

Semiannual Report

June 30, 2023



MFS[®] Conservative Allocation Portfolio

MFS[®] Variable Insurance Trust III

MFS® Conservative Allocation Portfolio

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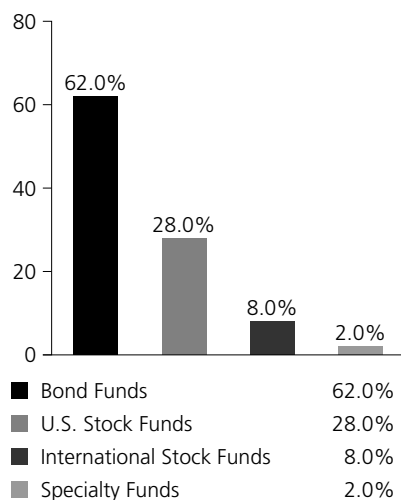
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The report is prepared for the general information of shareholders. It is authorized for distribution to prospective investors only when preceded or accompanied by a current prospectus.

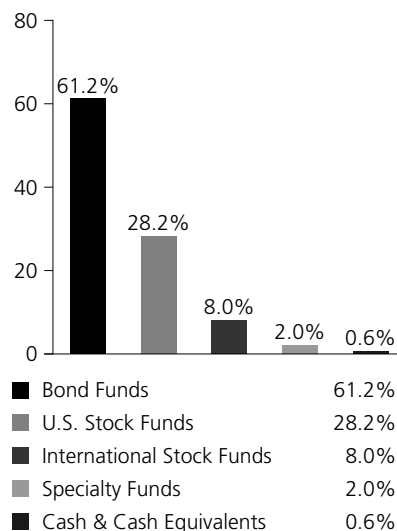
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PORTFOLIO COMPOSITION

Portfolio target allocation



Portfolio actual allocation



Portfolio holdings

MFS Total Return Bond Series	16.8%
MFS Limited Maturity Portfolio	11.9%
MFS Inflation-Adjusted Bond Portfolio	9.9%
MFS Government Securities Portfolio	9.8%
MFS Global Governments Portfolio	7.8%
MFS Growth Series	6.1%
MFS Research Series	6.1%
MFS Value Series	6.0%
MFS High Yield Portfolio	5.0%
MFS Mid Cap Value Portfolio	4.0%
MFS Mid Cap Growth Series	4.0%
MFS Research International Portfolio	4.0%
MFS International Intrinsic Value Portfolio	2.0%
MFS International Growth Portfolio	2.0%
MFS Global Real Estate Portfolio	2.0%
MFS New Discovery Series	1.0%
MFS New Discovery Value Portfolio	1.0%
Cash & Cash Equivalents	0.6%

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. MFS endeavors to fully invest all MFS funds-of-funds in underlying funds on a daily basis. Any divergence from 0.0% in Cash & Cash Equivalents is typically due to the timing of fund subscriptions/redemptions and the settlement of subsequent investment in/divestment from the underlying funds. While the MFS funds-of-funds' subscriptions/redemptions are processed at the same day NAV of the underlying funds, a positive/negative cash balance will be reflected on the MFS funds-of-funds' Statements of Assets and Liabilities until the trades with the underlying funds settle, which is typically two business days. Please see the fund's 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 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.

In addition to the fees and expenses which the fund bears directly, the fund indirectly bears a pro rata share of the fees and expenses of the underlying funds in which the fund invests. Because the underlying funds have varied expenses and fee levels and the fund may own different proportions of the underlying funds at different times, the amount of fees and expenses incurred indirectly by the fund will vary. If these indirect costs were included, your costs would have been higher.

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	0.03%	\$1,000.00	\$1,052.63	\$0.15
	Hypothetical (h)	0.03%	\$1,000.00	\$1,024.65	\$0.15
Service Class	Actual	0.28%	\$1,000.00	\$1,051.25	\$1.42
	Hypothetical (h)	0.28%	\$1,000.00	\$1,023.41	\$1.40

(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). In addition to the fees and expenses which the fund bears directly, the fund indirectly bears a pro rata share of the fees and expenses of the underlying funds in which the fund invests. If these indirect costs were included, your costs would have been higher.

