



# MFS<sup>®</sup> Government Securities Portfolio

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## MFS<sup>®</sup> Variable Insurance Trust II

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, the insurance company that offers your contract may determine that it will no longer send you paper copies of the fund's annual and semiannual shareholder reports unless you specifically request paper copies from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site ([insurancefunds.mfs.com](http://insurancefunds.mfs.com) or other Web site of which you will be notified), and the insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company or financial intermediary.

If you already elected to receive shareholder reports by email, you will not be affected by this change and you need not take any action. If your insurance company or financial intermediary offers electronic delivery, you may elect to receive shareholder reports and other communications from the insurance company or financial intermediary by email by following the instructions provided by the insurance company or financial intermediary.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge from the insurance company or financial intermediary. You can inform the insurance company or financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting your insurance company or financial intermediary. Your election to receive reports in paper will apply to all funds held in your account with your insurance company or financial intermediary.

# MFS® Government Securities Portfolio

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**The report is prepared for the general information of contract owners. 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

## LETTER FROM THE EXECUTIVE CHAIRMAN



Dear Contract Owners:

Higher interest rates, international trade friction, and geopolitical uncertainty surrounding issues such as Brexit have contributed to an uptick in market volatility in recent quarters — a departure from the low-volatility environment that prevailed for much of the past several years. Against this more challenging backdrop, equity markets in the United States outperformed most international markets on a relative basis in 2018, though broad market returns were modestly negative on an absolute basis. Global economic growth has become less synchronized over the past few quarters, with Europe, China, and some emerging markets having shown signs of significantly slowing growth. While U.S. growth has remained above average, the pace of that growth slowed in the second half of 2018.

Slowing global growth and tighter financial conditions have clouded the outlook for U.S. monetary policy, with the chairman of the U.S. Federal Reserve acknowledging that policy rates are close to levels that the Fed deems neutral for the U.S. economy. This suggests that the predictable pattern of quarterly rate increases is behind us. At the same time, markets must contend with a shift from years of quantitative easing toward a cycle of quantitative tightening now that the European Central Bank has halted asset purchases. U.S. tax reforms adopted in late 2017 have been welcomed by equity markets while emerging market economies have recently had to contend with tighter financial conditions as a result of firmer U.S. interest rates and a stronger dollar. With the Republicans losing control of the U.S. House of Representatives, further meaningful U.S. fiscal stimulus appears less likely over the remainder of this presidential term. A partial U.S. government shutdown, beginning in late 2018, also added to political uncertainty. Globally, inflation remains largely subdued thanks in part to falling oil prices, but tight labor markets and moderate global demand have investors on the lookout for its potential reappearance. Increased U.S. protectionism is also a growing concern, as investors fear trade disputes could dampen business sentiment, leading to even slower global growth. While there has been progress on this front — a NAFTA replacement has been agreed upon between the U.S., Mexico, and Canada; the free trade pact with Korea has been updated; and a negotiating framework with the European Union has been agreed upon — tensions over trade with China remain quite high, though the two sides have recently returned to the negotiating table.

As a global investment manager with nearly a century of expertise, MFS® firmly believes active risk management offers downside mitigation and may help improve investment outcomes. We built our active investment platform with this belief in mind. Our long-term perspective influences nearly every aspect of our business, ensuring our investment decisions align with the investing time horizons of our clients.

Respectfully,

A handwritten signature in black ink that reads "Robert J. Manning". The signature is written in a cursive, flowing style.

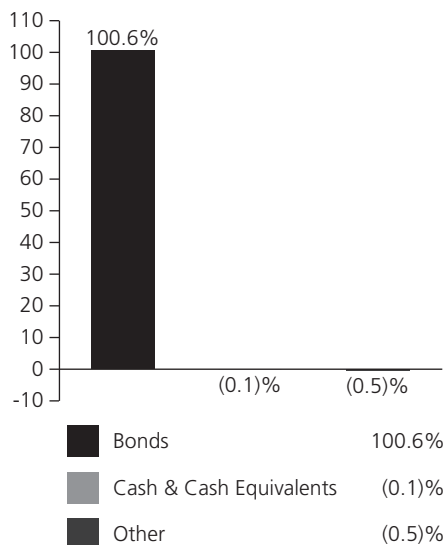
**Robert J. Manning**  
Executive Chairman  
MFS Investment Management

February 15, 2019

The opinions expressed in this letter are subject to change and may not be relied upon for investment advice. No forecasts can be guaranteed.

## PORTFOLIO COMPOSITION

### Portfolio structure (i)



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

AAA	4.2%
AA	2.2%
A	2.7%
BBB	1.6%
U.S. Government	21.5%
Federal Agencies	67.9%
Not Rated	0.5%
Cash & Cash Equivalents	(0.1)%
Other	(0.5)%

### Portfolio facts (i)

Average Duration (d)	5.7
Average Effective Maturity (m)	8.0 yrs.

### Fixed income sectors (i)

Mortgage-Backed Securities	58.4%
U.S. Treasury Securities	22.0%
U.S. Government Agencies	9.5%
Investment Grade Corporates	3.8%
Commercial Mortgage-Backed Securities	2.1%
Collateralized Debt Obligations	2.0%
Municipal Bonds	1.9%
Asset-Backed Securities	0.6%
Non-U.S. Government Bonds	0.3%

- (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. 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, which 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.
- (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 device (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.

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.

*Portfolio Composition – continued*

From time to time Cash & Cash Equivalents may be negative due to timing of cash receipts and disbursements.

Other includes equivalent exposure from currency derivatives and/or any offsets to derivative positions and may be negative.

Percentages are based on net assets as of December 31, 2018.

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

## MANAGEMENT REVIEW

### Summary of Results

For the twelve months ended December 31, 2018, Initial Class shares of the MFS Government Securities Portfolio (“fund”) provided a total return of 0.47%, while Service Class shares of the fund provided a total return of 0.17%. These compare with a return of 0.93% over the same period for the fund’s benchmark, the Bloomberg Barclays U.S. Government/Mortgage Bond Index.

### Market Environment

During the reporting period, the US Federal Reserve raised interest rates by 100 basis points, bringing the total number of rate hikes to nine since the central bank began to normalize monetary policy in late 2015. Economic growth rates in the US, Eurozone and Japan remained above trend, despite a slowing in global growth, particularly toward the end of the period. Inflation remained contained, particularly outside the US. Late in the period, the European Central Bank halted its asset purchase program but issued forward guidance that it does not expect to raise interest rates at least until after the summer of 2019. The Bank of England (once) and the Bank of Canada (three times) each raised rates during the period. The European political backdrop became a bit more volatile, late in the period, spurred by concerns over cohesion in the Eurozone after the election of an anti-establishment, Eurosceptic coalition government in Italy and widespread protests over stagnant wage growth in France.

