

Semiannual Report

June 30, 2023



MFS[®] Government Securities Portfolio

MFS[®] Variable Insurance Trust II

MFS® Government Securities Portfolio

CONTENTS

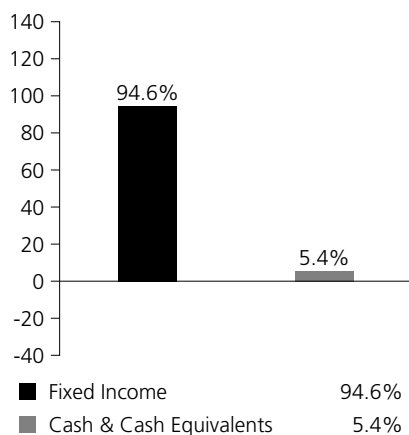
| | |
|---|----|
| Portfolio composition | 1 |
| Expense table | 3 |
| Portfolio of investments | 4 |
| Statement of assets and liabilities | 10 |
| Statement of operations | 11 |
| Statements of changes in net assets | 12 |
| Financial highlights | 13 |
| Notes to financial statements | 15 |
| Statement regarding liquidity risk management program | 23 |
| Proxy voting policies and information | 24 |
| Quarterly portfolio disclosure | 24 |
| Further information | 24 |
| Information about fund contracts and legal claims | 24 |

The report is prepared for the general information of shareholders. It is authorized for distribution to prospective investors only when preceded or accompanied by a current prospectus.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK OR CREDIT UNION GUARANTEE •
NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR NCUA/NCUSIF

PORTFOLIO COMPOSITION

Portfolio structure at value (v)



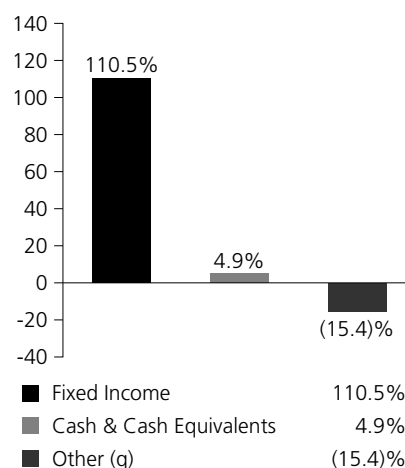
Fixed income sectors (i)

| | |
|---------------------------------------|-------|
| Mortgage-Backed Securities | 54.8% |
| U.S. Treasury Securities | 46.2% |
| Commercial Mortgage-Backed Securities | 3.8% |
| Asset-Backed Securities | 2.0% |
| Collateralized Debt Obligations | 1.7% |
| Municipal Bonds | 0.9% |
| Investment Grade Corporates | 0.6% |
| U.S. Government Agencies | 0.5% |

Composition including fixed income credit quality (a)(i)

| | |
|-------------------------|---------|
| AAA | 6.1% |
| AA | 1.4% |
| A | 1.2% |
| BBB | 0.3% |
| U.S. Government | 30.8% |
| Federal Agencies | 55.3% |
| Not Rated | 15.4% |
| Cash & Cash Equivalents | 4.9% |
| Other (q) | (15.4)% |

Portfolio structure reflecting equivalent exposure of derivative positions (i)



Portfolio facts

| | |
|--------------------------------|----------|
| Average Duration (d) | 6.3 |
| Average Effective Maturity (m) | 7.5 yrs. |

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. If none of the 3 rating agencies above assign a rating, but the security is rated by DBRS Morningstar, then the DBRS Morningstar rating is assigned. If none of the 4 rating agencies listed above rate the security, but the security is rated by the Kroll Bond Rating Agency (KBRA), then the KBRA rating is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency mortgage-backed securities, and collateralized mortgage obligations of U.S. Agency mortgage-backed securities. Not Rated includes fixed income securities and fixed income derivatives that have not been rated by any rating agency. The fund may or may not have held all of these instruments on this date. The fund is not rated by these agencies.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move. The Average Duration calculation reflects the impact of the equivalent exposure of derivative positions, if any.

MFS Government Securities Portfolio

Portfolio Composition - continued

- (i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
- (m) In determining each instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening feature (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- (q) For purposes of this presentation, Other includes equivalent exposure from currency derivatives and/or any offsets to derivative positions and may be negative.
- (v) For purposes of this presentation, market value of fixed income and/or equity derivatives, if any, is included in Cash & Cash Equivalents.

Where the fund holds convertible bonds, they are treated as part of the equity portion of the portfolio.

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and other assets and liabilities.

Percentages are based on net assets as of June 30, 2023.

The portfolio is actively managed and current holdings may be different.

EXPENSE TABLE

Fund expenses borne by the shareholders during the period, January 1, 2023 through June 30, 2023

As a shareholder of the fund, you incur ongoing costs, including management fees; distribution and/or service (12b-1) fees; 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 the 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 January 1, 2023 through June 30, 2023.

Actual Expenses

The first line for each share class in the following table provides information about actual account values and actual expenses. You may use the information in this line, 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 first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line for each share class in the following table 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 the fund's ongoing costs only and do not take into account the fees and expenses imposed under the variable contracts through which your investment in the fund is made. Therefore, the second line for each share class in the table is useful in comparing ongoing costs associated with an investment in vehicles (such as the fund) which fund benefits under variable annuity and variable life insurance contracts and to qualified pension and retirement plans only, and will not help you determine the relative total costs of investing in the fund through variable annuity and variable life insurance contracts. If the fees and expenses imposed under the variable contracts were included, your costs would have been higher.

| Share Class | | Annualized Expense Ratio | Beginning Account Value 1/01/23 | Ending Account Value 6/30/23 | Expenses Paid During Period (p) 1/01/23-6/30/23 |
|---------------|------------------|--------------------------|---------------------------------|------------------------------|---|
| Initial Class | Actual | 0.58% | \$1,000.00 | \$1,016.04 | \$2.90 |
| | Hypothetical (h) | 0.58% | \$1,000.00 | \$1,021.92 | \$2.91 |
| Service Class | Actual | 0.83% | \$1,000.00 | \$1,014.22 | \$4.15 |
| | Hypothetical (h) | 0.83% | \$1,000.00 | \$1,020.68 | \$4.16 |

(h) 5% class return per year before expenses.

(p) "Expenses Paid During Period" are equal to each class's annualized expense ratio, as shown above, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

PORTFOLIO OF INVESTMENTS – 6/30/23 (unaudited)

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by broad-based asset classes.