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 (\$)
Investment Companies (h) – 100.0%		
Bond Funds – 61.2%		
MFS Global Governments Portfolio - Initial Class	2,705,480	\$ 23,158,904
MFS Government Securities Portfolio - Initial Class	2,699,528	29,073,919
MFS High Yield Portfolio - Initial Class	2,956,581	14,635,075
MFS Inflation-Adjusted Bond Portfolio - Initial Class	3,467,267	29,090,373
MFS Limited Maturity Portfolio - Initial Class	3,596,747	34,996,347
MFS Total Return Bond Series - Initial Class	4,277,513	49,619,153
		\$ 180,573,771
International Stock Funds – 8.0%		
MFS International Growth Portfolio - Initial Class	392,844	\$ 5,896,590
MFS International Intrinsic Value Portfolio - Initial Class	192,826	5,913,986
MFS Research International Portfolio - Initial Class	711,722	11,800,346
		\$ 23,610,922
Specialty Funds – 2.0%		
MFS Global Real Estate Portfolio - Initial Class	447,867	\$ 5,876,020
U.S. Stock Funds – 28.2%		
MFS Growth Series - Initial Class	299,632	\$ 17,843,056
MFS Mid Cap Growth Series - Initial Class	1,473,630	11,921,670
MFS Mid Cap Value Portfolio - Initial Class	1,222,937	11,923,638
MFS New Discovery Series - Initial Class	237,819	2,979,870
MFS New Discovery Value Portfolio - Initial Class	360,714	2,947,036
MFS Research Series - Initial Class	568,820	17,826,803
MFS Value Series - Initial Class	810,417	17,804,870
		\$ 83,246,943
Money Market Funds – 0.6%		
MFS Institutional Money Market Portfolio, 5.04% (v)	1,686,217	\$ 1,686,554
Total Investment Companies (Identified Cost, \$286,105,418)		\$294,994,210
Other Assets, Less Liabilities – (0.0)%		(48,920)
Net Assets – 100.0%		\$294,945,290

(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 value of the fund's investments in affiliated issuers was \$294,994,210.

(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.

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 affiliated issuers, at value (identified cost, \$286,105,418)	\$294,994,210
Receivables for	
Investments sold	500,627
Fund shares sold	235,746
Other assets	956
Total assets	\$295,731,539
Liabilities	
Payables for	
Investments purchased	\$235,100
Fund shares reacquired	500,260
Payable to affiliates	
Administrative services fee	96
Shareholder servicing costs	2
Distribution and/or service fees	3,997
Payable for independent Trustees' compensation	67
Accrued expenses and other liabilities	46,727
Total liabilities	\$786,249
Net assets	\$294,945,290
Net assets consist of	
Paid-in capital	\$272,715,570
Total distributable earnings (loss)	22,229,720
Net assets	\$294,945,290
Shares of beneficial interest outstanding	30,602,215

	Net assets	Shares outstanding	Net asset value per share
Initial Class	\$1,750,372	182,323	\$9.60
Service Class	293,194,918	30,419,892	9.64

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	
Dividends from affiliated issuers	\$37,961
Other	118
Total investment income	\$38,079
Expenses	
Distribution and/or service fees	\$369,166
Shareholder servicing costs	1,173
Administrative services fee	8,679
Independent Trustees' compensation	3,598
Custodian fee	2,214
Shareholder communications	415
Audit and tax fees	21,014
Legal fees	814
Miscellaneous	13,548
Total expenses	\$420,621
Net investment income (loss)	\$(382,542)

Realized and unrealized gain (loss)

Realized gain (loss) (identified cost basis)	
Investments in affiliated issuers	\$(989,408)
Change in unrealized appreciation or depreciation	
Affiliated issuers	\$16,308,697
Net realized and unrealized gain (loss)	\$15,319,289
Change in net assets from operations	\$14,936,747

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)	\$(382,542)	\$7,647,568
Net realized gain (loss)	(989,408)	10,523,595
Net unrealized gain (loss)	16,308,697	(78,765,821)
Change in net assets from operations	\$14,936,747	\$(60,594,658)
Total distributions to shareholders	\$—	\$(32,481,327)
Change in net assets from fund share transactions	\$(20,507,473)	\$(8,422,855)
Total change in net assets	\$(5,570,726)	\$(101,498,840)
Net assets		
At beginning of period	300,516,016	402,014,856
At end of period	\$294,945,290	\$300,516,016