Bond yields rose in the US during most of the period, but remained low by historical standards and slipped from their highs, late in the period, as market volatility increased. Yields in many developed markets fell. Outside of emerging markets, where spreads and currencies came under pressure, credit spreads remained quite tight until the end of the period, when thinner liquidity, lower oil prices and concerns over high degrees of corporate leverage emerged. Growing concern over increasing global trade friction appeared to have weighed on business sentiment during the period’s second half, especially outside the US. Tighter financial conditions from rising US rates and a strong dollar, combined with trade uncertainty, helped expose structural weaknesses in several emerging markets in the second half of the period.

Volatility increased, at the end of the period, amid signs of slowing global economic growth and increasing trade tensions, which prompted a market setback shortly after US markets set record highs in September. It was the second such equity market decline during the reporting period. The correction came despite a third consecutive quarter of strong growth in US earnings per share. Strong earnings growth, combined with the market decline, brought US equity valuations down from elevated levels, earlier in the period, to multiples more in line with long-term averages. While the US economy held up better than most, global economic growth became less synchronized during the period, with Europe and China showing signs of a slowdown and some emerging markets coming under stress.

### Factors Affecting Performance

Relative to the Bloomberg Barclays U.S. Government/Mortgage Bond Index, the fund’s non-benchmark exposure to both the *commercial mortgage-backed securities (CMBS)* and *corporate* bond sectors was a detractor from performance as general credit spread widening led these sectors to underperform.

Conversely, the fund’s shorter duration<sup>(d)</sup> stance aided relative returns as interest rates generally rose throughout the reporting period. Additionally, security selection within the *mortgage-backed securities (MBS) Agency Fixed Rate* sector benefited relative results.

Respectfully,

Portfolio Manager(s)  
Geoffrey Schechter and Jake Stone

(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.

*Note to Shareholders: Effective September 1, 2018, Jake Stone became a Portfolio Manager of the Fund.*

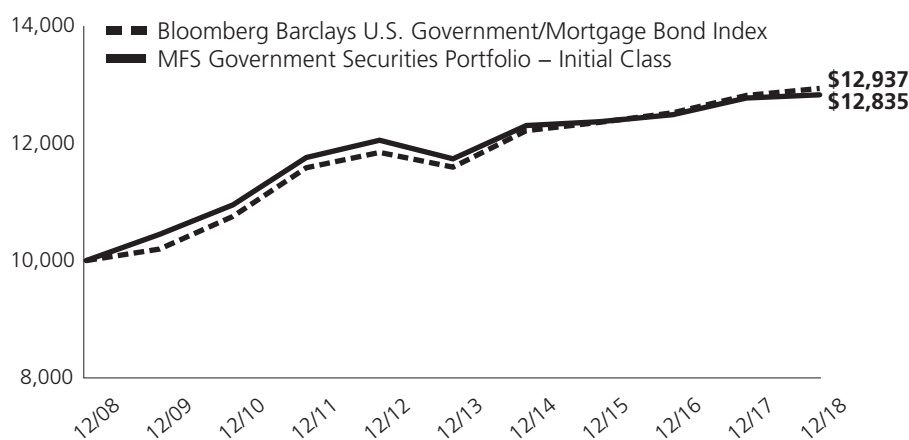
The views expressed in this report are those of the portfolio manager(s) only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio’s current or future investments.

## PERFORMANCE SUMMARY THROUGH 12/31/18

The following chart illustrates the historical performance of the fund in comparison to its benchmark(s). Benchmarks are unmanaged and may not be invested in directly. Benchmark returns do not reflect any fees or expenses. The performance of other share classes will be greater than or less than that of the class depicted below. (See Notes to Performance Summary.)

**Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate so your units, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a contract holder would pay on fund distributions or the redemption of contract units. The returns for the fund shown also do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges imposed by the insurance company separate accounts. Such expenses would reduce the overall returns shown.**

### Growth of a Hypothetical \$10,000 Investment



### Total Returns through 12/31/18

#### Average annual total returns

Share Class	Class Inception Date	1-yr	5-yr	10-yr
Initial Class	6/12/85	0.47%	1.80%	2.53%
Service Class	8/24/01	0.17%	1.55%	2.26%

#### Comparative benchmark(s)

Bloomberg Barclays U.S. Government/Mortgage Bond Index (f)	0.93%	2.22%	2.61%
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(f) Source: FactSet Research Systems Inc.

#### Benchmark Definition(s)

Bloomberg Barclays U.S. Government/Mortgage Bond Index – measures debt issued by the U.S. Government, and its agencies, as well as mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

It is not possible to invest directly in an index.

#### Notes to Performance Summary

Average annual total return represents the average annual change in value for each share class for the periods presented.

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. Please see the prospectus and financial statements for complete details. All results are historical and assume the reinvestment of any dividends and capital gains distributions.

Performance results do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the financial highlights.

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

## EXPENSE TABLE

### Fund Expenses Borne by the Contract Holders during the Period, July 1, 2018 through December 31, 2018

As a contract holder 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 July 1, 2018 through December 31, 2018.

#### 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 7/01/18	Ending Account Value 12/31/18	Expenses Paid During Period (p) 7/01/18-12/31/18
Initial Class	Actual	0.58%	\$1,000.00	\$1,016.17	\$2.95
	Hypothetical (h)	0.58%	\$1,000.00	\$1,022.28	\$2.96
Service Class	Actual	0.83%	\$1,000.00	\$1,014.05	\$4.21
	Hypothetical (h)	0.83%	\$1,000.00	\$1,021.02	\$4.23

(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 184/365 (to reflect the one-half year period).