| Issuer | Shares/Par | Value (\$) |
|---|--------------|---------------|
| Bonds – 94.6% | | |
| Asset-Backed & Securitized – 7.4% | | |
| 3650R Commercial Mortgage Trust, 2021-PF1, "XA", 1.135%, 11/15/2054 (i) | \$ 3,584,590 | \$ 187,732 |
| ACREC 2021-FL1 Ltd., "AS", FLR, 6.658% (LIBOR - 1mo. + 1.5%), 10/16/2036 (n) | 1,293,000 | 1,248,587 |
| ACREC 2023-FL2 LLC, "A", FLR, 7.32% (SOFR - 1mo. + 2.23%), 2/19/2038 (n) | 729,883 | 724,603 |
| Arbor Realty Trust, Inc., CLO, 2021-FL1, "B", FLR, 6.719% (LIBOR - 1mo. + 1.5%), 12/15/2035 (n) | 671,500 | 646,215 |
| Arbor Realty Trust, Inc., CLO, 2021-FL3, "AS", FLR, 6.593% (LIBOR - 1mo. + 1.4%), 8/15/2034 (n) | 1,107,000 | 1,067,491 |
| AREIT 2022-CRE6 Trust, "AS", FLR, 6.716% (SOFR - 30 day + 1.65%), 1/20/2037 (n) | 1,405,000 | 1,350,039 |
| BBCMS Mortgage Trust, 2021-C10, "XA", 1.415%, 7/15/2054 (i) | 3,631,703 | 238,376 |
| BBCMS Mortgage Trust, 2021-C9, "XA", 1.742%, 2/15/2054 (i) | 2,370,111 | 204,241 |
| BBCMS Mortgage Trust, 2022-C18, "XA", 0.637%, 12/15/2055 (i) | 3,503,904 | 133,452 |
| Benchmark 2021-B23 Mortgage Trust, "XA", 1.376%, 2/15/2054 (i) | 7,602,752 | 491,003 |
| Benchmark 2021-B24 Mortgage Trust, "XA", 1.266%, 3/15/2054 (i) | 4,502,294 | 263,518 |
| Benchmark 2021-B26 Mortgage Trust, "XA", 0.997%, 6/15/2054 (i) | 6,473,873 | 303,915 |
| Benchmark 2021-B27 Mortgage Trust, "XA", 1.38%, 7/15/2054 (i) | 5,785,773 | 398,905 |
| Benchmark 2021-B28 Mortgage Trust, "XA", 1.39%, 8/15/2054 (i) | 6,754,346 | 470,834 |
| Benchmark 2021-B29 Mortgage Trust, "XA", 1.148%, 9/15/2054 (i) | 7,554,643 | 404,840 |
| BSPDF 2021-FL1 Issuer Ltd., "A", FLR, 6.393% (LIBOR - 1mo. + 1.2%), 10/15/2036 (n) | 614,500 | 597,003 |
| BSPDF 2021-FL1 Issuer Ltd., "AS", FLR, 6.673% (LIBOR - 1mo. + 1.48%), 10/15/2036 (n) | 777,500 | 727,473 |
| BXMT 2021-FL4 Ltd., "AS", FLR, 6.561% (LIBOR - 1mo. + 1.3%), 5/15/2038 (n) | 1,344,000 | 1,266,158 |
| Capital Automotive, 2020-1A, "A4", REIT, 3.19%, 2/15/2050 (n) | 266,490 | 248,350 |
| CarMax Auto Owner Trust, 2023-2, "A1", 5.508%, 5/15/2024 | 702,310 | 702,317 |
| Citigroup Commercial Mortgage Trust, 2019-XA, "C7", 0.99%, 12/15/2072 (i)(n) | 4,389,133 | 181,761 |
| Commercial Mortgage Pass-Through Certificates, 2021-BN31, "XA", 1.427%, 2/15/2054 (i) | 5,831,327 | 417,092 |
| Commercial Mortgage Pass-Through Certificates, 2021-BN32, "XA", 0.885%, 4/15/2054 (i) | 3,302,111 | 135,556 |
| CPS Auto Trust, 2019-D, "E", 3.86%, 10/15/2025 (n) | 832,000 | 815,419 |
| Dell Equipment Finance Trust 2023-1, "A2", 5.65%, 9/22/2028 (n) | 759,000 | 754,719 |
| DT Auto Owner Trust, 2023-1A, "A", 5.48%, 4/15/2027 (n) | 407,125 | 405,748 |
| DT Auto Owner Trust, 2023-2A, "A", 5.88%, 4/15/2027 (n) | 1,074,580 | 1,071,335 |
| Exeter Automobile Receivables Trust 23-3A, "A2", 6.11%, 9/15/2025 | 58,000 | 57,981 |
| LAD Auto Receivables Trust, 2022-1A, "A", 5.21%, 6/15/2027 (n) | 148,242 | 146,509 |
| LAD Auto Receivables Trust, 2023-1A, "A2", 5.68%, 10/15/2026 (n) | 201,555 | 200,579 |
| LoanCore 2021-CRE5 Ltd., "AS", FLR, 6.943% (LIBOR - 1mo. + 1.75%), 7/15/2036 (n) | 1,110,500 | 1,039,041 |
| MF1 2021-FL5 Ltd., "AS", FLR, 6.461% (LIBOR - 1mo. + 1.2%), 7/15/2036 (n) | 664,500 | 644,813 |
| MF1 2021-FL5 Ltd., "B", FLR, 6.711% (LIBOR - 1mo. + 1.45%), 7/15/2036 (n) | 836,500 | 808,877 |
| Morgan Stanley Capital I Trust, 2018-H4, "XA", 0.999%, 12/15/2051 (i) | 5,999,367 | 200,714 |
| Morgan Stanley Capital I Trust, 2021-L5, "XA", 1.416%, 5/15/2054 (i) | 2,870,691 | 187,297 |
| Morgan Stanley Capital I Trust, 2021-L6, "XA", 1.338%, 6/15/2054 (i) | 3,498,076 | 207,303 |
| Morgan Stanley Capital I Trust, 2021-L7, "XA", 1.211%, 10/15/2054 (i) | 13,368,918 | 753,371 |
| Nissan Auto Receivables Owner Trust, 2023-A, 5.424%, 5/15/2024 | 369,182 | 369,164 |
| PFP III 2021-7 Ltd., "AS", FLR, 6.343% (LIBOR - 1mo. + 1.15%), 4/14/2038 (n) | 932,953 | 905,360 |
| ReadyCap Commercial Mortgage Trust, 2021-FL7, "A", FLR, 6.35% (LIBOR - 1mo. + 1.2%), 11/25/2036 (n) | 602,686 | 587,851 |
| ReadyCap Commercial Mortgage Trust, 2021-FL7, "AS", FLR, 6.65% (LIBOR - 1mo. + 1.5%), 11/25/2036 (n) | 206,000 | 201,025 |
| Toyota Lease Owner Trust, 2023-A, "A1", 5.388%, 4/22/2024 (n) | 201,729 | 201,632 |
| Toyota Lease Owner Trust, 2023-A, "A2", 5.3%, 8/20/2025 (n) | 422,000 | 420,012 |
| Wells Fargo Commercial Mortgage Trust, 2018-C48, "XA", 1.106%, 1/15/2052 (i)(n) | 3,252,480 | 127,466 |
| Wells Fargo Commercial Mortgage Trust, 2021-C60, "XA", 1.656%, 8/15/2054 (i) | 1,310,116 | 104,576 |
| Westlake Automobile Receivables Trust, 2023-1A, "A2B", FLR, 5.916% (SOFR - 1mo. + 0.85%), 6/15/2026 (n) | 153,000 | 152,884 |
| World Omni Select Auto Trust 2023-A, "A2B", FLR, 5.916% (SOFR - 1mo. + 0.85%), 3/15/2027 | 600,000 | 599,220 |
| | | \$ 23,372,357 |
| Consumer Services – 0.2% | | |
| Conservation Fund, 3.474%, 12/15/2029 | \$ 563,000 | \$ 487,267 |

Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par | Value (\$) |
|--|--------------|--------------|
| Bonds – continued | | |
| Industrial – 0.1% | | |
| Howard University, Washington D.C., AGM, 2.416%, 10/01/2024 | \$ 119,000 | \$ 114,235 |
| Howard University, Washington D.C., AGM, 2.516%, 10/01/2025 | 147,000 | 137,494 |
| | | \$ 251,729 |
| Medical & Health Technology & Services – 0.4% | | |
| ProMedica Toledo Hospital, “B”, AGM, 5.325%, 11/15/2028 | \$ 879,000 | \$ 861,321 |
| ProMedica Toledo Hospital, “B”, AGM, 5.75%, 11/15/2038 | 246,000 | 242,132 |
| | | \$ 1,103,453 |
| Mortgage-Backed – 54.5% | | |
| Fannie Mae, 4.5%, 5/01/2025 - 4/01/2041 | \$ 1,968,337 | \$ 1,941,959 |
| Fannie Mae, 4%, 3/25/2028 - 2/01/2045 | 6,702,158 | 6,437,571 |
| Fannie Mae, 3%, 11/01/2028 - 5/25/2053 | 4,383,783 | 4,078,551 |
| Fannie Mae, 6.5%, 9/01/2031 - 10/01/2037 | 271,037 | 281,790 |
| Fannie Mae, 2.5%, 11/01/2031 - 10/01/2046 | 710,198 | 637,189 |
| Fannie Mae, 3.5%, 12/25/2031 - 2/25/2036 (i) | 254,898 | 23,291 |
| Fannie Mae, 2.002%, 1/25/2032 | 1,900,000 | 1,556,784 |
| Fannie Mae, 4.35%, 2/01/2033 | 595,371 | 588,590 |
| Fannie Mae, 3%, 2/25/2033 (i) | 315,581 | 27,597 |
| Fannie Mae, 5.5%, 10/01/2033 - 3/01/2038 | 2,755,585 | 2,820,330 |
| Fannie Mae, 5%, 11/01/2033 - 3/01/2041 | 1,960,877 | 1,972,435 |
| Fannie Mae, 6%, 8/01/2034 - 7/01/2037 | 295,623 | 303,159 |
| Fannie Mae, 3.5%, 4/01/2038 - 7/01/2046 | 3,305,546 | 3,087,291 |
| Fannie Mae, 2%, 10/25/2040 - 4/25/2046 | 340,430 | 306,885 |
| Fannie Mae, 1.75%, 10/25/2041 | 595,517 | 540,690 |
| Fannie Mae, 2.75%, 9/25/2042 | 262,768 | 241,867 |
| Fannie Mae, UMBS, 2%, 12/01/2036 - 4/01/2052 | 15,083,719 | 12,523,119 |
| Fannie Mae, UMBS, 2.5%, 7/01/2037 - 8/01/2052 | 20,793,050 | 17,745,589 |
| Fannie Mae, UMBS, 5%, 6/01/2038 - 4/01/2053 | 1,848,145 | 1,815,553 |
| Fannie Mae, UMBS, 1.5%, 2/01/2042 | 65,023 | 52,614 |
| Fannie Mae, UMBS, 3%, 6/01/2051 - 7/01/2052 | 5,085,289 | 4,494,617 |
| Fannie Mae, UMBS, 3.5%, 5/01/2052 | 357,788 | 326,109 |
| Fannie Mae, UMBS, 4.5%, 8/01/2052 - 9/01/2052 | 647,529 | 624,673 |
| Fannie Mae, UMBS, 6%, 12/01/2052 - 6/01/2053 | 297,630 | 308,447 |
| Fannie Mae, UMBS, 5.5%, 2/01/2053 | 473,144 | 470,917 |
| Freddie Mac, 3.06%, 7/25/2023 | 17,327 | 17,264 |
| Freddie Mac, 1.041%, 4/25/2024 (i) | 10,862,100 | 52,671 |
| Freddie Mac, 0.726%, 7/25/2024 (i) | 14,364,385 | 59,920 |
| Freddie Mac, 3.064%, 8/25/2024 | 1,645,326 | 1,601,664 |
| Freddie Mac, 4.5%, 9/01/2024 - 5/01/2042 | 1,201,244 | 1,179,456 |
| Freddie Mac, 2.67%, 12/25/2024 | 3,924,000 | 3,775,419 |
| Freddie Mac, 4%, 7/01/2025 - 4/01/2044 | 810,301 | 779,033 |
| Freddie Mac, 3.5%, 1/15/2027 - 10/25/2058 | 10,895,796 | 10,168,688 |
| Freddie Mac, 1.48%, 3/25/2027 (i) | 1,030,000 | 45,770 |
| Freddie Mac, 0.706%, 7/25/2027 (i) | 29,084,462 | 562,811 |
| Freddie Mac, 0.553%, 8/25/2027 (i) | 23,930,459 | 358,715 |
| Freddie Mac, 0.429%, 1/25/2028 (i) | 40,184,045 | 501,987 |
| Freddie Mac, 0.436%, 1/25/2028 (i) | 17,267,522 | 222,269 |
| Freddie Mac, 0.27%, 2/25/2028 (i) | 48,850,773 | 320,046 |
| Freddie Mac, 2.5%, 3/15/2028 | 16,069 | 16,004 |
| Freddie Mac, 0.263%, 4/25/2028 (i) | 31,623,094 | 197,869 |
| Freddie Mac, 3%, 6/15/2028 - 2/25/2059 | 6,813,272 | 6,161,560 |
| Freddie Mac, 1.219%, 7/25/2029 (i) | 4,413,042 | 235,715 |
| Freddie Mac, 1.267%, 8/25/2029 (i) | 7,644,125 | 430,144 |
| Freddie Mac, 1.916%, 4/25/2030 (i) | 1,602,831 | 162,525 |
| Freddie Mac, 1.985%, 4/25/2030 (i) | 4,034,514 | 413,650 |

MFS Government Securities Portfolio

Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par | Value (\$) |
|---|--------------|------------|
| Bonds – continued | | |
| Mortgage-Backed – continued | | |
| Freddie Mac, 1.768%, 5/25/2030 (i) | \$ 2,174,913 | \$ 205,163 |
| Freddie Mac, 1.906%, 5/25/2030 (i) | 4,905,689 | 497,789 |
| Freddie Mac, 1.436%, 6/25/2030 (i) | 1,983,331 | 153,674 |
| Freddie Mac, 1.703%, 8/25/2030 (i) | 1,814,781 | 168,817 |
| Freddie Mac, 1.262%, 9/25/2030 (i) | 1,149,690 | 79,754 |
| Freddie Mac, 1.171%, 11/25/2030 (i) | 2,249,951 | 146,634 |
| Freddie Mac, 0.42%, 1/25/2031 (i) | 8,720,737 | 165,537 |
| Freddie Mac, 0.872%, 1/25/2031 (i) | 3,359,280 | 163,531 |
| Freddie Mac, 1.026%, 1/25/2031 (i) | 2,545,825 | 147,143 |
| Freddie Mac, 0.611%, 3/25/2031 (i) | 6,922,859 | 215,534 |
| Freddie Mac, 0.828%, 3/25/2031 (i) | 2,967,667 | 139,655 |
| Freddie Mac, 1.325%, 5/25/2031 (i) | 1,210,235 | 93,582 |
| Freddie Mac, 1.039%, 7/25/2031 (i) | 1,944,368 | 119,656 |
| Freddie Mac, 0.608%, 8/25/2031 (i) | 2,463,922 | 82,122 |
| Freddie Mac, 0.632%, 9/25/2031 (i) | 8,016,720 | 270,567 |
| Freddie Mac, 0.955%, 9/25/2031 (i) | 7,432,958 | 416,055 |
| Freddie Mac, 0.441%, 11/25/2031 (i) | 11,978,818 | 292,484 |
| Freddie Mac, 0.597%, 12/25/2031 (i) | 11,887,771 | 400,239 |
| Freddie Mac, 0.665%, 12/25/2031 (i) | 1,981,491 | 75,770 |
| Freddie Mac, 6.5%, 8/01/2032 - 5/01/2037 | 161,193 | 167,493 |
| Freddie Mac, 3.78%, 11/25/2032 | 800,000 | 757,415 |
| Freddie Mac, 3.82%, 12/25/2032 | 1,550,000 | 1,471,005 |
| Freddie Mac, 4.35%, 1/25/2033 | 2,176,380 | 2,153,914 |
| Freddie Mac, 4.25%, 4/25/2033 | 595,275 | 584,849 |
| Freddie Mac, 4.2%, 8/25/2033 | 1,600,000 | 1,564,989 |
| Freddie Mac, 5%, 5/01/2034 - 12/01/2044 | 1,156,375 | 1,155,710 |
| Freddie Mac, 6%, 8/01/2034 - 10/01/2038 | 835,978 | 856,034 |
| Freddie Mac, 5.5%, 8/01/2035 - 6/01/2041 | 713,245 | 732,049 |
| Freddie Mac, 5.5%, 2/15/2036 (i) | 78,376 | 12,308 |
| Freddie Mac, 4.5%, 12/15/2040 (i) | 21,979 | 1,834 |
| Freddie Mac, 1.75%, 8/15/2041 | 213,362 | 194,070 |
| Freddie Mac, 3.25%, 11/25/2061 | 2,046,075 | 1,810,135 |
| Freddie Mac, UMBS, 6.5%, 8/01/2032 | 14,620 | 15,062 |
| Freddie Mac, UMBS, 2%, 6/01/2037 - 4/01/2052 | 11,288,488 | 9,495,360 |
| Freddie Mac, UMBS, 2.5%, 9/01/2037 - 4/01/2052 | 4,290,131 | 3,669,959 |
| Freddie Mac, UMBS, 3.5%, 12/01/2046 - 5/01/2052 | 340,146 | 313,167 |
| Freddie Mac, UMBS, 3%, 7/01/2050 - 4/01/2052 | 1,488,945 | 1,313,958 |
| Freddie Mac, UMBS, 1.5%, 5/01/2051 - 10/01/2051 | 1,727,847 | 1,337,648 |
| Freddie Mac, UMBS, 4%, 5/01/2052 - 8/01/2052 | 783,414 | 739,771 |
| Freddie Mac, UMBS, 5%, 4/01/2053 | 617,656 | 605,276 |
| Freddie Mac, UMBS, 5.5%, 4/01/2053 | 324,082 | 326,156 |
| Ginnie Mae, 5.5%, 7/15/2033 - 4/20/2053 | 3,640,204 | 3,637,459 |
| Ginnie Mae, 5.678%, 8/20/2034 | 218,604 | 220,189 |
| Ginnie Mae, 4%, 5/16/2039 - 9/20/2052 | 1,162,639 | 1,114,121 |
| Ginnie Mae, 4.5%, 8/15/2039 - 10/20/2052 | 5,732,292 | 5,566,150 |
| Ginnie Mae, 3.5%, 10/20/2041 (i) | 94,768 | 3,975 |
| Ginnie Mae, 3.5%, 12/15/2041 - 11/20/2052 | 4,020,096 | 3,751,072 |
| Ginnie Mae, 2.5%, 6/20/2042 - 4/20/2052 | 6,147,644 | 5,324,145 |
| Ginnie Mae, 4%, 8/16/2042 (i) | 145,500 | 20,934 |
| Ginnie Mae, 2.25%, 9/20/2043 | 85,365 | 80,756 |
| Ginnie Mae, 3%, 4/20/2045 - 10/20/2052 | 6,774,079 | 6,091,235 |
| Ginnie Mae, 2%, 1/20/2052 - 3/20/2052 | 5,539,940 | 4,656,171 |
| Ginnie Mae, 5%, 1/20/2053 - 5/20/2053 | 2,940,095 | 2,889,876 |
| Ginnie Mae, 0.588%, 2/16/2059 (i) | 726,450 | 23,918 |
| Ginnie Mae, TBA, 5%, 7/20/2053 | 625,000 | 614,160 |
| Ginnie Mae, TBA, 5.5%, 7/20/2053 | 2,675,000 | 2,662,461 |
| Ginnie Mae, TBA, 6%, 8/21/2053 - 9/21/2053 | 2,575,000 | 2,590,459 |

Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par | Value (\$) |
|---|--------------|-----------------------|
| Bonds – continued | | |
| Mortgage-Backed – continued | | |
| UMBS, TBA, 2%, 7/18/2038 - 7/13/2053 | \$ 3,925,000 | \$ 3,250,027 |
| UMBS, TBA, 2.5%, 7/18/2038 | 2,225,000 | 2,025,532 |
| UMBS, TBA, 5%, 7/18/2038 - 7/13/2053 | 975,000 | 959,753 |
| UMBS, TBA, 5.5%, 7/18/2038 | 625,000 | 628,687 |
| UMBS, TBA, 3%, 7/13/2053 | 1,425,000 | 1,254,056 |
| UMBS, TBA, 4.5%, 7/13/2053 | 650,000 | 624,914 |
| | | <u>\$ 171,572,715</u> |
| Municipals – 0.9% | | |
| California Earthquake Authority Rev., Taxable, "B", 1.477%, 7/01/2023 | \$ 210,000 | \$ 210,000 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Taxable, "B", 3%, 6/01/2046 | 615,000 | 566,254 |
| Massachusetts Educational Financing Authority, Education Loan Rev., Taxable, "A", 2.682%, 7/01/2027 | 335,000 | 303,284 |
| Michigan Finance Authority Tobacco Settlement Asset-Backed Rev., Taxable (2006 Sold Tobacco Receipts), "A-1", 2.326%, 6/01/2030 | 102,998 | 97,287 |
| Philadelphia, PA, School District, Taxable, "A", AGM, 5.995%, 9/01/2030 | 960,000 | 1,013,671 |
| Port of Oakland, CA, Senior Lien Refunding Rev., Taxable, "R", 1.517%, 5/01/2026 | 295,000 | 267,854 |
| West Virginia Tobacco Settlement Financing Authority Asset-Backed Refunding, Taxable, "A-1", 1.497%, 6/01/2024 | 280,000 | 268,761 |
| West Virginia Tobacco Settlement Financing Authority Asset-Backed Refunding, Taxable, "A-1", 1.647%, 6/01/2025 | 225,000 | 208,140 |
| | | <u>\$ 2,935,251</u> |
| U.S. Government Agencies and Equivalents – 0.5% | | |
| Small Business Administration, 4.98%, 11/01/2023 | \$ 4,268 | \$ 4,236 |
| Small Business Administration, 4.77%, 4/01/2024 | 24,497 | 24,152 |
| Small Business Administration, 5.52%, 6/01/2024 | 8,505 | 8,463 |
| Small Business Administration, 4.99%, 9/01/2024 | 2,318 | 2,277 |
| Small Business Administration, 5.11%, 4/01/2025 | 23,400 | 22,837 |
| Small Business Administration, 2.21%, 2/01/2033 | 302,892 | 272,833 |
| Small Business Administration, 2.22%, 3/01/2033 | 472,336 | 424,907 |
| Small Business Administration, 3.15%, 7/01/2033 | 481,315 | 450,452 |
| Small Business Administration, 3.16%, 8/01/2033 | 277,978 | 261,355 |
| Small Business Administration, 3.62%, 9/01/2033 | 158,712 | 150,823 |
| | | <u>\$ 1,622,335</u> |
| U.S. Treasury Obligations – 30.6% | | |
| U.S. Treasury Bill, 0%, 8/01/2023 | \$ 3,243,000 | \$ 3,229,775 |
| U.S. Treasury Bonds, 6.25%, 8/15/2023 | 2,891,000 | 2,893,986 |
| U.S. Treasury Bonds, 6%, 2/15/2026 | 2,699,000 | 2,789,142 |
| U.S. Treasury Bonds, 6.75%, 8/15/2026 | 1,862,000 | 1,982,521 |
| U.S. Treasury Bonds, 6.375%, 8/15/2027 | 326,000 | 351,316 |
| U.S. Treasury Bonds, 4.5%, 8/15/2039 | 1,287,500 | 1,383,962 |
| U.S. Treasury Bonds, 3.125%, 2/15/2043 | 8,176,700 | 7,130,657 |
| U.S. Treasury Bonds, 2.875%, 5/15/2043 | 13,519,500 | 11,308,322 |
| U.S. Treasury Bonds, 2.5%, 2/15/2045 (f) | 14,059,000 | 10,884,741 |
| U.S. Treasury Notes, 0.125%, 7/15/2023 | 1,762,000 | 1,759,067 |
| U.S. Treasury Notes, 0.375%, 10/31/2023 | 1,062,900 | 1,046,209 |
| U.S. Treasury Notes, 0.75%, 12/31/2023 | 12,875,300 | 12,588,623 |
| U.S. Treasury Notes, 2.5%, 5/15/2024 | 5,385,000 | 5,249,954 |
| U.S. Treasury Notes, 3.875%, 3/31/2025 | 2,660,000 | 2,607,735 |
| U.S. Treasury Notes, 4.25%, 5/31/2025 | 8,338,000 | 8,233,124 |
| U.S. Treasury Notes, 2%, 8/15/2025 | 438,000 | 413,209 |
| U.S. Treasury Notes, 2.625%, 12/31/2025 | 2,800,000 | 2,666,672 |
| U.S. Treasury Notes, 3.625%, 3/31/2028 | 9,593,000 | 9,369,663 |
| U.S. Treasury Notes, 1.5%, 2/15/2030 | 3,800,000 | 3,254,641 |
| U.S. Treasury Notes, 1.625%, 5/15/2031 | 6,239,000 | 5,301,931 |

MFS Government Securities Portfolio

Portfolio of Investments (unaudited) – continued

| Issuer | Shares/Par | Value (\$) |
|---|--------------|----------------------|
| Bonds – continued | | |
| U.S. Treasury Obligations – continued | | |
| U.S. Treasury Notes, 1.375%, 11/15/2031 | \$ 2,119,500 | \$ 1,747,677 |
| | | \$ 96,192,927 |
| Total Bonds (Identified Cost, \$318,334,818) | | \$297,538,034 |
| Investment Companies (h) – 7.7% | | |
| Money Market Funds – 7.7% | | |
| MFS Institutional Money Market Portfolio, 5.04% (v) (Identified Cost, \$24,387,478) | 24,387,301 | \$ 24,392,178 |
| Other Assets, Less Liabilities – (2.3)% | | (7,347,727) |
| Net Assets – 100.0% | | \$314,582,485 |

- (f) All or a portion of the security has been segregated as collateral for open futures contracts.
- (h) An affiliated issuer, which may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$24,392,178 and \$297,538,034, respectively.
- (i) Interest only security for which the fund receives interest on notional principal (Par amount). Par amount shown is the notional principal and does not reflect the cost of the security.
- (n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$16,540,950, representing 5.3% of net assets.
- (v) Affiliated issuer that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

The following abbreviations are used in this report and are defined:

| | |
|-------|--|
| AGM | Assured Guaranty Municipal |
| CLO | Collateralized Loan Obligation |
| FLR | Floating Rate. Interest rate resets periodically based on the parenthetically disclosed reference rate plus a spread (if any). The period-end rate reported may not be the current rate. All reference rates are USD unless otherwise noted. |
| LIBOR | London Interbank Offered Rate |
| REIT | Real Estate Investment Trust |
| SOFR | Secured Overnight Financing Rate |
| TBA | To Be Announced |
| UMBS | Uniform Mortgage-Backed Security |

