>	533,000	547,817
Callon Petroleum Co., Sr. Unsec. Gtd. Global Notes, 6.13%, 10/01/2024	782,000	731,170
Denbury Resources Inc., Sr. Unsec. Gtd. Sub. Notes, 5.50%, 05/01/2022	323,000	216,410
EP Energy LLC/Everest Acquisition Finance Inc., Sr. Sec. Gtd. First Lien Notes, 8.00%, 11/29/2024 <sup>(b)</sup>	420,000	315,000
Gulfport Energy Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 10/15/2024	497,000	442,330
Jagged Peak Energy LLC, Sr. Unsec. Gtd. Notes, 5.88%, 05/01/2026 <sup>(b)</sup>	762,000	712,470
Oasis Petroleum Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 01/15/2023	619,000	573,349

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	Principal Amount	Value
<b>Oil &amp; Gas Exploration &amp; Production-(continued)</b>		
Parsley Energy LLC/Finance Corp., Sr. Unsec. Gtd. Notes, 6.25%, 06/01/2024 <sup>(b)</sup>	\$ 470,000	\$ 457,075
5.63%, 10/15/2027 <sup>(b)</sup>	315,000	287,831
QEP Resources, Inc., Sr. Unsec. Global Notes, 5.25%, 05/01/2023	375,000	333,750
Range Resources Corp., Sr. Unsec. Gtd. Global Notes, 4.88%, 05/15/2025	641,000	528,825
5.88%, 07/01/2022	446,000	414,780
SM Energy Co., Sr. Unsec. Global Notes, 6.13%, 11/15/2022	139,000	132,050
6.63%, 01/15/2027	96,000	85,920
6.75%, 09/15/2026	185,000	166,500
Southwestern Energy Co., Sr. Unsec. Gtd. Global Notes, 7.50%, 04/01/2026	341,000	323,950
7.75%, 10/01/2027	425,000	405,875
Tullow Oil PLC (Ghana), Sr. Unsec. Gtd. Notes, 7.00%, 03/01/2025 <sup>(b)</sup>	321,000	299,333
Whiting Petroleum Corp., Sr. Unsec. Gtd. Global Notes, 6.25%, 04/01/2023	583,000	533,445
WildHorse Resource Development Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 02/01/2025	931,000	884,450
WPX Energy Inc., Sr. Unsec. Notes, 5.25%, 09/15/2024	680,000	618,800
		9,011,130
<b>Oil &amp; Gas Refining &amp; Marketing-0.25%</b>		
Parkland Fuel Corp. (Canada), Sr. Unsec. Notes, 6.00%, 04/01/2026 <sup>(b)</sup>	376,000	354,380
<b>Oil &amp; Gas Storage &amp; Transportation-1.31%</b>		
Energy Transfer Partners, L.P., Series A, Jr. Unsec. Sub. Global Notes, 6.25% <sup>(e)</sup>	307,000	257,496
Plains All American Pipeline, L.P., Series B, Jr. Unsec. Sub. Notes, 6.13% <sup>(e)</sup>	456,000	384,180
SemGroup Corp., Sr. Unsec. Gtd. Global Notes, 6.38%, 03/15/2025	535,000	496,213
Targa Resources Partners L.P./Targa Resources Partners Finance Corp., Sr. Unsec. Gtd. Notes, 5.88%, 04/15/2026 <sup>(b)</sup>	743,000	726,282
		1,864,171
<b>Other Diversified Financial Services-1.41%</b>		
Lincoln Finance Ltd. (Netherlands), Sr. Sec. Gtd. First Lien Notes, 7.38%, 04/15/2021 <sup>(b)</sup>	492,000	499,995
LPL Holdings Inc., Sr. Unsec. Gtd. Notes, 5.75%, 09/15/2025 <sup>(b)</sup>	509,000	478,460
Telenet Finance Luxembourg Notes S.a r.l. (Belgium), Sr. Sec. First Lien Notes, 5.50%, 03/01/2028 <sup>(b)</sup>	400,000	364,000
Tempo Acquisition, LLC/Finance Corp., Sr. Unsec. Notes, 6.75%, 06/01/2025 <sup>(b)</sup>	532,000	494,760

	Principal Amount	Value
<b>Other Diversified Financial Services-(continued)</b>		
VFH Parent LLC/Orchestra Co-Issuer Inc., Sec. Gtd. Second Lien Notes, 6.75%, 06/15/2022 <sup>(b)</sup>	\$ 171,000	\$ 166,373
		2,003,588
<b>Packaged Foods &amp; Meats-1.07%</b>		
B&G Foods, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 04/01/2025	389,000	363,229
JBS Investments GmbH, Sr. Unsec. Gtd. Notes, 7.25%, 04/03/2024 <sup>(b)</sup>	525,000	531,174
JBS USA Lux S.A./JBS USA Finance Inc., Sr. Unsec. Gtd. Notes, 5.75%, 06/15/2025 <sup>(b)</sup>	180,000	172,575
TreeHouse Foods, Inc., Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2024 <sup>(b)</sup>	448,000	445,200
		1,512,178
<b>Paper Packaging-0.36%</b>		
Plastipak Holdings Inc., Sr. Unsec. Notes, 6.25%, 10/15/2025 <sup>(b)</sup>	580,000	516,200
<b>Paper Products-1.37%</b>		
Mercer International Inc. (Canada), Sr. Unsec. Global Notes, 5.50%, 01/15/2026	162,000	145,800
6.50%, 02/01/2024	442,000	434,265
7.75%, 12/01/2022	57,000	58,853
Rayonier A.M. Products Inc., Sr. Unsec. Gtd. Notes, 5.50%, 06/01/2024 <sup>(b)</sup>	948,000	838,980
Schweitzer-Mauduit International, Inc., Sr. Unsec. Gtd. Notes, 6.88%, 10/01/2026 <sup>(b)</sup>	495,000	466,537
		1,944,435
<b>Pharmaceuticals-2.09%</b>		
Bausch Health Cos. Inc., Sr. Sec. Gtd. First Lien Notes, 5.50%, 11/01/2025 <sup>(b)</sup>	348,000	325,815
Sr. Unsec. Gtd. Notes, 5.88%, 05/15/2023 <sup>(b)</sup>	200,000	185,750
6.13%, 04/15/2025 <sup>(b)</sup>	410,000	358,750
9.00%, 12/15/2025 <sup>(b)</sup>	649,000	648,189
9.25%, 04/01/2026 <sup>(b)</sup>	372,000	372,930
Endo DAC/Endo Finance LLC/Endo Finco Inc., Sr. Unsec. Gtd. Notes, 6.00%, 07/15/2023 <sup>(b)</sup>	240,000	184,200
HLF Financing S.a.r.l., LLC/ Herbalife International, Inc., Sr. Unsec. Gtd. Notes, 7.25%, 08/15/2026 <sup>(b)</sup>	424,000	418,170
Teva Pharmaceutical Finance IV, B.V. (Israel), Sr. Unsec. Gtd. Global Notes, 3.65%, 11/10/2021	500,000	474,025
		2,967,829
<b>Publishing-0.76%</b>		
Meredith Corp., Sr. Unsec. Gtd. Notes, 6.88%, 02/01/2026 <sup>(b)</sup>	1,105,000	1,082,900