## PORTFOLIO OF INVESTMENTS – 12/31/18

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 (\$)	Issuer	Shares/Par	Value (\$)
<b>BONDS – 99.6%</b>			<b>BONDS – continued</b>		
<b>Asset-Backed &amp; Securitized – 4.7%</b>			<b>Computer Software – 0.1%</b>		
A Voce CLO Ltd., 2014-1A, "A1R", FLR, 3.596% (LIBOR - 3mo. + 1.16%), 7/15/2026 (n)	\$ 2,195,423	\$ 2,194,305	Microsoft Corp., 3.125%, 11/03/2025	\$ 541,000	\$ 535,329
Chesapeake Funding II LLC, 2018-1A, "A1", 3.04%, 4/15/2030 (z)	1,144,932	1,144,157	<b>Computer Software – Systems – 0.3%</b>		
Chesapeake Funding II LLC, 2018-3A, "A1", 3.39%, 1/15/2031 (z)	1,700,000	1,699,677	Apple, Inc., 3.25%, 2/23/2026	\$ 1,696,000	\$ 1,656,329
Commercial Mortgage Trust, 2015-DC1, "A5", 3.35%, 2/10/2048	1,536,000	1,523,966	<b>Conglomerates – 0.2%</b>		
Commercial Mortgage Trust, 2017-COR2, "A3", 3.51%, 9/10/2050	1,414,455	1,390,035	United Technologies Corp., 3.95%, 8/16/2025	\$ 764,000	\$ 758,426
CSAIL Commercial Mortgage Trust, 2015-C2, "A4", 3.504%, 6/15/2057	144,366	144,321	<b>Consumer Products – 0.3%</b>		
Dryden Senior Loan Fund, 2018-55A, "A1", CLO, FLR, 3.456% (LIBOR - 3mo. + 1.02%), 4/15/2031 (n)	1,537,212	1,514,956	Reckitt Benckiser Treasury Services PLC, 2.75%, 6/26/2024 (n)	\$ 1,311,000	\$ 1,238,955
GS Mortgage Securities Trust, 2015-GC30, "A4", 3.382%, 5/10/2050	1,965,000	1,950,625	<b>Food &amp; Beverages – 0.2%</b>		
Loomis, Sayles & Co., CLO, "A2", FLR, 3.836% (LIBOR - 3mo. + 1.4%), 4/15/2028 (n)	1,489,774	1,454,465	Anheuser-Busch InBev Finance, Inc., 2.65%, 2/01/2021	\$ 977,000	\$ 960,299
Madison Park Funding Ltd., 2014-13A, "BR2", FLR, 3.949% (LIBOR - 3mo. + 1.5%), 4/19/2030 (n)	1,572,067	1,526,266	<b>Local Authorities – 0.2%</b>		
Morgan Stanley Bank of America Merrill Lynch Trust, 2017-C34, "A4", 3.536%, 11/15/2052	415,862	410,096	Philadelphia, PA, School District Rev., "A", AGM, 5.995%, 9/01/2030	\$ 960,000	\$ 1,132,579
Morgan Stanley Capital I Trust, 2018-H4, "XA", 0.868%, 12/15/2051 (i)	6,278,789	410,595	<b>Major Banks – 0.1%</b>		
Symphony CLO Ltd., 2016-17A, "BR", FLR, 3.636% (LIBOR - 3mo. + 1.2%), 4/15/2028 (n)	1,332,260	1,298,013	UBS Group Funding (Switzerland) AG, 3.491%, 5/23/2023 (n)	\$ 565,000	\$ 550,972
TICP CLO Ltd., FLR, 3.309% (LIBOR - 3mo. + 0.8%), 4/20/2028 (n)	1,261,352	1,243,026	<b>Medical &amp; Health Technology &amp; Services – 0.4%</b>		
UBS Commercial Mortgage Trust, 2017-C1, "A4", 3.544%, 11/15/2050	968,000	958,882	Montefiore Obligated Group, 5.246%, 11/01/2048	\$ 2,012,000	\$ 2,106,186
Wells Fargo Commercial Mortgage Trust, 2015-C28, "A4", 3.54%, 5/15/2048	1,937,516	1,939,602	<b>Mortgage-Backed – 58.3%</b>		
Wells Fargo Commercial Mortgage Trust, 2015-NXS1, "A5", 3.148%, 5/15/2048	918,829	902,291	Fannie Mae, 5.6%, 1/01/2019	\$ 326,393	\$ 325,674
Wells Fargo Commercial Mortgage Trust, 2018-C48, "XA", 0.957%, 1/15/2052 (i)(z)	3,757,641	274,263	Fannie Mae, 5%, 4/01/2019 - 3/01/2041	5,271,287	5,589,255
West CLO Ltd. 2013-1A, "A1AR", FLR, 3.749% (LIBOR - 3mo. + 1.16%), 11/07/2025 (n)	452,640	452,417	Fannie Mae, 5.5%, 5/01/2019 - 3/01/2038	7,332,328	7,891,742
		\$ 22,431,958	Fannie Mae, 4.5%, 6/01/2019 - 6/01/2044	15,614,683	16,339,283
<b>Business Services – 0.3%</b>			Fannie Mae, 4.785%, 8/01/2019	1,294,696	1,305,646
Cisco Systems, Inc., 2.6%, 2/28/2023	\$ 1,271,000	\$ 1,245,725	Fannie Mae, 5.05%, 8/01/2019	289,246	291,594
<b>Chemicals – 0.3%</b>			Fannie Mae, 4.67%, 9/01/2019	495,388	500,357
Sherwin Williams Co., 2.75%, 6/01/2022	\$ 1,673,000	\$ 1,619,402	Fannie Mae, 1.99%, 10/01/2019	917,079	915,175
			Fannie Mae, 4.14%, 8/01/2020	412,101	419,823
			Fannie Mae, 6%, 2/01/2021 - 7/01/2037	911,588	991,005
			Fannie Mae, 2.56%, 10/01/2021	226,970	225,206
			Fannie Mae, 2.67%, 3/01/2022	435,781	433,300
			Fannie Mae, 2.152%, 1/25/2023	1,600,000	1,561,095
			Fannie Mae, 2.73%, 4/01/2023	492,730	490,001
			Fannie Mae, 2.41%, 5/01/2023	621,837	613,701
			Fannie Mae, 2.55%, 5/01/2023	535,054	530,981
			Fannie Mae, 2.59%, 5/01/2023	341,234	339,166
			Fannie Mae, 3.5%, 5/25/2025 - 1/01/2047	25,719,862	25,836,995
			Fannie Mae, 2.28%, 11/01/2026	262,018	249,090
			Fannie Mae, 2.597%, 12/25/2026	1,032,000	982,084
			Fannie Mae, 3.043%, 3/25/2028	1,276,000	1,241,151
			Fannie Mae, 3.23%, 1/01/2029	873,383	861,946
			Fannie Mae, 6.5%, 9/01/2031 - 10/01/2037	756,507	849,801
			Fannie Mae, 3%, 12/01/2031 - 11/01/2046	14,095,680	13,904,908
			Fannie Mae, 4%, 9/01/2040 - 2/01/2045	34,948,618	35,930,899
			Fannie Mae, 2%, 5/25/2044	753,904	727,140
			Fannie Mae, TBA, 2.5%, 1/17/2034	875,000	854,553