Derivative Contracts at 6/30/23

Futures Contracts

| Description | Long/ Short | Currency | Contracts | Notional Amount | Expiration Date | Value/Unrealized Appreciation (Depreciation) |
|--------------------------------|----------------|----------|-----------|--------------------|--------------------|--|
| Asset Derivatives | | | | | | |
| Interest Rate Futures | | | | | | |
| U.S. Treasury Bond 30 yr | Short | USD | 24 | \$3,045,750 | September – 2023 | \$32,160 |
| U.S. Treasury Note 2 yr | Short | USD | 72 | 14,640,750 | September – 2023 | 108 |
| U.S. Treasury Note 5 yr | Short | USD | 42 | 4,497,938 | September – 2023 | 104 |
| | | | | | | <u>\$32,372</u> |
| Liability Derivatives | | | | | | |
| Interest Rate Futures | | | | | | |
| U.S. Treasury Note 10 yr | Long | USD | 597 | \$67,022,578 | September – 2023 | \$(1,215,785) |
| U.S. Treasury Ultra Bond 30 yr | Long | USD | 21 | 2,860,594 | September – 2023 | (1,988) |

*Portfolio of Investments (unaudited) – continued***Futures Contracts - continued**

| Description | Long/ Short | Currency | Contracts | Notional Amount | Expiration Date | Value/Unrealized Appreciation (Depreciation) |
|--|----------------|----------|-----------|--------------------|--------------------|--|
| Liability Derivatives - continued | | | | | | |
| Interest Rate Futures - continued | | | | | | |
| U.S. Treasury Ultra Note 10 yr | Long | USD | 6 | \$710,625 | September – 2023 | <u>\$(6,317)</u> |
| | | | | | | <u>\$(1,224,090)</u> |

At June 30, 2023, the fund had liquid securities with an aggregate value of \$1,506,632 to cover any collateral or margin obligations for certain derivative contracts.

See Notes to Financial Statements

FINANCIAL STATEMENTS | STATEMENT OF ASSETS AND LIABILITIES (unaudited)

This statement represents your fund's balance sheet, which details the assets and liabilities comprising the total value of the fund.

At 6/30/23

| | |
|--|----------------------|
| Assets | |
| Investments in unaffiliated issuers, at value (identified cost, \$318,334,818) | \$297,538,034 |
| Investments in affiliated issuers, at value (identified cost, \$24,387,478) | 24,392,178 |
| Cash | 79,079 |
| Receivables for | |
| Net daily variation margin on open futures contracts | 62,683 |
| Investments sold | 6,190,332 |
| TBA sale commitments | 7,111,474 |
| Fund shares sold | 30,005 |
| Interest | 1,549,430 |
| Other assets | 993 |
| Total assets | \$336,954,208 |
| Liabilities | |
| Payables for | |
| Investments purchased | \$327,512 |
| TBA purchase commitments | 21,804,773 |
| Fund shares reacquired | 136,423 |
| Payable to affiliates | |
| Investment adviser | 4,191 |
| Administrative services fee | 304 |
| Shareholder servicing costs | 3 |
| Distribution and/or service fees | 1,525 |
| Payable for independent Trustees' compensation | 18 |
| Accrued expenses and other liabilities | 96,974 |
| Total liabilities | \$22,371,723 |
| Net assets | \$314,582,485 |
| Net assets consist of | |
| Paid-in capital | \$372,996,746 |
| Total distributable earnings (loss) | (58,414,261) |
| Net assets | \$314,582,485 |
| Shares of beneficial interest outstanding | 29,270,994 |

| | Net assets | Shares outstanding | Net asset value per share |
|---------------|-------------------|---------------------------|----------------------------------|
| Initial Class | \$203,650,968 | 18,906,564 | \$10.77 |
| Service Class | 110,931,517 | 10,364,430 | 10.70 |

See Notes to Financial Statements

FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS (unaudited)

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

Six months ended 6/30/23

Net investment income (loss)

| | |
|---|-------------|
| Income | |
| Interest | \$4,937,316 |
| Dividends from affiliated issuers | 516,068 |
| Other | 122 |
| Total investment income | \$5,453,506 |
| Expenses | |
| Management fee | \$873,283 |
| Distribution and/or service fees | 138,464 |
| Shareholder servicing costs | 1,469 |
| Administrative services fee | 28,282 |
| Independent Trustees' compensation | 3,792 |
| Custodian fee | 13,535 |
| Audit and tax fees | 35,161 |
| Legal fees | 952 |
| Miscellaneous | 23,736 |
| Total expenses | \$1,118,674 |
| Reduction of expenses by investment adviser | (54,415) |
| Net expenses | \$1,064,259 |
| Net investment income (loss) | \$4,389,247 |

Realized and unrealized gain (loss)

| | |
|---|---------------|
| Realized gain (loss) (identified cost basis) | |
| Unaffiliated issuers | \$(2,891,205) |
| Affiliated issuers | (4,367) |
| Futures contracts | (327,223) |
| Net realized gain (loss) | \$(3,222,795) |
| Change in unrealized appreciation or depreciation | |
| Unaffiliated issuers | \$4,827,176 |
| Affiliated issuers | 849 |
| Futures contracts | (849,314) |
| Net unrealized gain (loss) | \$3,978,711 |
| Net realized and unrealized gain (loss) | \$755,916 |
| Change in net assets from operations | \$5,145,163 |

See Notes to Financial Statements

FINANCIAL STATEMENTS | STATEMENTS OF CHANGES IN NET ASSETS

These statements describe the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

| | Six months ended 6/30/23 (unaudited) | Year ended 12/31/22 |
|---|--|------------------------|
| Change in net assets | | |
| From operations | | |
| Net investment income (loss) | \$4,389,247 | \$3,958,798 |
| Net realized gain (loss) | (3,222,795) | (13,718,673) |
| Net unrealized gain (loss) | 3,978,711 | (40,075,253) |
| Change in net assets from operations | \$5,145,163 | \$(49,835,128) |
| Total distributions to shareholders | \$— | \$(6,872,092) |
| Change in net assets from fund share transactions | \$(11,767,337) | \$(51,340,602) |
| Total change in net assets | \$(6,622,174) | \$(108,047,822) |
| Net assets | | |
| At beginning of period | 321,204,659 | 429,252,481 |
| At end of period | \$314,582,485 | \$321,204,659 |

See Notes to Financial Statements

FINANCIAL STATEMENTS | FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the fund's financial performance for the semiannual period and the past 5 fiscal years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

| Initial Class | Six months ended 6/30/23 (unaudited) | Year ended | | | | |
|--|---|------------|-----------|-----------|-----------|-----------|
| | | 12/31/22 | 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 |
| Net asset value, beginning of period | \$10.60 | \$12.34 | \$12.86 | \$12.45 | \$12.04 | \$12.39 |
| Income (loss) from investment operations | | | | | | |
| Net investment income (loss) (d) | \$0.15 | \$0.13 | \$0.16 | \$0.27 | \$0.31 | \$0.30 |
| Net realized and unrealized gain (loss) | 0.02 | (1.63) | (0.40) | 0.52 | 0.48 | (0.25) |
| Total from investment operations | \$0.17 | \$(1.50) | \$(0.24) | \$0.79 | \$0.79 | \$0.05 |
| Less distributions declared to shareholders | | | | | | |
| From net investment income | \$— | \$(0.24) | \$(0.28) | \$(0.38) | \$(0.38) | \$(0.40) |
| Net asset value, end of period (x) | \$10.77 | \$10.60 | \$12.34 | \$12.86 | \$12.45 | \$12.04 |
| Total return (%) (k)(r)(s)(x) | 1.60(n) | (12.26) | (1.89) | 6.38 | 6.53 | 0.47 |
| Ratios (%) (to average net assets) and Supplemental data: | | | | | | |
| Expenses before expense reductions | 0.62(a) | 0.62 | 0.61 | 0.61 | 0.60 | 0.60 |
| Expenses after expense reductions | 0.58(a) | 0.58 | 0.58 | 0.58 | 0.58 | 0.59 |
| Net investment income (loss) | 2.85(a) | 1.19 | 1.29 | 2.11 | 2.53 | 2.45 |
| Portfolio turnover | 53(n) | 200 | 314 | 154 | 47 | 35 |
| Portfolio turnover (excluding TBA transactions) (e) | 29(n) | — | — | — | — | — |
| Net assets at end of period (000 omitted) | \$203,651 | \$208,332 | \$276,951 | \$290,413 | \$298,414 | \$310,387 |