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

	Principal Amount	Value
<b>Restaurants-0.57%</b>		
IRB Holding Corp., Sr. Unsec. Gtd. Notes, 6.75%, 02/15/2026 <sup>(b)</sup>	\$ 665,000	\$ 583,537
KFC Holding Co./Pizza Hut Holdings LLC/ Taco Bell of America LLC, Sr. Unsec. Gtd. Notes, 4.75%, 06/01/2027 <sup>(b)</sup>	241,000	224,733
		808,270
<b>Security &amp; Alarm Services-1.16%</b>		
Brink's Co. (The), Sr. Unsec. Gtd. Notes, 4.63%, 10/15/2027 <sup>(b)</sup>	345,000	315,754
Prime Security Services Borrower, LLC/ Prime Finance, Inc., Sec. Gtd. Second Lien Notes, 9.25%, 05/15/2023 <sup>(b)</sup>	1,288,000	1,331,470
		1,647,224
<b>Specialized Consumer Services-0.78%</b>		
ServiceMaster Co., LLC (The), Sr. Unsec. Notes, 7.45%, 08/15/2027	1,086,000	1,113,150
<b>Specialized Finance-0.53%</b>		
AerCap Global Aviation Trust (Ireland), Jr. Unsec. Gtd. Sub. Notes, 6.50%, 06/15/2045 <sup>(b)</sup>	434,000	423,150
CIT Group Inc., Unsec. Sub. Global Notes, 6.13%, 03/09/2028	94,000	93,765
MSCI Inc., Sr. Unsec. Gtd. Notes, 5.25%, 11/15/2024 <sup>(b)</sup>	95,000	95,000
5.75%, 08/15/2025 <sup>(b)</sup>	140,000	141,750
		753,665
<b>Specialized REITs-0.41%</b>		
Iron Mountain Inc., Sr. Unsec. Gtd. Sub. Global Notes, 5.75%, 08/15/2024	377,000	359,093
Iron Mountain US Holdings, Inc., Sr. Unsec. Gtd. Notes, 5.38%, 06/01/2026 <sup>(b)</sup>	248,000	226,920
		586,013
<b>Specialty Chemicals-0.90%</b>		
GCP Applied Technologies, Inc., Sr. Unsec. Gtd. Notes, 5.50%, 04/15/2026 <sup>(b)</sup>	567,000	554,242
Platform Specialty Products Corp., Sr. Unsec. Gtd. Notes, 5.88%, 12/01/2025 <sup>(b)</sup>	578,000	543,320
Valvoline Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 07/15/2024	188,000	184,240
		1,281,802
<b>Steel-1.69%</b>		
Cleveland-Cliffs Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 03/01/2025	934,000	842,935
SunCoke Energy Partners, L.P./ SunCoke Energy Partners Finance Corp., Sr. Unsec. Gtd. Notes, 7.50%, 06/15/2025 <sup>(b)</sup>	741,000	703,950
United States Steel Corp., Sr. Unsec. Global Notes, 6.88%, 08/15/2025	931,000	856,520
		2,403,405

	Principal Amount	Value
<b>Technology Hardware, Storage &amp; Peripherals-1.18%</b>		
CommScope Technologies LLC, Sr. Unsec. Gtd. Notes, 6.00%, 06/15/2025 <sup>(b)</sup>	\$ 502,000	\$ 459,330
Dell International LLC/EMC Corp., Sr. Unsec. Gtd. Notes, 7.13%, 06/15/2024 <sup>(b)</sup>	1,197,000	1,218,869
		1,678,199
<b>Textiles-0.54%</b>		
Eagle Intermediate Global Holding B.V./ Ruyi US Finance LLC (China), Sr. Sec. Gtd. First Lien Bonds, 7.50%, 05/01/2025 <sup>(b)</sup>	814,000	764,550
<b>Trading Companies &amp; Distributors-1.56%</b>		
H&E Equipment Services, Inc., Sr. Unsec. Gtd. Global Notes, 5.63%, 09/01/2025	1,004,000	924,935
Herc Rentals Inc., Sec. Gtd. Second Lien Notes, 7.75%, 06/01/2024 <sup>(b)</sup>	566,000	592,885
United Rentals North America Inc., Sr. Unsec. Gtd. Global Notes, 6.50%, 12/15/2026	188,000	185,650
5.50%, 07/15/2025	41,000	38,745
Sr. Unsec. Gtd. Notes, 5.88%, 09/15/2026	500,000	473,125
		2,215,340
<b>Trucking-0.95%</b>		
Avis Budget Car Rental LLC/Avis Budget Finance Inc., Sr. Unsec. Gtd. Notes, 6.38%, 04/01/2024 <sup>(b)</sup>	150,000	144,000
Hertz Corp. (The), Sec. Gtd. Second Lien Notes, 7.63%, 06/01/2022 <sup>(b)</sup>	193,000	182,385
Kenan Advantage Group Inc. (The), Sr. Unsec. Notes, 7.88%, 07/31/2023 <sup>(b)</sup>	1,068,000	1,027,950
		1,354,335
<b>Wireless Telecommunication Services-5.79%</b>		
Altice Financing S.A. (Luxembourg), Sr. Sec. Gtd. First Lien Bonds, 7.50%, 05/15/2026 <sup>(b)</sup>	430,000	393,450
Sr. Sec. Gtd. First Lien Notes, 6.63%, 02/15/2023 <sup>(b)</sup>	600,000	577,500
Altice Luxembourg S.A. (Luxembourg), Sr. Unsec. Gtd. Notes, 7.75%, 05/15/2022 <sup>(b)</sup>	950,000	868,063
Digicel Group Ltd. (Jamaica), Sr. Unsec. Notes, 8.25%, 09/30/2020 <sup>(b)</sup>	399,000	271,320
Oztel Holdings SPC Ltd. (Oman), Sr. Sec. Gtd. Notes, 5.63%, 10/24/2023 <sup>(b)</sup>	477,000	456,465
Sprint Capital Corp., Sr. Unsec. Gtd. Global Notes, 8.75%, 03/15/2032	196,000	207,270
Sprint Corp., Sr. Unsec. Gtd. Global Notes, 7.25%, 09/15/2021	1,416,000	1,452,816
7.63%, 02/15/2025	275,000	275,688
7.88%, 09/15/2023	1,814,000	1,866,152