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	\$9.12	\$12.02	\$11.95	\$11.44	\$10.58	\$11.61
Income (loss) from investment operations						
Net investment income (loss) (d)(l)	\$(0.00)(w)	\$0.21	\$0.23	\$0.27	\$0.28	\$0.27
Net realized and unrealized gain (loss)	0.48	(2.03)	0.60	1.09	1.47	(0.55)
Total from investment operations	\$0.48	\$(1.82)	\$0.83	\$1.36	\$1.75	\$(0.28)
Less distributions declared to shareholders						
From net investment income	\$—	\$(0.25)	\$(0.29)	\$(0.31)	\$(0.31)	\$(0.26)
From net realized gain	—	(0.83)	(0.47)	(0.54)	(0.58)	(0.49)
Total distributions declared to shareholders	\$—	\$(1.08)	\$(0.76)	\$(0.85)	\$(0.89)	\$(0.75)
Net asset value, end of period (x)	\$9.60	\$9.12	\$12.02	\$11.95	\$11.44	\$10.58
Total return (%) (k)(s)(x)	5.26(n)	(15.39)	7.00	12.31	16.87	(2.73)
Ratios (%) (to average net assets) and Supplemental data:						
Expenses before expense reductions (h)	0.03(a)	0.03	0.03	0.03	0.03	0.03
Expenses after expense reductions (h)	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income (loss) (l)	(0.01)(a)	2.05	1.90	2.40	2.47	2.34
Portfolio turnover	1(n)	3	1	7	2	1
Net assets at end of period (000 omitted)	\$1,750	\$1,756	\$3,278	\$3,061	\$2,029	\$2,062

See Notes to Financial Statements

MFS Conservative Allocation Portfolio

Financial Highlights - continued

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	\$9.17	\$12.06	\$11.99	\$11.47	\$10.61	\$11.63
Income (loss) from investment operations						
Net investment income (loss) (d)(l)	\$(0.01)	\$0.23	\$0.19	\$0.23	\$0.25	\$0.23
Net realized and unrealized gain (loss)	0.48	(2.07)	0.60	1.11	1.47	(0.53)
Total from investment operations	\$0.47	\$(1.84)	\$0.79	\$1.34	\$1.72	\$(0.30)
Less distributions declared to shareholders						
From net investment income	\$—	\$(0.22)	\$(0.25)	\$(0.28)	\$(0.28)	\$(0.23)
From net realized gain	—	(0.83)	(0.47)	(0.54)	(0.58)	(0.49)
Total distributions declared to shareholders	\$—	\$(1.05)	\$(0.72)	\$(0.82)	\$(0.86)	\$(0.72)
Net asset value, end of period (x)	\$9.64	\$9.17	\$12.06	\$11.99	\$11.47	\$10.61
Total return (%) (k)(s)(x)	5.13(n)	(15.53)	6.70	12.06	16.48	(2.92)
Ratios (%) (to average net assets) and Supplemental data:						
Expenses before expense reductions (h)	0.28(a)	0.28	0.28	0.28	0.28	0.28
Expenses after expense reductions (h)	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income (loss) (l)	(0.26)(a)	2.29	1.60	1.98	2.18	2.05
Portfolio turnover	1(n)	3	1	7	2	1
Net assets at end of period (000 omitted)	\$293,195	\$298,760	\$398,737	\$428,229	\$433,203	\$442,988

(a) Annualized.

(d) Per share data is based on average shares outstanding.

(h) In addition to the fees and expenses which the fund bears directly, the fund indirectly bears a pro rata share of the fees and expenses of the underlying affiliated funds in which the fund invests. Accordingly, the expense ratio for the fund reflects only those fees and expenses borne directly by the fund. Because the underlying affiliated funds have varied expense and fee levels and the fund may own different proportions of the underlying affiliated funds at different times, the amount of fees and expenses incurred indirectly by the fund will vary.

(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.

(l) Recognition of net investment income by the fund may be affected by the timing of the declaration of dividends by the underlying affiliated funds in which the fund invests and for interim net investment income ratios, the actual annual net investment income ratio may differ. The ratios and per share amounts do not include net investment income of the underlying affiliated funds in which the fund invests.

(n) Not annualized.

(s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.

(w) Per share amount was less than \$0.01.

(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 Conservative Allocation Portfolio (the fund) is a diversified series of MFS Variable Insurance Trust III (the trust). The trust is organized as a Delaware statutory 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.

The fund is a "fund of funds", which invests the majority of its assets in other MFS mutual funds (hereafter referred to as "underlying affiliated funds" or "underlying funds"), which may have different fiscal year ends than the funds. The underlying funds, in turn, may engage in a number of investment techniques and practices, which involve certain risks. Certain underlying funds invest their portfolio in high-yield securities rated below investment grade. Investments in below investment grade quality securities can involve a substantially greater risk of default or can already be in default, and their values can decline significantly. Below investment grade quality securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general, than higher quality debt instruments. Certain underlying funds invest a significant portion of their 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. Certain underlying funds invest in foreign securities, including securities of emerging market issuers. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's market, economic, industrial, political, regulatory, geopolitical, environmental, public health, and other conditions. Investments in emerging markets can involve additional and greater risks than the risks associated with investments in developed foreign markets. Emerging markets can have less developed markets, greater custody and operational risk, less developed legal, regulatory, and accounting, and auditing systems, greater government involvement in the economy, greater risk of new or inconsistent government treatment of or restrictions on issuers and instruments, and greater political, social, and economic instability than developed markets.