| Service Class | Six months ended 6/30/23 (unaudited) | Year ended | | | | |
|--|---|------------|-----------|-----------|-----------|-----------|
| | | 12/31/22 | 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 |
| Net asset value, beginning of period | \$10.55 | \$12.27 | \$12.79 | \$12.38 | \$11.96 | \$12.31 |
| Income (loss) from investment operations | | | | | | |
| Net investment income (loss) (d) | \$0.14 | \$0.10 | \$0.13 | \$0.24 | \$0.28 | \$0.26 |
| Net realized and unrealized gain (loss) | 0.01 | (1.62) | (0.40) | 0.52 | 0.48 | (0.24) |
| Total from investment operations | \$0.15 | \$(1.52) | \$(0.27) | \$0.76 | \$0.76 | \$0.02 |
| Less distributions declared to shareholders | | | | | | |
| From net investment income | \$— | \$(0.20) | \$(0.25) | \$(0.35) | \$(0.34) | \$(0.37) |
| Net asset value, end of period (x) | \$10.70 | \$10.55 | \$12.27 | \$12.79 | \$12.38 | \$11.96 |
| Total return (%) (k)(r)(s)(x) | 1.42(n) | (12.45) | (2.14) | 6.12 | 6.35 | 0.17 |
| Ratios (%) (to average net assets) and Supplemental data: | | | | | | |
| Expenses before expense reductions | 0.87(a) | 0.87 | 0.86 | 0.86 | 0.85 | 0.85 |
| Expenses after expense reductions | 0.83(a) | 0.83 | 0.83 | 0.83 | 0.83 | 0.84 |
| Net investment income (loss) | 2.60(a) | 0.94 | 1.04 | 1.86 | 2.27 | 2.20 |
| Portfolio turnover | 53(n) | 200 | 314 | 154 | 47 | 35 |
| Portfolio turnover (excluding TBA transactions) (e) | 29(n) | — | — | — | — | — |
| Net assets at end of period (000 omitted) | \$110,932 | \$112,873 | \$152,301 | \$160,196 | \$164,201 | \$171,938 |

See Notes to Financial Statements

MFS Government Securities Portfolio

Financial Highlights - continued

- (a) Annualized.
- (d) Per share data is based on average shares outstanding.
- (e) Portfolio turnover rates excluding TBA transactions for periods prior to the six months ended June 30, 2023 are not available. Refer to Note 2 for more information on TBA transactions and mortgage dollar rolls.
- (k) The total return does not reflect expenses that apply to separate accounts. Inclusion of these charges would reduce the total return figures for all periods shown.
- (n) Not annualized.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (x) The net asset values and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS (unaudited)

(1) Business and Organization

MFS Government Securities Portfolio (the fund) is a diversified series of MFS Variable Insurance Trust II (the trust). The trust is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The shareholders of each series of the trust are separate accounts of insurance companies, which offer variable annuity and/or life insurance products, and qualified retirement and pension plans.

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services - Investment Companies.

(2) Significant Accounting Policies

General — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued.

Balance Sheet Offsetting — The fund's accounting policy with respect to balance sheet offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the International Swaps and Derivatives Association (ISDA) Master Agreement, or similar agreement, does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty. The fund's right to setoff may be restricted or prohibited by the bankruptcy or insolvency laws of the particular jurisdiction to which a specific master netting agreement counterparty is subject. Balance sheet offsetting disclosures, to the extent applicable to the fund, have been included in the fund's Significant Accounting Policies note under the captions for each of the fund's in-scope financial instruments and transactions.

Investment Valuations — Subject to its oversight, the fund's Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments to MFS as the fund's adviser, pursuant to the fund's valuation policy and procedures which have been adopted by the adviser and approved by the Board. In accordance with Rule 2a-5 under the Investment Company Act of 1940, the Board of Trustees designated the adviser as the "valuation designee" of the fund. If the adviser, as valuation designee, determines that reliable market quotations are not readily available for an investment, the investment is valued at fair value as determined in good faith by the adviser in accordance with the adviser's fair valuation policy and procedures.

Under the fund's valuation policy and procedures, debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. Open-end investment companies are generally valued at net asset value per share.

Under the fund's valuation policy and procedures, market quotations are not considered to be readily available for debt instruments, floating rate loans, and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services or otherwise determined by the adviser in accordance with the adviser's fair valuation policy and procedures. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. In determining values, third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, spreads and other market data. An investment may also be valued at fair value if the adviser determines that the investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halt of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to

MFS Government Securities Portfolio

Notes to Financial Statements (unaudited) - continued

determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes significant unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments, such as futures contracts. The following is a summary of the levels used as of June 30, 2023 in valuing the fund's assets and liabilities:

| Financial Instruments | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|----------------------|------------|----------------------|
| U.S. Treasury Bonds & U.S. Government Agencies & Equivalents | \$— | \$97,815,262 | \$— | \$97,815,262 |
| Municipal Bonds | — | 2,935,251 | — | 2,935,251 |
| U.S. Corporate Bonds | — | 1,842,449 | — | 1,842,449 |
| Residential Mortgage-Backed Securities | — | 171,572,715 | — | 171,572,715 |
| Commercial Mortgage-Backed Securities | — | 11,945,740 | — | 11,945,740 |
| Asset-Backed Securities (including CDOs) | — | 11,426,617 | — | 11,426,617 |
| Mutual Funds | 24,392,178 | — | — | 24,392,178 |
| Total | \$24,392,178 | \$297,538,034 | \$— | \$321,930,212 |
| Other Financial Instruments | | | | |
| Futures Contracts – Assets | \$32,372 | \$— | \$— | \$32,372 |
| Futures Contracts – Liabilities | (1,224,090) | — | — | (1,224,090) |

For further information regarding security characteristics, see the Portfolio of Investments.

Foreign Currency Translation — Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on receivables, payables, income and expenses are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

Derivatives — The fund uses derivatives primarily to increase or decrease exposure to a particular market or segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives are used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost.

The derivative instruments used by the fund during the period were futures contracts. Depending on the type of derivative, a fund may exit a derivative position by entering into an offsetting transaction with a counterparty or exchange, negotiating an agreement with the derivative counterparty, or novating the position to a third party. The fund may be unable to promptly close out a futures position in instances where the daily fluctuation in the price for that type of future exceeds the daily limit set by the exchange. The fund's period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at June 30, 2023 as reported in the Statement of Assets and Liabilities:

| Risk | Derivative Contracts | Fair Value (a) | |
|---------------|----------------------|-------------------|-----------------------|
| | | Asset Derivatives | Liability Derivatives |
| Interest Rate | Futures Contracts | \$32,372 | \$(1,224,090) |

(a) Values presented in this table for futures contracts correspond to the values reported in the Portfolio of Investments. Only the current day net variation margin for futures contracts is reported separately within the Statement of Assets and Liabilities.

Notes to Financial Statements (unaudited) - continued

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the six months ended June 30, 2023 as reported in the Statement of Operations:

| Risk | Futures Contracts |
|---------------|------------------------------|
| Interest Rate | \$(327,223) |

The following table presents, by major type of derivative contract, the change in unrealized appreciation or depreciation on derivatives held by the fund for the six months ended June 30, 2023 as reported in the Statement of Operations:

| Risk | Futures Contracts |
|---------------|------------------------------|
| Interest Rate | \$(849,314) |

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, uncleared derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an ISDA Master Agreement on a bilateral basis. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a specified deterioration in the credit quality of the other party. Upon an event of default or a termination of the ISDA Master Agreement, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each agreement to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

Collateral and margin requirements differ by type of derivative. For cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options), margin requirements are set by the clearing broker and the clearing house and collateral, in the form of cash or securities, is posted by the fund directly with the clearing broker. Collateral terms are counterparty agreement specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options) and collateral, in the form of cash and securities, is held in segregated accounts with the fund's custodian in connection with these agreements. For derivatives traded under an ISDA Master Agreement, which contains a credit support annex, the collateral requirements are netted across all transactions traded under such counterparty-specific agreement and an amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated or delivered to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as restricted cash for uncleared derivatives and/or deposits with brokers for cleared derivatives. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments. The fund may be required to make payments of interest on uncovered collateral or margin obligations with the broker. Any such payments are included in "Miscellaneous" expense in the Statement of Operations.

Futures Contracts — The fund entered into futures contracts which may be used to hedge against or obtain broad market exposure, interest rate exposure, or to manage duration. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a specified percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures contracts is realized.

The fund bears the risk of interest rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

Mortgage-Backed/Asset-Backed Securities — The fund invests a significant portion of its assets in asset-backed and/or mortgage-backed securities. For these securities, the value of the debt instrument also depends on the credit quality and adequacy of the underlying assets or collateral as well as whether there is a security interest in the underlying assets or collateral. Enforcing rights, if any, against the underlying assets or collateral may be difficult. U.S. Government securities not supported as to the payment of principal or interest by the U.S. Treasury, such as those issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, are subject to greater credit risk than are U.S. Government securities supported by the U.S. Treasury, such as those issued by Ginnie Mae.