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

	Principal Amount	Value
<b>Wireless Telecommunication Services-(continued)</b>		
T-Mobile USA, Inc., Sr. Unsec. Gtd. Global Bonds, 6.50%, 01/15/2026	\$1,171,000	\$ 1,197,347
Sr. Unsec. Gtd. Global Notes, 6.38%, 03/01/2025	647,000	656,679
		8,222,750
Total U.S. Dollar Denominated Bonds & Notes (Cost \$150,262,660)		134,071,941
<b>Non-U.S. Dollar Denominated Bonds &amp; Notes-1.45%<sup>(g)</sup></b>		
<b>Beverage &amp; Tobacco-0.15%</b>		
Sunshine Mid B.V. (Netherlands), Sr. Sec. Gtd. First Lien Notes, 6.50%, 05/15/2026 <sup>(b)</sup>	EUR 200,000	212,204
<b>Cable &amp; Satellite-0.15%</b>		
Tele Columbus AG (Germany), Sr. Sec. First Lien Notes, 3.88%, 05/02/2025 <sup>(b)</sup>	EUR 200,000	208,727
<b>Diversified Banks-0.54%</b>		
ABN AMRO Bank N.V. (Netherlands), REGS, Jr. Unsec. Sub. Euro Bonds, 4.75% <sup>(b)(e)</sup>	EUR 300,000	300,571
CaixaBank, S.A. (Spain), REGS, Jr. Unsec. Sub. Euro Bonds, 6.75% <sup>(b)(e)</sup>	EUR 200,000	232,205
Erste Group Bank AG (Austria), REGS, Jr. Unsec. Sub. Euro Bonds, 6.50% <sup>(b)(e)</sup>	EUR 200,000	234,420
		767,196
<b>Diversified Chemicals-0.15%</b>		
Chemours Co. (The), Sr. Unsec. Gtd. Euro Bonds, 4.00%, 05/15/2026	EUR 200,000	217,664
<b>Other Diversified Financial Services-0.27%</b>		
Iceland Bondco PLC (United Kingdom), Sr. Sec. Gtd. First Lien Notes, 4.63%, 03/15/2025 <sup>(b)</sup>	GBP 350,000	380,699
<b>Specialized Consumer Services-0.12%</b>		
Intertrust Group B.V. (Netherlands), Sr. Unsec. Notes, 3.38%, 11/15/2025 <sup>(b)</sup>	EUR 150,000	169,767
<b>Textiles-0.07%</b>		
Eagle Intermediate Global Holding B.V./ Ruyi US Finance LLC (China), Sr. Sec. Gtd. First Lien Bonds, 5.38%, 05/01/2023 <sup>(b)</sup>	EUR 100,000	105,799
Total Non-U.S. Dollar Denominated Bonds & Notes (Cost \$2,325,161)		2,062,056
<b>U.S. Treasury Bills-0.78%</b>		
0.98-1.12%, 01/24/2019 (Cost 1,113,479) <sup>(h)(i)</sup>	\$1,115,000	1,113,480
<b>Variable Rate Senior Loan Interests-0.71%<sup>(j)</sup></b>		
<b>Data Processing &amp; Outsourced Services-0.71%</b>		
First Data Corp., Term Loan, 4.80% (3 mo. USD LIBOR + 2.00%), 07/08/2022 (Cost \$1,015,646)	1,037,697	999,593

	Shares	Value
<b>Preferred Stocks-0.65%</b>		
<b>Diversified Banks-0.57%</b>		
Wells Fargo & Co. Class A, Series L, \$75.00 Conv. Pfd.	640	\$ 807,661
<b>Specialized Finance-0.08%</b>		
CIT Group Inc. Series A, 5.80% Pfd.	120,000	108,900
Total Preferred Stocks (Cost \$944,008)		916,561
<b>Common Stocks &amp; Other Equity Interests-0.00%</b>		
<b>Automobile Manufacturers-0.00%</b>		
Motors Liquidation Co. GUC Trust <sup>(k)</sup>	1	9
<b>Broadcasting-0.00%</b>		
Adelphia Recovery Trust-Series ACC-1 <sup>(l)</sup>	318,570	32
Adelphia Recovery Trust-Series Arahova <sup>(l)</sup>	109,170	11
		43
<b>Diversified Support Services-0.00%</b>		
ACC Claims Holdings, LLC <sup>(c)(k)</sup>	269,616	2,157
Total Common Stocks & Other Equity Interests (Cost \$143,574)		2,209
<b>Money Market Funds-0.73%</b>		
Invesco Government & Agency Portfolio- Institutional Class, 2.30% <sup>(m)</sup>	363,560	363,560
Invesco Liquid Assets Portfolio-Institutional Class, 2.48% <sup>(m)</sup>	259,593	259,619
Invesco Treasury Portfolio-Institutional Class, 2.30% <sup>(m)</sup>	415,498	415,498
Total Money Market Funds (Cost \$1,038,677)		1,038,677
<b>Options Purchased-0.01%</b>		
(Cost \$48,790) <sup>(n)</sup>		17,110
TOTAL INVESTMENTS IN SECURITIES-98.79% (Cost \$156,891,995)		140,221,627
OTHER ASSETS LESS LIABILITIES-1.21%		1,717,444
NET ASSETS-100.00%		\$141,939,071

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

Investment Abbreviations:

Conv.	- Convertible
DAC	- Designated Activity Co.
Deb.	- Debentures
EUR	- Euro
GBP	- British Pound
Gtd.	- Guaranteed
GUC	- General Unsecured Creditors
Jr.	- Junior
LIBOR	- London Interbank Offered Rate
Pfd.	- Preferred
PIK	- Pay-in-Kind
REGS	- Regulation S
REIT	- Real Estate Investment Trust
Sec.	- Secured
Sr.	- Senior
Sub.	- Subordinated
Unsec.	- Unsecured
USD	- U.S. Dollar

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at December 31, 2018 was \$69,814,793, which represented 49.19% of the Fund's Net Assets.
- (c) Security valued using significant unobservable inputs (Level 3). See Note 3.
- (d) Defaulted security. Currently, the issuer is partially or fully in default with respect to interest payments. The value of this security at December 31, 2018 represents less than 1% of the Fund's Net Assets.
- (e) Perpetual bond with no specified maturity date.
- (f) All or a portion of this security is Pay-in-Kind. Pay-in-Kind securities pay interest income in the form of securities.
- (g) Foreign denominated security. Principal amount is denominated in the currency indicated.
- (h) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (i) All or a portion of the value was designated as collateral to cover margin requirements for swap agreements. See Note 10 and Note 4.
- (j) Variable rate senior loan interests are, at present, not readily marketable, not registered under the Securities Act of 1933, as amended (the "1933 Act"), and may be subject to contractual and legal restrictions on sale. Variable rate senior loan interests in the Fund's portfolio generally have variable rates which adjust to a base, such as the London Interbank Offered Rate ("LIBOR"), on set dates, typically every 30 days but not greater than one year; and/or have interest rates that float at a margin above a widely recognized base lending rate such as the Prime Rate of a designated U.S. bank.
- (k) Non-income producing security.
- (l) Acquired as part of the Adelphia Communications bankruptcy reorganization.
- (m) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of December 31, 2018.
- (n) The table below details options purchased: See Note 1M and Note 4.