The accounting policies of the underlying funds in which the fund invests are outlined in the underlying funds' shareholder reports, which are available without charge by calling 1-800-225-2606, at mfs.com and on the Securities and Exchange Commission (SEC) web site at <http://www.sec.gov>. The underlying funds' shareholder reports are not covered by this report.

Investment Valuations — Open-end investment companies (underlying funds) are generally valued at their net asset value per share. The investments of underlying funds managed by the adviser are valued as described below. For purposes of this policy disclosure, "fund" also refers to the underlying funds in which the fund-of-funds invests.

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, equity securities, including restricted equity securities and equity securities sold short, are generally valued at the last sale or official closing price on their primary market or exchange as provided by a third-party pricing service. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation on their primary market or exchange as provided by a third-party pricing service. Equity securities sold short, for which

MFS Conservative Allocation Portfolio

Notes to Financial Statements (unaudited) - continued

there were no sales reported that day, are generally valued at the last quoted daily ask quotation on their primary market or exchange as provided by a third-party pricing service. 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. Debt instruments sold short are generally valued at an evaluated or composite mean 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. Exchange-traded options are generally valued at the last sale or official closing price on their primary exchange as provided by a third-party pricing service. Exchange-traded options for which there were no sales reported that day are generally valued at the last daily bid quotation on their primary exchange as provided by a third-party pricing service. For put options, the position may be valued at the last daily ask quotation if there are no trades reported during the day. Options not traded on an exchange are generally valued at a broker/dealer bid quotation. Foreign currency options are generally valued at valuations provided by a third-party pricing service. 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. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Swap agreements are generally valued using valuations provided by a third-party pricing service, which for cleared swaps includes an evaluation of any trading activity at the clearinghouses. Open-end investment companies are generally valued at net asset value per share. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

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. Events that occur after foreign markets close (such as developments in foreign markets and significant movements in the U.S. markets) and prior to the determination of the fund's net asset value may be deemed to have a material effect on the value of securities traded in foreign markets. Accordingly, the fund's foreign equity securities may often be valued at fair value. 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 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. 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
Mutual Funds	\$294,994,210	\$—	\$—	\$294,994,210

For further information regarding security characteristics, see the Portfolio of Investments. Please refer to the underlying funds' shareholder reports for further information regarding the levels used in valuing the underlying funds' assets and liabilities.

Notes to Financial Statements (unaudited) - continued

Derivatives — The fund does not invest in derivatives directly. The fund does invest in underlying funds that may use 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 underlying funds use 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.

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. Distributions of income and capital gains from the underlying funds are recorded on the ex-dividend date. Recognition of net investment income and realized gain from affiliated issuers by the fund is affected by the timing of the declaration of distributions by the underlying funds in which the fund invests.

The fund and/or the underlying funds 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.

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 tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

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 wash sale loss deferrals.

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)	\$7,278,182
Long-term capital gains	25,203,145
Total distributions	\$32,481,327

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

As of 6/30/23	
Cost of investments	\$291,389,641
Gross appreciation	36,372,783
Gross depreciation	(32,768,214)
Net unrealized appreciation (depreciation)	\$3,604,569
As of 12/31/22	
Undistributed ordinary income	7,640,311
Undistributed long-term capital gain	12,356,788
Net unrealized appreciation (depreciation)	(12,704,126)

MFS Conservative Allocation Portfolio

Notes to Financial Statements (unaudited) - continued

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

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	\$—	\$188,910
Service Class	—	32,292,417
Total	\$—	\$32,481,327

(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. MFS receives no compensation under this agreement; however MFS receives management fees from the underlying MFS funds.

The investment adviser has agreed in writing to pay a portion of the fund's operating expenses, excluding distribution and/or service fees, interest, taxes, extraordinary expenses, brokerage and transaction costs, and investment-related expenses such as fees and expenses associated with investments in investment companies and other similar investment vehicles such that fund operating expenses do not exceed 0.20% annually of the fund's average daily net assets. 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, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

In addition to the fees and expenses which the fund bears directly, the fund indirectly bears a pro rata share of the fees and expenses of the underlying funds in which the fund invests. Accordingly, the expense ratio for the fund reflects only those fees and expenses borne directly by the fund.

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 \$1,098, which equated to 0.0007% 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 \$75.

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 pays an annual fixed amount of \$17,500. 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 0.0058% 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.