MFS Government Securities Portfolio

Portfolio of Investments – continued

Issuer	Shares/Par	Value (\$)	Issuer	Shares/Par	Value (\$)
<b>BONDS – continued</b>			<b>BONDS – continued</b>		
<b>Mortgage-Backed – continued</b>			<b>Mortgage-Backed – continued</b>		
Fannie Mae, TBA, 3%, 1/17/2034	\$ 3,600,000	\$ 3,592,272	Ginnie Mae, 3.5%, 12/15/2041 - 6/20/2043	\$ 5,364,214	\$ 5,427,234
Fannie Mae, TBA, 3.5%, 1/17/2034	3,075,000	3,112,507	Ginnie Mae, 3%, 11/20/2047 - 2/20/2048	11,126,467	10,950,783
Freddie Mac, 2.086%, 3/25/2019	1,288,712	1,285,380	Ginnie Mae, 6.158%, 4/20/2058	38,428	40,282
Freddie Mac, 1.883%, 5/25/2019	3,438,049	3,425,570	Ginnie Mae, 0.659%, 2/16/2059 (i)	2,319,533	140,476
Freddie Mac, 6%, 8/01/2019 - 10/01/2038	2,502,907	2,714,449	Ginnie Mae, TBA, 3.5%, 1/23/2049	1,400,000	1,409,548
Freddie Mac, 2.456%, 8/25/2019	1,236,312	1,231,934			\$ 280,970,636
Freddie Mac, 4.186%, 8/25/2019	814,000	816,221	<b>Municipals – 1.7%</b>		
Freddie Mac, 1.869%, 11/25/2019	2,573,177	2,551,603	New Jersey Economic Development Authority State Pension Funding Rev., Capital Appreciation, "B", 0%, 2/15/2023		
Freddie Mac, 4.251%, 1/25/2020	1,449,000	1,461,929	\$ 4,114,000	\$ 3,520,926	
Freddie Mac, 2.313%, 3/25/2020	1,473,554	1,462,799	State of California (Build America Bonds), 7.6%, 11/01/2040		
Freddie Mac, 4.224%, 3/25/2020	1,854,785	1,877,796	1,935,000	2,817,766	
Freddie Mac, 5%, 4/01/2020 - 6/01/2040	1,000,683	1,057,773	University of California Rev. (Build America Bonds), 5.77%, 5/15/2043		
Freddie Mac, 3.808%, 8/25/2020	999,000	1,008,632	1,345,000	1,618,318	
Freddie Mac, 3.034%, 10/25/2020	1,318,347	1,317,759		\$ 7,957,010	
Freddie Mac, 2.455%, 3/25/2022	1,066,892	1,057,873	<b>Other Banks &amp; Diversified Financials – 0.6%</b>		
Freddie Mac, 5.5%, 5/01/2022 - 6/01/2041	1,773,218	1,913,727	Banque Federative du Credit Mutuel S.A., 2.5%, 4/13/2021 (n)		
Freddie Mac, 2.716%, 6/25/2022	1,616,064	1,605,176	\$ 1,492,000	\$ 1,463,747	
Freddie Mac, 4.5%, 11/01/2022 - 5/01/2042	2,754,463	2,878,452	ING Groep N.V., 3.15%, 3/29/2022		
Freddie Mac, 2.51%, 11/25/2022	2,326,000	2,291,160	1,606,000	1,579,010	
Freddie Mac, 3.32%, 2/25/2023	1,993,000	2,020,938		\$ 3,042,757	
Freddie Mac, 3.25%, 4/25/2023	3,500,000	3,539,250	<b>Restaurants – 0.3%</b>		
Freddie Mac, 3.3%, 4/25/2023 - 10/25/2026	4,406,044	4,444,075	Starbucks Corp., 3.8%, 8/15/2025		
Freddie Mac, 3.06%, 7/25/2023	1,286,000	1,291,212	\$ 1,651,000	\$ 1,633,445	
Freddie Mac, 0.881%, 4/25/2024 (i)	16,676,689	631,113	<b>Supranational – 0.3%</b>		
Freddie Mac, 0.618%, 7/25/2024 (i)	17,843,369	500,856	Inter-American Development Bank, 4.375%, 1/24/2044		
Freddie Mac, 3.064%, 8/25/2024	1,703,107	1,707,889	\$ 1,093,000	\$ 1,293,775	
Freddie Mac, 2.67%, 12/25/2024	3,924,000	3,844,736	<b>Tobacco – 0.3%</b>		
Freddie Mac, 2.811%, 1/25/2025	3,025,000	2,983,818	B.A.T Capital Corp., 2.764%, 8/15/2022		
Freddie Mac, 3.329%, 5/25/2025	3,082,000	3,123,916	\$ 1,283,000	\$ 1,211,890	
Freddie Mac, 4%, 7/01/2025 - 4/01/2044	2,594,741	2,659,891	<b>U.S. Government Agencies and Equivalents – 9.4%</b>		
Freddie Mac, 3.01%, 7/25/2025	904,000	899,194	AID-Tunisia, 2.452%, 7/24/2021		
Freddie Mac, 2.745%, 1/25/2026	2,656,000	2,591,058	\$ 1,444,000	\$ 1,432,428	
Freddie Mac, 3.224%, 3/25/2027	2,380,000	2,375,408	AID-Ukraine, 1.844%, 5/16/2019		
Freddie Mac, 3.243%, 4/25/2027	2,062,000	2,058,583	2,527,000	2,520,162	
Freddie Mac, 3.117%, 6/25/2027	1,490,000	1,473,556	AID-Ukraine, 1.847%, 5/29/2020		
Freddie Mac, 0.578%, 7/25/2027 (i)	30,010,367	1,261,351	Federal Home Loan Bank, 2.375%, 3/30/2020		
Freddie Mac, 3.194%, 7/25/2027	2,152,000	2,137,661	5,500,000	5,487,289	
Freddie Mac, 0.436%, 8/25/2027 (i)	25,147,000	803,615	Federal Home Loan Bank, 2.625%, 12/10/2021		
Freddie Mac, 3.187%, 9/25/2027	4,857,000	4,812,004	4,800,000	4,812,744	
Freddie Mac, 3.286%, 11/25/2027	2,115,000	2,108,780	Federal Home Loan Bank, 3%, 12/10/2021		
Freddie Mac, 3.444%, 12/25/2027	722,000	728,497	20,500,000	20,709,305	
Freddie Mac, 0.29%, 1/25/2028 (i)	42,816,064	1,046,442	Hashemite Kingdom of Jordan, 1.945%, 6/23/2019		
Freddie Mac, 0.302%, 1/25/2028 (i)	17,629,911	444,757	2,205,000	2,196,380	
Freddie Mac, 0.134%, 2/25/2028 (i)	49,882,900	662,545	Private Export Funding Corp., 2.25%, 3/15/2020		
Freddie Mac, 0.119%, 4/25/2028 (i)	32,061,154	398,921	594,000	591,055	
Freddie Mac, 3.85%, 5/25/2028	1,423,000	1,479,728	Private Export Funding Corp., 2.3%, 9/15/2020		
Freddie Mac, 6.5%, 8/01/2032 - 5/01/2037	465,659	525,764	770,000	764,026	
Freddie Mac, 3.5%, 11/01/2037 - 1/01/2047	29,615,095	29,777,690	Small Business Administration, 6.35%, 4/01/2021		
Freddie Mac, 3%, 1/01/2038 - 11/01/2046	17,432,704	17,102,111	34,826	35,596	
Ginnie Mae, 5.5%, 7/15/2033 - 1/20/2042	1,661,134	1,791,103	Small Business Administration, 6.34%, 5/01/2021		
Ginnie Mae, 4.5%, 8/15/2039 - 9/20/2041	3,886,420	4,075,188	45,770	46,689	
Ginnie Mae, 4%, 10/15/2039 - 4/20/2041	811,117	836,080	Small Business Administration, 6.44%, 6/01/2021		
			80,111	82,262	
			Small Business Administration, 6.625%, 7/01/2021		
			95,269	97,357	
			Small Business Administration, 6.07%, 3/01/2022		
			80,128	82,205	