**Open Over-The-Counter Credit Default Swaptions Purchased – Credit Risk**

Description	Type of Contract	Counterparty	Exercise Rate	Reference Entity	(Pay)/Receive Fixed Rate	Payment Frequency	Expiration Date	Implied Credit Spread <sup>(o)</sup>	Notional Value	Value
5 Year Credit Default Swap	Call	Morgan Stanley Capital Services LLC	104.00%	Markit CDX North America High Yield Index, Series 31, Version 1	5.00%	Quarterly	02/20/2019	4.50%	\$8,200,000	\$17,110

**Open Over-The-Counter Credit Default Swaptions Written – Credit Risk**

Description	Type of Contract	Counterparty	Exercise Rate	Reference Entity	(Pay)/Receive Fixed Rate	Payment Frequency	Expiration Date	Implied Credit Spread <sup>(o)</sup>	Premiums Received	Notional Value	Value	Unrealized Appreciation (Depreciation)
5 Year Credit Default Swap	Put	Morgan Stanley Capital Services LLC	98.50%	Markit CDX North America High Yield Index, Series 31, Version 1	(5.00)%	Quarterly	02/20/2019	4.50%	\$(44,690)	\$(8,200,000)	\$(49,857)	\$(5,167)

**Open Forward Foreign Currency Contracts**

Settlement Date	Counterparty	Contract to		Unrealized Appreciation (Depreciation)
		Deliver	Receive	
02/28/2019	Canadian Imperial Bank of Commerce	GBP 232,394	USD 297,806	\$ 784
02/28/2019	Goldman Sachs International	EUR 1,681,478	USD 1,921,585	(13,989)
Total Open Forward Foreign Currency Contracts – Currency Risk				\$(13,205)

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

Currency Abbreviations:

EUR - Euro

GBP - British Pound Sterling

USD - U.S. Dollar

**Open Centrally Cleared Credit Default Swap Agreements – Credit Risk**

Reference Entity	Buy/Sell Protection	(Pay)/Receive Fixed Rate	Payment Frequency	Maturity Date	Implied Credit Spread <sup>(a)</sup>	Notional Value	Upfront Payments Paid	Value	Unrealized Appreciation (Depreciation) <sup>(b)</sup>
Markit CDX North America High Yield Index, Series 31, Version 1	Sell	5.00%	Quarterly	12/20/2023	4.51%	USD 8,500,000	\$407,792	\$169,430	\$(238,362)

<sup>(a)</sup> Implied credit spreads represent the current level, as of December 31, 2018 at which protection could be bought or sold given the terms of the existing credit default swap agreement and serve as an indicator of the current status of the payment/performance risk of the credit default swap agreement. An implied credit spread that has widened or increased since entry into the initial agreement may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets generally.

<sup>(b)</sup> The daily variation margin receivable (payable) at period end is recorded in the Statement of Assets and Liabilities.

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

# Statement of Assets and Liabilities

December 31, 2018

## Assets:

Investments in securities, at value (Cost \$155,853,318)	\$139,182,950
Investments in affiliated money market funds, at value and cost	1,038,677
Other investments:	
Variation margin receivable – centrally cleared swap agreements	9,721
Unrealized appreciation on forward foreign currency contracts outstanding	784
Foreign currencies, at value (Cost \$459,064)	462,126
Receivable for:	
Investments sold	407,301
Fund shares sold	128,676
Dividends and interest	2,498,384
Investment for trustee deferred compensation and retirement plans	68,615
Other assets	13,516
<b>Total assets</b>	<b>143,810,750</b>

## Liabilities:

Other investments:	
Options written, at value (premiums received \$44,690)	49,857
Unrealized depreciation on forward foreign currency contracts outstanding	13,989
Payable for:	
Investments purchased	1,015,646
Amount due to custodian	314,648
Fund shares reacquired	219,455
Accrued fees to affiliates	116,176
Accrued trustees' and officers' fees and benefits	4,365
Accrued other operating expenses	63,944
Trustee deferred compensation and retirement plans	73,599
<b>Total liabilities</b>	<b>1,871,679</b>
<b>Net assets applicable to shares outstanding</b>	<b>\$141,939,071</b>

## Net assets consist of:

Shares of beneficial interest	\$162,187,980
Distributable earnings	(20,248,909)
	\$141,939,071

## Net Assets:

Series I	\$ 55,702,879
Series II	\$ 86,236,192

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

Series I	11,010,147
Series II	17,195,056

## Series I:

Net asset value per share	\$ 5.06
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## Series II:

Net asset value per share	\$ 5.02
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# Statement of Operations

For the year ended December 31, 2018

## Investment income:

Interest	\$ 10,093,987
Dividends (net of foreign withholding taxes of \$147)	358,554
Dividends from affiliated money market funds	92,102
<b>Total investment income</b>	<b>10,544,643</b>

## Expenses:

Advisory fees	1,096,482
Administrative services fees	312,452
Custodian fees	18,204
Distribution fees – Series II	230,040
Transfer agent fees	29,621
Trustees' and officers' fees and benefits	22,699
Reports to shareholders	11,791
Professional services fees	515,676
Other	37,076
<b>Total expenses</b>	<b>2,274,041</b>
Less: Fees waived	(5,004)
<b>Net expenses</b>	<b>2,269,037</b>
<b>Net investment income</b>	<b>8,275,606</b>

## Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities	(1,029,224)
Foreign currencies	13,290
Forward foreign currency contracts	127,564
Option contracts written	(75,934)
Swap agreements	140,252
	(824,052)
Change in net unrealized appreciation (depreciation) of:	
Investment securities	(13,177,294)
Foreign currencies	(7,195)
Forward foreign currency contracts	1,959
Option contracts written	(5,167)
Swap agreements	(404,611)
	(13,592,308)
<b>Net realized and unrealized gain (loss)</b>	<b>(14,416,360)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ (6,140,754)</b>