Notes to Financial Statements (unaudited) - continued

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 shares of underlying funds, excluding the MFS Institutional Money Market Portfolio, aggregated \$2,141,158 and \$23,062,977, respectively.

(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	48	\$459	1,955	\$19,673
Service Class	244,469	2,331,467	812,076	8,037,049
	244,517	\$2,331,926	814,031	\$8,056,722
Shares issued to shareholders in reinvestment of distributions				
Initial Class	—	\$—	20,075	\$188,910
Service Class	—	—	3,409,970	32,292,417
	—	\$—	3,430,045	\$32,481,327
Shares reacquired				
Initial Class	(10,259)	\$(96,235)	(102,259)	\$(1,077,347)
Service Class	(2,404,163)	(22,743,164)	(4,693,800)	(47,883,557)
	(2,414,422)	\$(22,839,399)	(4,796,059)	\$(48,960,904)
Net change				
Initial Class	(10,211)	\$(95,776)	(80,229)	\$(868,764)
Service Class	(2,159,694)	(20,411,697)	(471,754)	(7,554,091)
	(2,169,905)	\$(20,507,473)	(551,983)	\$(8,422,855)

(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 \$767 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:

MFS Conservative Allocation Portfolio

Notes to Financial Statements (unaudited) - continued

Affiliated Issuers	Beginning Value	Purchases	Sales Proceeds	Realized Gain (Loss)	Change in Unrealized Appreciation or Depreciation	Ending Value
MFS Global Governments Portfolio	\$23,990,710	\$244,447	\$966,512	\$(248,382)	\$138,641	\$23,158,904
MFS Global Real Estate Portfolio	5,993,537	92,121	386,965	(9,755)	187,082	5,876,020
MFS Government Securities Portfolio	29,845,384	212,768	1,476,190	(357,557)	849,514	29,073,919
MFS Growth Series	17,653,987	11,666	3,724,269	(116,806)	4,018,478	17,843,056
MFS High Yield Portfolio	14,933,466	33,060	1,042,930	(241,160)	952,639	14,635,075
MFS Inflation-Adjusted Bond Portfolio	29,969,985	258,303	1,311,621	(274,007)	447,713	29,090,373
MFS Institutional Money Market Portfolio	1,656,155	687,648	657,051	(53)	(145)	1,686,554
MFS International Growth Portfolio	5,983,376	1,271	804,893	173,574	543,262	5,896,590
MFS International Intrinsic Value Portfolio	5,997,208	490	810,608	285,450	441,446	5,913,986
MFS Limited Maturity Portfolio	36,007,568	364,269	2,044,967	(116,165)	785,642	34,996,347
MFS Mid Cap Growth Series	11,864,120	28,191	1,444,364	(288,832)	1,762,555	11,921,670
MFS Mid Cap Value Portfolio	11,992,014	289,496	1,096,236	177,890	560,474	11,923,638
MFS New Discovery Series	2,984,712	57,171	380,827	(184,285)	503,099	2,979,870
MFS New Discovery Value Portfolio	3,006,559	135,428	302,962	12,981	95,030	2,947,036
MFS Research International Portfolio	12,009,143	19,801	1,377,185	252,380	896,207	11,800,346
MFS Research Series	17,896,518	15,563	2,284,675	224,248	1,975,149	17,826,803
MFS Total Return Bond Series	50,775,863	201,010	2,884,161	(473,497)	1,999,938	49,619,153
MFS Value Series	18,005,838	176,103	723,612	194,568	151,973	17,804,870
	\$300,566,143	\$2,828,806	\$23,720,028	\$(989,408)	\$16,308,697	\$294,994,210

Affiliated Issuers	Dividend Income	Capital Gain Distributions
MFS Global Governments Portfolio	\$—	\$—
MFS Global Real Estate Portfolio	—	—
MFS Government Securities Portfolio	—	—
MFS Growth Series	—	—
MFS High Yield Portfolio	—	—
MFS Inflation-Adjusted Bond Portfolio	—	—
MFS Institutional Money Market Portfolio	37,961	—
MFS International Growth Portfolio	—	—
MFS International Intrinsic Value Portfolio	—	—
MFS Limited Maturity Portfolio	—	—
MFS Mid Cap Growth Series	—	—
MFS Mid Cap Value Portfolio	—	—
MFS New Discovery Series	—	—
MFS New Discovery Value Portfolio	—	—
MFS Research International Portfolio	—	—
MFS Research Series	—	—
MFS Total Return Bond Series	—	—
MFS Value Series	—	—
	\$37,961	\$—

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/vit3 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/vit3 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.