## Portfolio of Investments – continued

Issuer	Shares/Par	Value (\$)	Issuer	Shares/Par	Value (\$)
<b>BONDS – continued</b>			<b>BONDS – continued</b>		
<b>U.S. Government Agencies and Equivalents – continued</b>			<b>U.S. Treasury Obligations – continued</b>		
Small Business Administration, 4.98%, 11/01/2023	\$ 105,108	\$ 108,826	U.S. Treasury Bonds, 4.5%, 8/15/2039	\$ 1,287,500	\$ 1,606,632
Small Business Administration, 4.77%, 4/01/2024	261,695	269,265	U.S. Treasury Bonds, 3.125%, 2/15/2043	8,176,700	8,355,195
Small Business Administration, 5.52%, 6/01/2024	111,818	116,358	U.S. Treasury Bonds, 2.875%, 5/15/2043	13,519,500	13,221,538
Small Business Administration, 4.99%, 9/01/2024	20,928	21,650	U.S. Treasury Bonds, 2.5%, 2/15/2045	21,059,000	19,120,548
Small Business Administration, 5.11%, 4/01/2025	163,845	169,431	U.S. Treasury Bonds, 2.875%, 11/15/2046	2,917,000	2,841,332
Small Business Administration, 2.21%, 2/01/2033	834,734	812,711	U.S. Treasury Notes, 1.75%, 11/30/2021	4,800,000	4,702,977
Small Business Administration, 2.22%, 3/01/2033	1,454,364	1,416,096	U.S. Treasury Notes, 1.75%, 5/15/2022	6,594,000	6,439,123
Small Business Administration, 3.15%, 7/01/2033	1,350,126	1,379,962	U.S. Treasury Notes, 2.5%, 8/15/2023 (f)	25,869,000	25,860,355
Small Business Administration, 3.16%, 8/01/2033	736,964	753,336	U.S. Treasury Notes, 2.5%, 5/15/2024	5,385,000	5,375,052
Small Business Administration, 3.62%, 9/01/2033	484,497	500,492	U.S. Treasury Notes, 2.875%, 7/31/2025	5,161,000	5,253,004
		<u>\$ 45,528,538</u>	U.S. Treasury Notes, 2%, 8/15/2025	438,000	422,405
					<u>\$ 102,861,165</u>
			<b>Utilities – Electric Power – 0.3%</b>		
			Enel Finance International N.V., 2.875%, 5/25/2022 (n)		
				\$ 1,518,000	\$ 1,430,201
			<b>Total Bonds</b>		
			<b>(Identified Cost, \$483,835,927)</b>		
					<b>\$480,165,577</b>
			<b>INVESTMENT COMPANIES (h) – 0.0%</b>		
			<b>Money Market Funds – 0.0%</b>		
			MFS Institutional Money Market Portfolio, 2.4% (v) (Identified Cost, \$26,672)		
				26,675	\$ 26,672
			OTHER ASSETS, LESS		
			LIABILITIES – 0.4%		
					2,133,702
			<b>NET ASSETS – 100.0%</b>		
					<b>\$482,325,951</b>

- (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 \$26,672 and \$480,165,577, 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 \$14,367,323, representing 3.0% 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.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
Chesapeake Funding II LLC, 2018-1A, "A1", 3.04%, 4/15/2030	12/19/18	\$1,141,363	\$1,144,157
Chesapeake Funding II LLC, 2018-3A, "A1", 3.39%, 1/15/2031	12/04/18	1,699,678	1,699,677
Wells Fargo Commercial Mortgage Trust, 2018-C48, "XA", 0.957%, 1/15/2052	12/10/18	273,733	274,263
<b>Total Restricted Securities</b>			<b>\$3,118,097</b>
<b>% of Net assets</b>			<b>0.6%</b>

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

AGM Assured Guaranty Municipal  
CLO Collateralized Loan Obligation

## MFS Government Securities Portfolio

*Portfolio of Investments – continued*

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

PLC Public Limited Company

TBA To Be Announced

### Derivative Contracts at 12/31/18

#### Futures Contracts

Description	Long/ Short	Currency	Contracts	Notional Amount	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Asset Derivatives</b>						
<b>Interest Rate Futures</b>						
U.S. Treasury Note 2 yr	Long	USD	35	\$7,430,938	March - 2019	<u>\$48,001</u>
<b>Liability Derivatives</b>						
<b>Interest Rate Futures</b>						
U.S. Treasury Bond 30 yr	Short	USD	34	\$4,964,000	March - 2019	<u>\$(170,656)</u>

At December 31, 2018, the fund had liquid securities with an aggregate value of \$92,969 to cover any collateral or margin obligations for certain derivative contracts.