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, 2018 and 2017

	2018	2017
<b>Operations:</b>		
Net investment income	\$ 8,275,606	\$ 8,625,415
Net realized gain (loss)	(824,052)	1,465,141
Change in net unrealized appreciation (depreciation)	(13,592,308)	766,828
Net increase (decrease) in net assets resulting from operations	(6,140,754)	10,857,384
<b>Distributions to shareholders from distributable earnings<sup>(1)</sup>:</b>		
Series I	(4,211,171)	(4,535,246)
Series II	(4,569,006)	(3,468,057)
Total distributions from distributable earnings	(8,780,177)	(8,003,303)
<b>Share transactions-net:</b>		
Series I	(17,542,621)	(15,580,462)
Series II	2,229,098	7,275,758
Net increase (decrease) in net assets resulting from share transactions	(15,313,523)	(8,304,704)
Net increase (decrease) in net assets	(30,234,454)	(5,450,623)
<b>Net assets:</b>		
Beginning of year	172,173,525	177,624,148
End of year	\$141,939,071	\$172,173,525

<sup>(1)</sup> The Securities and Exchange Commission eliminated the requirement to disclose distribution components separately, except for tax return of capital. For the year ended December 31, 2017, distributions to shareholders from distributable earnings consisted of distributions from net investment income.

## Notes to Financial Statements

December 31, 2018

### NOTE 1—Significant Accounting Policies

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

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

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

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

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

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

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

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

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded.

Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value ("NAV") per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange ("NYSE").

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

Swap agreements are fair valued using an evaluated quote, if available, provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end-of-day net present values, spreads, ratings, industry, company performance and returns of referenced assets. Centrally cleared swap agreements are valued at the daily settlement price determined by the relevant exchange or clearinghouse.

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

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

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

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

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

**B. Securities Transactions and Investment Income** – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Bond premiums and discounts are amortized and/or accreted over the lives of the respective securities. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

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

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

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

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

- D. Distributions** – Distributions from net investment income and net realized capital gain, if any, are generally declared and paid to separate accounts of participating insurance companies annually and recorded on the ex-dividend date.
- E. Federal Income Taxes** – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), necessary to qualify as a regulated investment company and to distribute substantially all of the Fund’s taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements. The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund’s uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months. The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.
- F. Expenses** – Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.
- G. Accounting Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.
- H. Indemnifications** – Under the Trust’s organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund’s servicing agreements, that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.
- I. Lower-Rated Securities** – The Fund normally invests at least 80% of its net assets in lower-quality debt securities, i.e., “junk bonds”. Investments in lower-rated securities or unrated securities of comparable quality tend to be more sensitive to economic conditions than higher rated securities. Junk bonds involve a greater risk of default by the issuer because such securities are generally unsecured and are often subordinated to other creditors’ claims.
- J. Securities Purchased on a When-Issued and Delayed Delivery Basis** – The Fund may purchase and sell interests in corporate loans and corporate debt securities and other portfolio securities on a when-issued and delayed delivery basis, with payment and delivery scheduled for a future date. No income accrues to the Fund on such interests or securities in connection with such transactions prior to the date the Fund actually takes delivery of such interests or securities. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of acquiring such securities, they may sell such securities prior to the settlement date.
- K. Foreign Currency Translations** – Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates. The Fund may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests and are shown in the Statement of Operations.
- L. Forward Foreign Currency Contracts** – The Fund may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk. The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts. A forward foreign currency contract is an obligation between two parties (“Counterparties”) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

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

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

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

When the Fund buys a call option, an amount equal to the premium paid by the Fund is recorded as an investment on the Statement of Assets and Liabilities. The amount of the investment is subsequently “marked-to-market” to reflect the current value of the option purchased. Realized and unrealized gains and losses on call options purchased are included in the Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Investment securities. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

**N. Put Options Purchased and Written** – The Fund may purchase and write put options including options on securities indexes, or foreign currency and/or futures contracts. By purchasing a put option, the Fund obtains the right (but not the obligation) to sell the option’s underlying instrument at a fixed strike price. In return for this right, the Fund pays an option premium. The option’s underlying instrument may be a security, securities index, or a futures contract.

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

Put options may be used by the Fund to hedge securities it owns by locking in a minimum price at which the Fund can sell. If security prices fall, the put option could be exercised to offset all or a portion of the Fund’s resulting losses. At the same time, because the maximum the Fund has at risk is the cost of the option, purchasing put options does not eliminate the potential for the Fund to profit from an increase in the value of the underlying portfolio securities. The Fund may write put options to earn additional income in the form of option premiums if it expects the price of the underlying instrument to remain stable or rise during the option period so that the option will not be exercised. The risk in this strategy is that the price of the underlying securities may decline by an amount greater than the premium received. Put options written are reported as a liability in the Statement of Assets and Liabilities. Realized and unrealized gains and losses on put options purchased and put options written are included in the Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Investment securities and Option contracts written, respectively. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

**O. Swap Agreements** – The Fund may enter into various swap transactions, including interest rate, total return, index, currency and credit default swap contracts (“CDS”) for investment purposes or to manage interest rate, currency or credit risk. Such transactions are agreements between Counterparties. A swap agreement may be negotiated bilaterally and traded over-the-counter (“OTC”) between two parties (“uncleared/OTC”) or, in some instances, must be transacted through a future commission merchant (“FCM”) and cleared through a clearinghouse that serves as a central Counterparty (“centrally cleared swap”). These agreements may contain among other conditions, events of default and termination events, and various covenants and representations such as provisions that require the Fund to maintain a pre-determined level of net assets, and/or provide limits regarding the decline of the Fund’s NAV over specific periods of time. If the Fund were to trigger such provisions and have open derivative positions at that time, the Counterparty may be able to terminate such agreement and request immediate payment in an amount equal to the net liability positions, if any.

Interest rate, total return, index, and currency swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or “swapped” between the parties are calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a “basket” of securities representing a particular index.

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

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

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

An interest rate swap is an agreement between Counterparties pursuant to which the parties exchange a floating rate payment for a fixed rate payment based on a specified notional amount.

Changes in the value of centrally cleared and OTC swap agreements are recognized as unrealized gains (losses) in the Statement of Operations by "marking to market" on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Statement of Operations. The Fund segregates cash or liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any swap transaction. Cash held as collateral is recorded as deposits with brokers on the Statement of Assets and Liabilities. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and Counterparty risk in excess of amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the Counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements. A short position in a security poses more risk than holding the same security long. As there is no limit on how much the price of the security can increase, the Fund's exposure is unlimited.