Stripped Mortgage-Backed Securities — The fund may invest in stripped mortgage-backed securities which are typically issued by the U.S. Government, its agencies and instrumentalities. Stripped mortgage-backed securities result when a mortgaged-backed security is stripped into two distinct classes, one which receives the principal cash flows only (POs) and one which receives the interest cash flows only (IOs) on a pool of mortgage assets. A faster than anticipated rate of prepayments on the underlying pool of mortgage assets, which is more likely to occur in a declining interest rate environment, increases the risk of loss on the IO.

Indemnifications — Under the fund's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into agreements with service providers that may contain indemnification clauses. The fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the fund that have not yet occurred.

Investment Transactions and Income — Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. Interest payments received in additional securities are recorded on the ex-interest date in an amount equal to the value of the security on such date.

The fund may receive proceeds from litigation settlements. Any proceeds received from litigation involving portfolio holdings are reflected in the Statement of Operations in realized gain/loss if the security has been disposed of by the fund or in unrealized gain/loss if the security is still held by the fund. Any other proceeds from litigation not related to portfolio holdings are reflected as other income in the Statement of Operations.

Investment transactions are recorded on the trade date. In determining the net gain or loss on securities sold, the cost of securities is determined on the identified cost basis.

The fund may purchase or sell mortgage-backed securities on a "To Be Announced" (TBA) basis. A TBA transaction is subject to extended settlement and typically does not designate the actual security to be delivered, but instead includes an approximate principal amount. The price of the TBA security and the date that it will be settled are fixed at the time the transaction is negotiated. The value of the security varies with market fluctuations and no interest accrues to the fund until settlement takes place. TBA purchase and sale commitments are held at carrying amount, which approximates fair value and are categorized as level 2 within the fair value hierarchy and included in TBA purchase and TBA sale commitments in the Statement of Assets and Liabilities, as applicable. Losses may arise as a result of changes in the value of the TBA investment prior to settlement date or due to counterparty non-performance.

The fund may also enter into mortgage dollar rolls, typically TBA dollar rolls, in which the fund sells TBA mortgage-backed securities to financial institutions and simultaneously agrees to repurchase similar (same issuer, type and coupon) securities at a later date at an agreed-upon price. During the period between the sale and repurchase, the fund will not be entitled to receive interest and principal payments on the securities sold. The fund accounts for dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. As such, these transactions may result in an increase to the fund's portfolio turnover rate. Portfolio turnover rates including and excluding TBA transactions are presented in the Financial Highlights. Dollar roll transactions involve the risk that the market value of the securities that the fund is required to purchase may decline below the agreed upon repurchase price of those securities.

To mitigate the counterparty credit risk on TBA transactions, mortgage dollar rolls, and other types of forward settling mortgage-backed and asset-backed security transactions, the fund whenever possible enters into a Master Securities Forward Transaction Agreement ("MSFTA") on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The MSFTA gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a specified deterioration in the credit quality of the other party. Upon an event of default or a termination of the MSFTA, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the MSFTA could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

For mortgage-backed and asset-backed securities traded under a MSFTA, the collateral and margining requirements are contract specific. Collateral amounts across all transactions traded under such agreement are netted and an amount is posted from one party to the other to collateralize such obligations. Cash that has been pledged to cover the fund's collateral or margin obligations under a MSFTA, if any, will be reported separately on the Statement of Assets and Liabilities as restricted cash. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

Tax Matters and Distributions — The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open

Notes to Financial Statements (unaudited) - continued

tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the applicable foreign tax law. Foreign income taxes may be withheld by certain countries in which the fund invests. Additionally, capital gains realized by the fund on securities issued in or by certain foreign countries may be subject to capital gains tax imposed by those countries.

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future.

Book/tax differences primarily relate to amortization and accretion of debt securities, wash sale loss deferrals, and derivative transactions.

The tax character of distributions declared to shareholders for the last fiscal year is as follows:

| | Year ended 12/31/22 |
|--|--------------------------------|
| Ordinary income (including any short-term capital gains) | \$6,872,092 |

The federal tax cost and the tax basis components of distributable earnings were as follows:

| | |
|--|----------------|
| As of 6/30/23 | |
| Cost of investments | \$345,655,505 |
| Gross appreciation | 310,662 |
| Gross depreciation | (24,035,955) |
| Net unrealized appreciation (depreciation) | \$(23,725,293) |
| As of 12/31/22 | |
| Undistributed ordinary income | 4,380,430 |
| Capital loss carryforwards | (39,104,050) |
| Net unrealized appreciation (depreciation) | (28,835,804) |

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

As of December 31, 2022, the fund had capital loss carryforwards available to offset future realized gains. These net capital losses may be carried forward indefinitely and their character is retained as short-term and/or long-term losses. Such losses are characterized as follows:

| | |
|------------|----------------|
| Short-Term | \$(15,429,517) |
| Long-Term | (23,674,533) |
| Total | \$(39,104,050) |

Multiple Classes of Shares of Beneficial Interest — The fund offers multiple classes of shares, which differ in their respective distribution and/or service fees. The fund's income, realized and unrealized gain (loss), and common expenses are allocated to shareholders based on the daily net assets of each class. Dividends are declared separately for each class. Differences in per share dividend rates are generally due to differences in separate class expenses. The fund's distributions declared to shareholders as reported in the Statements of Changes in Net Assets are presented by class as follows:

| | Six months ended 6/30/23 | Year ended 12/31/22 |
|---------------|-------------------------------------|--------------------------------|
| Initial Class | \$— | \$4,703,417 |
| Service Class | — | 2,168,675 |
| Total | \$— | \$6,872,092 |

(3) Transactions with Affiliates

Investment Adviser — The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at the following annual rates based on the fund's average daily net assets:

MFS Government Securities Portfolio

Notes to Financial Statements (unaudited) - continued

| | |
|--------------------------|-------|
| Up to \$1 billion | 0.55% |
| In excess of \$1 billion | 0.50% |

MFS has agreed in writing to reduce its management fee by a specified amount if certain MFS mutual fund assets exceed thresholds agreed to by MFS and the fund's Board of Trustees. MFS has also agreed in writing to waive at least 0.01% of its management fee as part of this agreement. The agreement to waive at least 0.01% of the management fee will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until April 30, 2024. For the six months ended June 30, 2023, this management fee reduction amounted to \$20,390, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the six months ended June 30, 2023 was equivalent to an annual effective rate of 0.54% of the fund's average daily net assets.

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs, certain tax reclaim recovery expenses (including contingency fees and closing agreement expenses), and investment-related expenses, such that total annual operating expenses do not exceed 0.58% of average daily net assets for the Initial Class shares and 0.83% of average daily net assets for the Service Class shares. This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until April 30, 2025. For the six months ended June 30, 2023, this reduction amounted to \$34,025, which is included in the reduction of total expenses in the Statement of Operations.

Distributor — MFS Fund Distributors, Inc. (MFD), a wholly-owned subsidiary of MFS, is the distributor of shares of the fund. The Trustees have adopted a distribution plan for the Service Class shares pursuant to Rule 12b-1 under the Investment Company Act of 1940.

The fund's distribution plan provides that the fund will pay MFD distribution and/or service fees equal to 0.25% per annum of its average daily net assets attributable to Service Class shares as partial consideration for services performed and expenses incurred by MFD and financial intermediaries (including participating insurance companies that invest in the fund to fund variable annuity and variable life insurance contracts, sponsors of qualified retirement and pension plans that invest in the fund, and affiliates of these participating insurance companies and plan sponsors) in connection with the sale and distribution of the Service Class shares as well as shareholder servicing and account maintenance activities. MFD may subsequently pay all, or a portion, of the distribution and/or service fees to financial intermediaries. The distribution and/or service fees are computed daily and paid monthly.

Shareholder Servicing Agent — MFS Service Center, Inc. (MFSC), a wholly-owned subsidiary of MFS, receives a fee from the fund for its services as shareholder servicing agent. For the six months ended June 30, 2023, the fee was \$1,221, which equated to 0.0008% annually of the fund's average daily net assets. MFSC also receives reimbursement from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the six months ended June 30, 2023, these costs amounted to \$248.

Administrator — MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets. The administrative services fee is computed daily and paid monthly. The administrative services fee incurred for the six months ended June 30, 2023 was equivalent to an annual effective rate of 0.0178% of the fund's average daily net assets.