**See Notes to Financial Statements**

## FINANCIAL STATEMENTS | STATEMENT OF ASSETS AND LIABILITIES

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

At 12/31/18

<b>Assets</b>	
Investments in unaffiliated issuers, at value (identified cost, \$483,835,927)	\$480,165,577
Investments in affiliated issuers, at value (identified cost, \$26,672)	26,672
Cash	344
Receivables for	
Investments sold	9,867,855
Fund shares sold	9,907
Interest	2,369,988
Other assets	3,283
<b>Total assets</b>	<b>\$492,443,626</b>
<b>Liabilities</b>	
Payables for	
Net daily variation margin on open futures contracts	\$11,028
TBA purchase commitments	8,916,191
Fund shares reacquired	1,071,054
Payable to affiliates	
Investment adviser	24,331
Shareholder servicing costs	69
Distribution and/or service fees	4,700
Payable for independent Trustees' compensation	19
Accrued expenses and other liabilities	90,283
<b>Total liabilities</b>	<b>\$10,117,675</b>
<b>Net assets</b>	<b>\$482,325,951</b>
<b>Net assets consist of</b>	
Paid-in capital	\$502,216,321
Total distributable earnings (loss)	(19,890,370)
<b>Net assets</b>	<b>\$482,325,951</b>
Shares of beneficial interest outstanding	40,161,615

	<b>Net assets</b>	<b>Shares outstanding</b>	<b>Net asset value per share</b>
Initial Class	\$310,387,496	25,789,435	\$12.04
Service Class	171,938,455	14,372,180	11.96

See Notes to Financial Statements

**FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS**

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.

**Year ended 12/31/18**

**Net investment income (loss)**

Income	
Interest	\$15,927,390
Dividends from affiliated issuers	190,927
Other	10,119
<b>Total investment income</b>	<b>\$16,128,436</b>
Expenses	
Management fee	\$2,918,442
Distribution and/or service fees	484,883
Shareholder servicing costs	8,340
Administrative services fee	85,326
Independent Trustees' compensation	12,279
Custodian fee	30,328
Shareholder communications	34,161
Audit and tax fees	62,354
Legal fees	4,571
Miscellaneous	40,235
<b>Total expenses</b>	<b>\$3,680,919</b>
Reduction of expenses by investment adviser	(75,095)
<b>Net expenses</b>	<b>\$3,605,824</b>
<b>Net investment income (loss)</b>	<b>\$12,522,612</b>
<b>Realized and unrealized gain (loss)</b>	
Realized gain (loss) (identified cost basis)	
Unaffiliated issuers	\$(2,255,292)
Affiliated issuers	(2,069)
Futures contracts	11,977
<b>Net realized gain (loss)</b>	<b>\$(2,245,384)</b>
Change in unrealized appreciation or depreciation	
Unaffiliated issuers	\$(9,625,169)
Affiliated issuers	327
Futures contracts	(78,651)
<b>Net unrealized gain (loss)</b>	<b>\$(9,703,493)</b>
<b>Net realized and unrealized gain (loss)</b>	<b>\$(11,948,877)</b>
<b>Change in net assets from operations</b>	<b>\$573,735</b>

**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.

	Year ended	
	12/31/18	12/31/17
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income (loss)	\$12,522,612	\$14,129,796
Net realized gain (loss)	(2,245,384)	(673,000)
Net unrealized gain (loss)	(9,703,493)	(599,914)
Change in net assets from operations	\$573,735	\$12,856,882
Total distributions to shareholders (a)	\$(16,541,275)	\$(17,852,246)
Change in net assets from fund share transactions	\$(78,202,132)	\$(43,797,662)
Total change in net assets	\$(94,169,672)	\$(48,793,026)
<b>Net assets</b>		
At beginning of period	576,495,623	625,288,649
At end of period (b)	\$482,325,951	\$576,495,623

(a) Distributions from net investment income and from net realized gain are no longer required to be separately disclosed. See Note 2. For the year ended December 31, 2017, distributions from net investment income were \$17,852,246.

(b) Parenthetical disclosure of undistributed net investment income is no longer required. See Note 2. For the year ended December 31, 2017, end of period net assets included undistributed net investment income of \$16,539,111.

### 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 past 5 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

	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Net asset value, beginning of period	\$12.39	\$12.51	\$12.72	\$13.02	\$12.73
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.30	\$0.31	\$0.31(c)	\$0.27	\$0.26
Net realized and unrealized gain (loss)	(0.25)	(0.03)	(0.17)	(0.21)	0.35
Total from investment operations	\$0.05	\$0.28	\$0.14	\$0.06	\$0.61
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.40)	\$(0.40)	\$(0.35)	\$(0.36)	\$(0.32)
Net asset value, end of period (x)	\$12.04	\$12.39	\$12.51	\$12.72	\$13.02
Total return (%) (k)(r)(s)(x)	0.47	2.22	1.04(c)	0.47	4.86
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.60	0.60	0.57(c)	0.60	0.60
Expenses after expense reductions (f)	0.59	0.60	0.56(c)	0.59	0.59
Net investment income (loss)	2.45	2.45	2.40(c)	2.09	2.04
Portfolio turnover	35	24	48	81	61
Net assets at end of period (000 omitted)	\$310,387	\$364,445	\$388,457	\$424,025	\$484,573

### Service Class

	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Net asset value, beginning of period	\$12.31	\$12.42	\$12.64	\$12.93	\$12.63
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.26	\$0.27	\$0.28(c)	\$0.24	\$0.23
Net realized and unrealized gain (loss)	(0.24)	(0.02)	(0.18)	(0.21)	0.36
Total from investment operations	\$0.02	\$0.25	\$0.10	\$0.03	\$0.59
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.37)	\$(0.36)	\$(0.32)	\$(0.32)	\$(0.29)
Net asset value, end of period (x)	\$11.96	\$12.31	\$12.42	\$12.64	\$12.93
Total return (%) (k)(r)(s)(x)	0.17	2.03	0.68(c)	0.26	4.67
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.85	0.85	0.82(c)	0.85	0.85
Expenses after expense reductions (f)	0.84	0.85	0.81(c)	0.84	0.84
Net investment income (loss)	2.20	2.20	2.15(c)	1.84	1.79
Portfolio turnover	35	24	48	81	61
Net assets at end of period (000 omitted)	\$171,938	\$212,050	\$236,831	\$256,958	\$299,520

See Notes to Financial Statements



*Financial Highlights – continued*

- (c) Amount reflects a one-time reimbursement of expenses by the custodian (or former custodian) without which net investment income and performance would be lower and expenses would be higher.
- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (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.
- (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

### (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.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20) – Premium Amortization on Purchased Callable Debt Securities ("ASU 2017-08"). For entities that hold callable debt securities at a premium, ASU 2017-08 requires that the premium be amortized to the earliest call date. ASU 2017-08 will be effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Management has evaluated the potential impacts of ASU 2017-08 and believes that adoption of ASU 2017-08 will not have a material effect on the fund's overall financial position or its overall results of operations.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820) – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13") which introduces new fair value disclosure requirements as well as eliminates and modifies certain existing fair value disclosure requirements. ASU 2018-13 would be effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years; however, management has elected to early adopt ASU 2018-13 effective with the current reporting period. The impact of the fund's adoption was limited to changes in the fund's financial statement disclosures regarding fair value, primarily those disclosures related to transfers between levels of the fair value hierarchy.