Notional amounts of each individual credit default swap agreement outstanding as of December 31, 2018 for which the Fund is the seller of protection are disclosed in the open swap agreements table. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

- P. Leverage Risk** – Leverage exists when the Fund can lose more than it originally invests because it purchases or sells an instrument or enters into a transaction without investing an amount equal to the full economic exposure of the instrument or transaction.
- Q. Other Risks** – The Fund invests in corporate loans from U.S. or non-U.S. companies (the "Borrowers"). The investment of the Fund in a corporate loan may take the form of participation interests or assignments. If the Fund purchases a participation interest from a syndicate of lenders ("Lenders") or one of the participants in the syndicate ("Participant"), one or more of which administers the loan on behalf of all the Lenders (the "Agent Bank"), the Fund would be required to rely on the Lender that sold the participation interest not only for the enforcement of the Fund's rights against the Borrower but also for the receipt and processing of payments due to the Fund under the corporate loans. As such, the Fund is subject to the credit risk of the Borrower and the Participant. Lenders and Participants interposed between the Fund and a Borrower, together with Agent Banks, are referred to as "Intermediate Participants".
- R. Collateral** – To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund's practice to replace such collateral no later than the next business day.

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

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

Average Daily Net Assets	Rate
First \$200 million	0.625%
Next \$300 million	0.55%
Next \$500 million	0.50%
Over \$1 billion	0.45%

For the year ended December 31, 2018, the effective advisory fees incurred by the Fund was 0.625%.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory agreements with Invesco Capital Management LLC, formerly Invesco PowerShares Capital Management LLC, and Invesco Asset Management (India) Private Limited (collectively, the “Affiliated Sub-Advisers”) the Adviser, not the Fund, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2019, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.50% and Series II shares to 1.75% of average daily net assets (the “expense limits”). In determining the Adviser’s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 2019. During its term, the fee waiver agreement cannot be terminated or amended to increase expense limits or reduce the advisory fee waiver without approval of the Board of Trustees. The Adviser did not waive fees and/or reimburse expenses during the period under these expense limits.

Further, the Adviser has contractually agreed, through at least June 30, 2020, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash in such affiliated money market funds.

For the year ended December 31, 2018, the Adviser waived advisory fees of \$5,004.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco for fees paid to insurance companies that have agreed to provide certain administrative services to the Fund. These administrative services provided by the insurance companies may include, among other things: maintenance of master accounts with the Fund; tracking, recording and transmitting net purchase and redemption orders for Fund shares; maintaining and preserving records related to the purchase, redemption and other account activity of variable product owners; distributing copies of Fund documents such as prospectuses, proxy materials and periodic reports, to variable product owners, and responding to inquiries from variable product owners about the Fund. Pursuant to such agreement, for the year ended December 31, 2018, Invesco was paid \$50,000 for accounting and fund administrative services and was reimbursed \$262,452 for fees paid to insurance companies.

The Trust has entered into a transfer agency and service agreement with Invesco Investment Services, Inc. (“IIS”) pursuant to which the Fund has agreed to pay IIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IIS for certain expenses incurred by IIS in the course of providing such services. For the year ended December 31, 2018, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with Invesco Distributors, Inc. (“IDI”) to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund’s Series II shares (the “Plan”). The Fund, pursuant to the Plan, pays IDI compensation at the annual rate of 0.25% of the Fund’s average daily net assets of Series II shares. The fees are accrued daily and paid monthly. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the year ended December 31, 2018, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

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

## NOTE 3—Additional Valuation Information

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

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

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

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

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

The following is a summary of the tiered valuation input levels, as of December 31, 2018. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
<b>Investments in Securities</b>				
U.S. Dollar Denominated Bonds & Notes	\$ -	\$134,071,941	\$ 0	\$134,071,941
Non-U.S. Dollar Denominated Bonds & Notes	-	2,062,056	-	2,062,056
U.S. Treasury Bills	-	1,113,480	-	1,113,480
Variable Rate Senior Loan Interests	-	999,593	-	999,593
Preferred Stocks	807,661	108,900	-	916,561
Common Stocks & Other Equity Interests	9	43	2,157	2,209
Money Market Funds	1,038,677	-	-	1,038,677
Options Purchased	-	17,110	-	17,110
<b>Total Investments in Securities</b>	<b>1,846,347</b>	<b>138,373,123</b>	<b>2,157</b>	<b>140,221,627</b>
<b>Other Investments – Assets*</b>				
Forward Foreign Currency Contracts	-	784	-	784
<b>Other Investments – Liabilities*</b>				
Forward Foreign Currency Contracts	-	(13,989)	-	(13,989)
Options Written	-	(49,857)	-	(49,857)
Swap Agreements	-	(238,362)	-	(238,362)
	-	(302,208)	-	(302,208)
<b>Total Other Investments</b>	<b>-</b>	<b>(301,424)</b>	<b>-</b>	<b>(301,424)</b>
<b>Total Investments</b>	<b>\$1,846,347</b>	<b>\$138,071,699</b>	<b>\$2,157</b>	<b>\$139,920,203</b>

\* Forward foreign currency contracts and swap agreements are valued at unrealized appreciation (depreciation). Options written are shown at value.

#### NOTE 4–Derivative Investments

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

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

#### Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of December 31, 2018:

Derivative Assets	Value		
	Credit Risk	Currency Risk	Total
Options purchased, at value – OTC <sup>(a)</sup>	\$17,110	\$ -	\$17,110
Unrealized appreciation on forward foreign currency contracts outstanding	-	784	784
<b>Total Derivative Assets</b>	<b>17,110</b>	<b>784</b>	<b>17,894</b>
Derivatives not subject to master netting agreements	-	-	-
<b>Total Derivative Assets subject to master netting agreements</b>	<b>\$17,110</b>	<b>\$784</b>	<b>\$17,894</b>

Derivative Liabilities	Value		
	Credit Risk	Currency Risk	Total
Unrealized depreciation on swap agreements – Centrally Cleared <sup>(b)</sup>	\$(238,362)	\$ -	\$(238,362)
Options written, at value – OTC	(49,857)	-	(49,857)
Unrealized depreciation on forward foreign currency contracts outstanding	-	(13,989)	(13,989)
Total Derivative Liabilities	(288,219)	(13,989)	(302,208)
Derivatives not subject to master netting agreements	238,362	-	238,362
Total Derivative Liabilities subject to master netting agreements	\$ (49,857)	\$(13,989)	\$ (63,846)

<sup>(a)</sup> Options purchased, at value as reported in the Schedule of Investments.

<sup>(b)</sup> The daily variation margin receivable at period-end is recorded in the Statement of Assets and Liabilities.

### Offsetting Assets and Liabilities

The table below reflects the Fund's exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of December 31, 2018.