Trustees' and Officers' Compensation — The fund pays compensation to independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. Independent Trustees' compensation is accrued daily and paid subsequent to each Trustee Board meeting. The fund does not pay compensation directly to Trustees or officers of the fund who are also officers of the investment adviser, all of whom receive remuneration from MFS for their services to the fund. Certain officers and Trustees of the fund are officers or directors of MFS, MFD, and MFSC.

Other — The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. This money market fund does not pay a management fee to MFS but does incur investment and operating costs.

(4) Portfolio Securities

For the six months ended June 30, 2023, purchases and sales of investments, other than short-term obligations, were as follows:

| | Purchases | Sales |
|--------------------------------|---------------|---------------|
| U.S. Government securities | \$149,809,500 | \$169,328,857 |
| Non-U.S. Government securities | 7,530,548 | 6,440,727 |

Notes to Financial Statements (unaudited) - continued

(5) Shares of Beneficial Interest

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. Transactions in fund shares were as follows:

| | Six months ended 6/30/23 | | Year ended 12/31/22 | |
|---|-----------------------------|----------------|------------------------|----------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | | | | |
| Initial Class | 285,252 | \$3,093,405 | 357,915 | \$3,946,483 |
| Service Class | 531,610 | 5,710,136 | 435,133 | 4,773,024 |
| | 816,862 | \$8,803,541 | 793,048 | \$8,719,507 |
| Shares issued to shareholders in reinvestment of distributions | | | | |
| Initial Class | — | \$— | 426,420 | \$4,703,417 |
| Service Class | — | — | 197,511 | 2,168,675 |
| | — | \$— | 623,931 | \$6,872,092 |
| Shares reacquired | | | | |
| Initial Class | (1,030,229) | \$(11,197,224) | (3,568,112) | \$(40,477,052) |
| Service Class | (869,108) | (9,373,654) | (2,340,014) | (26,455,149) |
| | (1,899,337) | \$(20,570,878) | (5,908,126) | \$(66,932,201) |
| Net change | | | | |
| Initial Class | (744,977) | \$(8,103,819) | (2,783,777) | \$(31,827,152) |
| Service Class | (337,498) | (3,663,518) | (1,707,370) | (19,513,450) |
| | (1,082,475) | \$(11,767,337) | (4,491,147) | \$(51,340,602) |

The fund is one of several mutual funds in which certain MFS funds may invest. The MFS funds do not invest in the underlying funds for the purpose of exercising management or control. At the end of the period, the MFS Moderate Allocation Portfolio and the MFS Conservative Allocation Portfolio were the owners of record of approximately 32% and 9%, respectively, of the value of outstanding voting shares of the fund.

(6) Line of Credit

The fund and certain other funds managed by MFS participate in a \$1.45 billion unsecured committed line of credit of which \$1.2 billion is reserved for use by the fund and certain other MFS U.S. funds. The line of credit is provided by a syndicate of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the highest of 1) Daily Simple SOFR (Secured Overnight Financing Rate) plus 0.10%, 2) the Federal Funds Effective Rate, or 3) the Overnight Bank Funding Rate, each plus an agreed upon spread. A commitment fee, based on the average daily unused portion of the committed line of credit, is allocated among the participating funds. The line of credit expires on March 14, 2024 unless extended or renewed. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at rates equal to customary reference rates plus an agreed upon spread. For the six months ended June 30, 2023, the fund's commitment fee and interest expense were \$811 and \$0, respectively, and are included in "Miscellaneous" expense in the Statement of Operations.

(7) Investments in Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the following were affiliated issuers:

| Affiliated Issuers | Beginning Value | Purchases | Sales Proceeds | Realized Gain (Loss) | Change in Unrealized Appreciation or Depreciation | Ending Value |
|---|--------------------|--------------|-------------------|----------------------------|---|-----------------|
| MFS Institutional Money Market Portfolio | \$15,359,601 | \$90,210,098 | \$81,174,003 | \$ (4,367) | \$849 | \$24,392,178 |

| Affiliated Issuers | Dividend Income | Capital Gain Distributions |
|--|-----------------|----------------------------|
| MFS Institutional Money Market Portfolio | \$516,068 | \$— |

(8) LIBOR Transition

The London Interbank Offered Rate (LIBOR) was intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. Certain of the fund's investments, payment obligations, and financing terms were historically based on LIBOR. In 2017, the United Kingdom Financial Conduct Authority (FCA) announced plans to transition away from LIBOR by the end of 2021. LIBOR's administrator, ICE Benchmark Administration (IBA), ceased publication (on a representative basis) of many of its LIBOR settings as of December 31, 2021 and ceased publication (on a representative basis) of the remaining U.S. dollar LIBOR settings as of June 30, 2023. In addition, global regulators announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Although the FCA has announced that it will require the IBA to continue to publish certain select LIBOR rates on a synthetic basis after the relevant cessation dates, such synthetic rates are not considered to be representative of the underlying market and economic reality they are intended to measure, are expected to be published for a limited time period, and are intended solely for use on a limited basis for legacy transactions.

Regulators and industry groups have implemented measures to facilitate the transition away from LIBOR and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate (SOFR). SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase agreement (repo) market. SOFR is published in various forms including as a daily, compounded, and forward-looking term rate. The transition to alternative reference rates may affect the liquidity and valuation of investments that were tied to LIBOR or other interbank offered rates and may lead to other consequences affecting securities and credit markets more broadly. For example, while some investments that were tied to LIBOR provided for an alternative or "fallback" rate-setting methodology in the event LIBOR is not available, there is uncertainty regarding the effectiveness of any such alternative methodologies to replace LIBOR and certain investments tied to LIBOR may not have fallback provisions. While legislation passed in the United States facilitates by operation of law the replacement of U.S. dollar LIBOR settings in certain legacy instruments with a specified replacement rate, such as SOFR, there is uncertainty regarding the effectiveness of such legislation. There also remains uncertainty regarding the willingness and ability of parties to add or amend fallback provisions in certain other legacy instruments maturing after the cessation of the applicable LIBOR rates, which could create market and litigation risk.

It is difficult to quantify or predict the impact on the fund resulting from the transition from LIBOR to alternative reference rates and the potential effects of the transition from LIBOR on the fund, or on certain instruments in which the fund invests, are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that relied on LIBOR to determine interest rates. The transition may also result in a reduction in value of certain LIBOR-related investments held by the fund or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could have an adverse impact on the fund's performance.

With respect to the fund's accounting for investments, including investments in certain debt instruments and derivatives, as well as borrowings by the fund and any other contractual arrangements of the fund that undergo reference rate-related modifications as a result of the transition, management has and will continue to rely upon the relief provided by FASB Codification Topic 848 – Reference Rate Reform (Topic 848). The guidance in Topic 848 permits the fund to account for such contract modifications made on or before December 31, 2024 as a continuation of the existing contracts. The situation remains fluid, and management believes, based on best available information, that the impact of the transition will not be material to the fund.

STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM

The fund has adopted and implemented a liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940, as amended. The fund’s Board of Trustees (the “Board”) has designated MFS as the administrator of the Program. The Program is reasonably designed to assess and manage the liquidity risk of the fund. Liquidity risk is the risk that the fund could not meet requests to redeem shares issued by the fund without significant dilution of remaining investors’ interests.

MFS provided a written report to the Board for consideration at its March 2023 meeting that addressed the operation of the Program and provided an assessment of the adequacy and effectiveness of the Program during the period from January 1, 2022 to December 31, 2022 (the “Covered Period”). The report concluded that during the Covered Period the Program had operated effectively in all material respects and had adequately and effectively been implemented to assess and manage the fund’s liquidity risk. MFS also reported that there were no liquidity events that impacted the fund or its ability to timely meet redemptions without dilution to existing shareholders during the Covered Period.

There can be no assurance that the Program will achieve its objectives in the future. Further information on liquidity risk, and other principal risks to which an investment in the fund may be subject, can be found in the prospectus.

PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting mfs.com/proxyvoting, or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available by August 31 of each year without charge by visiting mfs.com/proxyvoting, or by visiting the SEC's Web site at <http://www.sec.gov>.

QUARTERLY PORTFOLIO DISCLOSURE

The fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's Web site at <http://www.sec.gov>. A shareholder can obtain the portfolio holdings report for the first and third quarters of the fund's fiscal year at mfs.com/vit2 by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Prospectus and Reports" tab.

FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS Funds on the MFS Web site (mfs.com). This information is available at <https://www.mfs.com/announcements> or at mfs.com/vit2 by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Announcements" tab, if any.

INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent, and custodian who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the Trust's By-Laws and Declaration of Trust, any claims asserted against or on behalf of the MFS Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