In August 2018, the Securities and Exchange Commission (SEC) released its Final Rule on Disclosure Update and Simplification (the "Final Rule") which is intended to simplify an issuer's disclosure compliance efforts by removing redundant or outdated disclosure requirements without significantly altering the mix of information provided to investors. Effective with the current reporting period, the fund adopted the Final Rule with the impacts being that the fund is no longer required to present the components of distributable earnings on the Statement of Assets and Liabilities or the sources of distributions to shareholders and the amount of undistributed net investment income on the Statements of Changes in Net Assets.

**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** – 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. 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, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the

## Notes to Financial Statements – continued

adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an 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 halting 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 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 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 December 31, 2018 in valuing the fund's assets or liabilities:

<b>Financial Instruments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury Bonds & U.S. Government Agency & Equivalents	\$—	\$148,389,703	\$—	\$148,389,703
Non-U.S. Sovereign Debt	—	1,293,775	—	1,293,775
Municipal Bonds	—	9,089,589	—	9,089,589
U.S. Corporate Bonds	—	10,515,140	—	10,515,140
Residential Mortgage-Backed Securities	—	280,970,636	—	280,970,636
Commercial Mortgage-Backed Securities	—	9,904,676	—	9,904,676
Asset-Backed Securities (including CDOs)	—	12,527,282	—	12,527,282
Foreign Bonds	—	7,474,776	—	7,474,776
Mutual Funds	26,672	—	—	26,672
<b>Total</b>	<b>\$26,672</b>	<b>\$480,165,577</b>	<b>\$—</b>	<b>\$480,192,249</b>
<b>Other Financial Instruments</b>				
Futures Contracts – Assets	\$48,001	\$—	\$—	\$48,001
Futures Contracts – Liabilities	(170,656)	—	—	(170,656)

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

**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, the 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.

## MFS Government Securities Portfolio

Notes to Financial Statements – continued

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 December 31, 2018 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value (a)	
		Asset Derivatives	Liability Derivatives
Interest Rate	Interest Rate Futures	\$48,001	\$(170,656)

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

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended December 31, 2018 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$11,977

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 year ended December 31, 2018 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$(78,651)

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 collateral 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.

**Dollar Roll Transactions** – The fund enters into dollar roll transactions, with respect to mortgage-backed securities issued by Ginnie Mae, Fannie Mae, and Freddie Mac, in which the fund sells mortgage-backed securities to financial institutions and simultaneously

*Notes to Financial Statements – continued*

agrees to purchase similar (same issuer, type and coupon) securities at a later date at an agreed-upon price. During the period between the sale and repurchase in a dollar roll transaction the fund will not be entitled to receive interest and principal payments on the securities sold but is compensated by interest earned on the proceeds of the initial sale and by a lower purchase price on the securities to be repurchased which enhances the fund's total return. The fund accounts for dollar roll transactions as purchases and sales and realizes gains and losses on these transactions.

**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** – Investment transactions are recorded on the trade date. 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. Some securities may be purchased on a "when-issued" or "forward delivery" basis, which means that the securities will be delivered to the fund at a future date, usually beyond customary settlement time. 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.

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.

The fund purchased or sold debt securities on a when-issued or delayed delivery basis, or in a "To Be Announced" (TBA) or "forward commitment" transaction with delivery or payment to occur at a later date beyond the normal settlement period. At the time a fund enters into a commitment to purchase or sell a security, the transaction is recorded and the value of the security acquired is reflected in the fund's net asset value. The price of such security and the date that the security will be delivered and paid for are fixed at the time the transaction is negotiated. The value of the security may vary with market fluctuations. TBA securities resulting from these transactions are included in the Portfolio of Investments. TBA purchase commitments are held at carrying amount, which approximates fair value and are categorized as level 2 within the fair value hierarchy. No interest accrues to the fund until payment takes place. At the time that a fund enters into this type of transaction, the fund is required to have sufficient cash and/or liquid securities to cover its commitments. Losses may arise due to changes in the value of the underlying securities or if the counterparty does not perform under the contract's terms, or if the issuer does not issue the securities due to political, economic or other factors. Additionally, losses may arise due to declines in the value of the securities prior to settlement date.

To mitigate the counterparty credit risk on TBA securities and other types of forward settling mortgage-backed securities, 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 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 one 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 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. Distributions in excess of net investment income or net realized gains are temporary overdistributions for financial statement purposes resulting from differences in the recognition or classification of income or distributions for financial statement and tax purposes.

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

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

	<b>Year ended 12/31/18</b>	<b>Year ended 12/31/17</b>
Ordinary income (including any short-term capital gains)	\$16,541,275	\$17,852,246

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

**As of 12/31/18**

Cost of investments	\$487,353,481
Gross appreciation	6,560,323
Gross depreciation	(13,844,210)
Net unrealized appreciation (depreciation)	\$(7,283,887)
Undistributed ordinary income	13,608,126
Capital loss carryforwards	(26,214,609)

As of December 31, 2018, 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	\$(6,565,848)
Long-Term	(19,648,761)
Total	\$(26,214,609)

**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:

	<b>From net investment income</b>	
	<b>Year ended 12/31/18</b>	<b>Year ended 12/31/17</b>
Initial Class	\$10,880,020	\$11,609,362
Service Class	5,661,255	6,242,884
Total	\$16,541,275	\$17,852,246

**(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:

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. For the year ended December 31, 2018, this management fee reduction amounted to \$50,502, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the year ended December 31, 2018 was equivalent to an annual effective rate of 0.54% of the fund’s average daily net assets.