Counterparty	Financial Derivative Assets			Financial Derivative Liabilities			Collateral (Received)/Pledged			
	Forward Foreign Currency Contracts	Options Purchased	Total Assets	Forward Foreign Currency Contracts	Options Written	Total Liabilities	Net Value of Derivatives	Non-Cash	Cash	Net Amount
Canadian Imperial Bank of Commerce	\$784	\$ -	\$ 784	\$ -	\$ -	\$ -	\$ 784	\$-	\$-	\$ 784
Goldman Sachs International	-	-	-	(13,989)	-	(13,989)	(13,989)	-	-	(13,989)
Morgan Stanley Capital Services LLC	-	17,110	17,110	-	(49,857)	(49,857)	(32,747)	-	-	(32,747)
Total	\$784	\$17,110	\$17,894	\$(13,989)	\$(49,857)	\$(63,846)	\$(45,952)	\$-	\$-	\$(45,952)

### Effect of Derivative Investments for the year ended December 31, 2018

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

	Location of Gain (Loss) on Statement of Operations			
	Credit Risk	Currency Risk	Interest Rate Risk	Total
Realized Gain (Loss):				
Forward foreign currency contracts	\$ -	\$127,564	\$ -	\$ 127,564
Options purchased <sup>(a)</sup>	-	-	(31,822)	(31,822)
Options written	(37,250)	-	(38,684)	(75,934)
Swap agreements	140,252	-	-	140,252
Change in Net Unrealized Appreciation (Depreciation):				
Forward foreign currency contracts	-	1,959	-	1,959
Options purchased <sup>(a)</sup>	(31,680)	-	-	(31,680)
Options written	(5,167)	-	-	(5,167)
Swap agreements	(404,611)	-	-	(404,611)
Total	\$(338,456)	\$129,523	\$(70,506)	\$(279,439)

<sup>(a)</sup> Options purchased are included in the net realized gain (loss) from investment securities and the change in net unrealized appreciation (depreciation) of investment securities.

The table below summarizes the twelve month average notional value of forward foreign currency contracts, three month average notional value of options purchased and options written and eleven month average notional value of swap agreements outstanding during the period.

	Forward Foreign Currency Contracts	Options Purchased	Options Written	Swap Agreements
Average notional value	\$1,949,648	\$12,600,000	\$15,933,333	\$15,448,814

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

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

## NOTE 6—Cash Balances

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

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

### Tax Character of Distributions to Shareholders Paid During the Fiscal Years Ended December 31, 2018 and 2017:

	2018	2017
Ordinary income	\$8,780,177	\$8,003,303

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

	2018
Undistributed ordinary income	\$ 8,674,466
Net unrealized appreciation (depreciation) – investments	(17,037,525)
Net unrealized appreciation – foreign currencies	3,111
Temporary book/tax differences	(67,354)
Capital loss carryforward	(11,821,607)
Shares of beneficial interest	162,187,980
Total net assets	\$141,939,071

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 and forward foreign currency contracts.

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

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

The Fund has a capital loss carryforward as of December 31, 2018 as follows:

### Capital Loss Carryforward\*

Expiration	Short-Term	Long-Term	Total
Not subject to expiration	\$6,475,665	\$5,345,942	\$11,821,607

\* Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code and may be further limited depending upon a variety of factors, including the realization of net unrealized gains or losses as of the date of any reorganization.

## NOTE 8—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the year ended December 31, 2018 was \$110,687,977 and \$124,009,686, respectively. Cost of investments, including any derivatives, on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

### Unrealized Appreciation (Depreciation) of Investments on a Tax Basis

Aggregate unrealized appreciation of investments	\$ 337,734
Aggregate unrealized (depreciation) of investments	(17,375,259)
Net unrealized appreciation (depreciation) of investments	\$(17,037,525)

Cost of investments for tax purposes is \$157,365,520.

## NOTE 9—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of foreign currency transactions and swap agreements income, on December 31, 2018, undistributed net investment income was increased by \$499,792 and undistributed net realized gain (loss) was decreased by \$499,792. This reclassification had no effect on the net assets or the distributable earnings of the Fund.

## NOTE 10—Share Information

### Summary of Share Activity

	Years ended December 31,			
	2018 <sup>(a)</sup>		2017	
	Shares	Amount	Shares	Amount
<b>Sold:</b>				
Series I	14,839,601	\$ 80,754,950	11,501,884	\$ 63,906,862
Series II	3,110,907	16,714,977	2,531,262	13,924,938
<b>Issued as reinvestment of dividends:</b>				
Series I	793,064	4,211,171	829,113	4,535,246
Series II	866,984	4,569,006	637,511	3,468,057
<b>Reacquired:</b>				
Series I	(19,216,611)	(102,508,742)	(15,263,276)	(84,022,570)
Series II	(3,585,217)	(19,054,885)	(1,841,220)	(10,117,237)
Net increase (decrease) in share activity	(3,191,272)	\$ (15,313,523)	(1,604,726)	\$ (8,304,704)

<sup>(a)</sup> There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 61% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

## NOTE 11—Financial Highlights

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

	Net asset value, beginning of period	Net investment income <sup>(a)</sup>	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Net asset value, end of period	Total return <sup>(b)</sup>	Net assets, end of period (000's omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income to average net assets	Portfolio turnover <sup>(c)</sup>
<b>Series I</b>												
Year ended 12/31/18	\$5.51	\$0.26	\$(0.43)	\$(0.17)	\$(0.28)	\$5.06	(3.35)%	\$55,703	1.17% <sup>(d)</sup>	1.17% <sup>(d)</sup>	4.84% <sup>(d)</sup>	66%
Year ended 12/31/17	5.40	0.26	0.08	0.34	(0.23)	5.51	6.30	80,372	0.99	1.00	4.73	73
Year ended 12/31/16	5.06	0.28	0.28	0.56	(0.22)	5.40	11.21	94,653	0.96	0.96	5.25	99
Year ended 12/31/15	5.53	0.29	(0.46)	(0.17)	(0.30)	5.06	(3.17)	73,594	1.03	1.03	5.23	99
Year ended 12/31/14	5.70	0.29	(0.19)	0.10	(0.27)	5.53	1.73	94,345	0.92	0.98	5.11	103
<b>Series II</b>												
Year ended 12/31/18	5.46	0.25	(0.42)	(0.17)	(0.27)	5.02	(3.43)	86,236	1.42 <sup>(d)</sup>	1.42 <sup>(d)</sup>	4.59 <sup>(d)</sup>	66
Year ended 12/31/17	5.36	0.25	0.07	0.32	(0.22)	5.46	5.93	91,802	1.24	1.25	4.48	73
Year ended 12/31/16	5.03	0.26	0.28	0.54	(0.21)	5.36	10.83	82,971	1.21	1.21	5.00	99
Year ended 12/31/15	5.50	0.27	(0.45)	(0.18)	(0.29)	5.03	(3.37)	70,840	1.28	1.28	4.98	99
Year ended 12/31/14	5.67	0.28	(0.19)	0.09	(0.26)	5.50	1.59	59,683	1.17	1.23	4.86	103

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

<sup>(b)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Total returns are not annualized for periods less than one year, if applicable, and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

<sup>(c)</sup> Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

<sup>(d)</sup> Ratios are based on average daily net assets (000's omitted) of \$83,421 and \$92,016 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. High Yield Fund:

## ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Invesco V.I. High Yield Fund (one of the funds constituting AIM Variable Insurance Funds (Invesco Variable Insurance Funds), hereafter referred to as the "Fund") as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

## ***Basis for Opinion***

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Houston, TX  
February 14, 2019

We have served as the auditor of one or more of the investment companies in the Invesco group of investment companies since at least 1995. We have not been able to determine the specific year we began serving as auditor.

# Calculating your ongoing Fund expenses

## Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service fees (12b-1); and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period July 1, 2018 through December 31, 2018.

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 (07/01/18)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (12/31/18) <sup>1</sup>	Expenses Paid During Period <sup>2</sup>	Ending Account Value (12/31/18)	Expenses Paid During Period <sup>2</sup>	
Series I	\$1,000.00	\$973.50	\$4.68	\$1,020.47	\$4.79	0.94%
Series II	1,000.00	972.90	5.92	1,019.21	6.06	1.19

<sup>1</sup> The actual ending account value is based on the actual total return of the Fund for the period July 1, 2018 through December 31, 2018, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

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

# Tax Information

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

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

The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2018:

## **Federal and State Income Tax**

Corporate Dividends Received Deduction*	1.33%
U.S. Treasury Obligations*	0.04%

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

# Trustees and Officers

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

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

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

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

# Trustees and Officers—(continued)

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

# Trustees and Officers—(continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
<b>Other Officers</b>				
Sheri Morris – 1964 President, Principal Executive Officer and Treasurer	1999	<p>President, Principal Executive Officer and Treasurer, The Invesco Funds; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); and Vice President, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust</p> <p>Formerly: Vice President and Principal Financial Officer, The Invesco Funds; Vice President, Invesco AIM Advisers, Inc., Invesco AIM Capital Management, Inc. and Invesco AIM Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco AIM Capital Management, Inc. and Invesco AIM Private Asset Management, Inc.; and Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust and Invesco Actively Managed Exchange-Traded Fund Trust</p>	N/A	N/A
Russell C. Burk – 1958 Senior Vice President and Senior Officer	2005	Senior Vice President and Senior Officer, The Invesco Funds	N/A	N/A
Jeffrey H. Kupor – 1968 Senior Vice President, Chief Legal Officer and Secretary	2018	<p>Head of Legal of the Americas; Senior Vice President and Secretary, 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.); Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.) and Chief Legal Officer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Secretary, W.L. Ross &amp; Co., LLC; Secretary and Vice President, Jemstep, Inc.</p> <p>Formerly: Head of Legal, Worldwide Institutional; Secretary and General Counsel, INVESCO Private Capital Investments, Inc.; Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Assistant Secretary, INVESCO Asset Management (Bermuda) Ltd.; Secretary and General Counsel, Invesco Private Capital, Inc.; Assistant Secretary and General Counsel, INVESCO Realty, Inc.; Secretary and General Counsel, Invesco Senior Secured Management, Inc.; and Secretary, Sovereign G./P. Holdings Inc.</p>	N/A	N/A
John M. Zerr – 1962 Senior Vice President	2006	<p>Chief Operating Officer of the Americas; Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director and Vice President, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, The Invesco Funds; Managing Director, Invesco Capital Management LLC; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Senior Vice President, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Manager, Invesco Indexing LLC</p> <p>Formerly: Director and Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.); Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Chief Legal Officer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Director, Secretary, General Counsel and Senior Vice President, Van Kampen Exchange Corp.; Director, Vice President and Secretary, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Director and Vice President, Van Kampen Advisors Inc.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; Director and Secretary, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco AIM Advisers, Inc. and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco AIM Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser)</p>	N/A	N/A

# Trustees and Officers—(continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
<b>Other Officers—(continued)</b>				
Gregory G. McGreevey – 1962 Senior Vice President	2012	Senior Managing Director, Invesco Ltd.; Director, Chairman, President, and Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Invesco Mortgage Capital, Inc. and Invesco Senior Secured Management, Inc.; and Senior Vice President, The Invesco Funds  Formerly: Senior Vice President, Invesco Management Group, Inc. and Invesco Advisers, Inc.; Assistant Vice President, The Invesco Funds	N/A	N/A
Kelli Gallegos – 1970 Vice President, Principal Financial Officer and Assistant Treasurer	2008	Vice President and Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Vice President, Principal Financial Officer and Assistant Treasurer, The Invesco Funds; Principal Financial and Accounting Officer – Pooled Investments, Invesco Capital Management LLC  Formerly: Assistant Treasurer, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Assistant Treasurer, Invesco Capital Management LLC; Assistant Vice President, The Invesco Funds	N/A	N/A
Tracy Sullivan – 1962 Vice President, Chief Tax Officer and Assistant Treasurer	2008	Vice President, Chief Tax Officer and Assistant Treasurer, The Invesco Funds; Assistant Treasurer, Invesco Capital Management LLC, Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust  Formerly: Assistant Vice President, The Invesco Funds	N/A	N/A
Crissie M. Wisdom – 1969 Anti-Money Laundering Compliance Officer	2013	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser), Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.), Invesco Distributors, Inc., Invesco Investment Services, Inc., The Invesco Funds, and Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust; Anti-Money Laundering Compliance Officer and Bank Secrecy Act Officer, INVESCO National Trust Company and Invesco Trust Company; and Fraud Prevention Manager and Controls and Risk Analysis Manager for Invesco Investment Services, Inc.  Formerly: Anti-Money Laundering Compliance Officer, Van Kampen Exchange Corp. and Invesco Management Group, Inc.	N/A	N/A
Robert R. Leveille – 1969 Chief Compliance Officer	2016	Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser); and Chief Compliance Officer, The Invesco Funds  Formerly: Chief Compliance Officer, Putnam Investments and the Putnam Funds	N/A	N/A

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

#### Office of the Fund

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

#### Investment Adviser

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

#### Distributor

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

#### Auditors

PricewaterhouseCoopers LLP  
1000 Louisiana Street, Suite 5800  
Houston, TX 77002-5021

#### Counsel to the Fund

Stradley Ronon Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103-7018

#### Counsel to the Independent Trustees

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

#### Transfer Agent

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

#### Custodian

State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02110-2801