*Notes to Financial Statements – continued*

For the period from January 1, 2018 through July 31, 2018, the investment adviser had agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs, and investment-related expenses, such that total annual operating expenses did not exceed 0.61% of average daily net assets for the Initial Class shares and 0.86% of average daily net assets for the Service Class shares. This written agreement terminated on July 31, 2018. For the period from January 1, 2018 through July 31, 2018, 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. Effective August 1, 2018, 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, 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, 2020. For the period from August 1, 2018 through December 31, 2018, this reduction amounted to \$24,593, 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. MFD may subsequently pay all, or a portion, of the distribution and/or service fees to financial intermediaries.

**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 year ended December 31, 2018, the fee was \$7,935, which equated to 0.0015% annually of the fund's average daily net assets. MFSC also receives payment from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the year ended December 31, 2018, these costs amounted to \$405.

**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 incurred for the year ended December 31, 2018 was equivalent to an annual effective rate of 0.0161% 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. 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 for their services to the fund from MFS. Certain officers and Trustees of the fund are officers or directors of MFS, MFD, and MFSC.

**Other** – This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the year ended December 31, 2018, the fee paid by the fund under this agreement was \$904 and is included in "Miscellaneous" expense in the Statement of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

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.

**(4) Portfolio Securities**

For the year ended December 31, 2018, purchases and sales of investments, other than short-term obligations, were as follows:

	<b>Purchases</b>	<b>Sales</b>
U.S. Government securities	\$128,706,492	\$176,646,547
Non-U.S. Government securities	\$53,018,161	\$48,651,480

**(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:

	Year ended 12/31/18		Year ended 12/31/17	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	420,018	\$5,061,750	808,666	\$10,123,347
Service Class	642,376	7,707,935	1,401,695	17,378,499
	1,062,394	\$12,769,685	2,210,361	\$27,501,846
Shares issued to shareholders in reinvestment of distributions				
Initial Class	916,598	\$10,880,020	933,228	\$11,609,362
Service Class	479,361	5,661,255	504,679	6,242,884
	1,395,959	\$16,541,275	1,437,907	\$17,852,246
Shares reacquired				
Initial Class	(4,972,729)	\$(59,818,993)	(3,378,602)	\$(42,475,081)
Service Class	(3,978,973)	(47,694,099)	(3,738,170)	(46,676,673)
	(8,951,702)	\$(107,513,092)	(7,116,772)	\$(89,151,754)
Net change				
Initial Class	(3,636,113)	\$(43,877,223)	(1,636,708)	\$(20,742,372)
Service Class	(2,857,236)	(34,324,909)	(1,831,796)	(23,055,290)
	(6,493,349)	\$(78,202,132)	(3,468,504)	\$(43,797,662)

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 29% and 10%, 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 \$1.25 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication 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 higher of the Overnight Bank Funding rate or daily one month LIBOR 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. 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 a rate equal to the Overnight Bank Funding rate plus an agreed upon spread. For the year ended December 31, 2018, the fund's commitment fee and interest expense were \$3,073 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 fund assumes the following to be affiliated issuers:

Affiliated Issuers	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount	
MFS Institutional Money Market Portfolio	36,877,651	128,104,631	(164,955,607)	26,675	
Affiliated Issuers	Realized Gain (Loss)	Change in Unrealized Appreciation/Depreciation	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	\$(2,069)	\$327	\$—	\$190,927	\$26,672



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of MFS Variable Insurance Trust II and the Shareholders of MFS Government Securities Portfolio:

### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of MFS Government Securities Portfolio (the "Fund"), including the portfolio of investments, as of December 31, 2018, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

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

DELOITTE & TOUCHE LLP

Boston, Massachusetts  
February 15, 2019

We have served as the auditor of one or more of the MFS investment companies since 1924.

## TRUSTEES AND OFFICERS – IDENTIFICATION AND BACKGROUND

The Trustees and Officers of the Trust, as of February 1, 2019, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Number of MFS Funds overseen by the Trustee</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships During the Past Five Years <sup>(i)</sup></b>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 55)	Trustee	February 2004	135	Massachusetts Financial Services Company, Executive Chairman (since January 2017); Director; Chairman of the Board; Chief Executive Officer (until 2015); Co-Chief Executive Officer (2015-2016)	N/A
Robin A. Stelmach <sup>(k)</sup> (age 57)	Trustee	January 2014	135	Massachusetts Financial Services Company, Vice Chair (since January 2017); Chief Operating Officer and Executive Vice President (until January 2017)	N/A
<b>INDEPENDENT TRUSTEES</b>					
John P. Kavanaugh (age 64)	Trustee and Chair of Trustees	January 2009	135	Private investor	N/A
Steven E. Buller (age 67)	Trustee	February 2014	135	Financial Accounting Standards Advisory Council, Chairman (2014-2015); Public Company Accounting Oversight Board, Standing Advisory Group, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014)	N/A
John A. Caroselli (age 64)	Trustee	March 2017	135	JC Global Advisors, LLC (management consulting), President (since 2015); First Capital Corporation (commercial finance), Executive Vice President (until 2015)	N/A
Maureen R. Goldfarb (age 63)	Trustee	January 2009	135	Private investor	N/A
Michael Hegarty (age 74)	Trustee	December 2004	135	Private investor	Rouse Properties Inc., Director (until 2016); Capmark Financial Group Inc., Director (until 2015)
Peter D. Jones (age 63)	Trustee	January 2019	135	Franklin Templeton Distributors, Inc. (investment management), President (until 2015); Franklin Templeton Institutional, LLC (investment management), Chairman (until 2015)	N/A
James W. Kilman, Jr. (age 57)	Trustee	January 2019	135	KielStrand Capital LLC (family office and merchant bank), Chief Executive Officer (since 2016); Morgan Stanley & Co. (financial services), Vice Chairman of Investment Banking, Co-Head of Diversified Financials Coverage – Financial Institutions Investment Banking Group (until 2016)	alpha-En Corporation, Director (since 2016)

## Trustees and Officers – continued

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Number of MFS Funds overseen by the Trustee</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships During the Past Five Years <sup>(i)</sup></b>
Clarence Otis, Jr. (age 62)	Trustee	March 2017	135	Darden Restaurants, Inc., Chief Executive Officer (until 2014)	VF Corporation, Director; Verizon Communications, Inc., Director; The Travelers Companies, Director; Federal Reserve Bank of Atlanta, Director (until 2015)
Maryanne L. Roepke (age 62)	Trustee	May 2014	135	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen (age 61)	Trustee	March 2005	135	Private investor	The Travelers Companies, Director; Dycom Industries, Inc., Director (since 2015)

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Number of MFS Funds for which the Person is an Officer</b>	<b>Principal Occupations During the Past Five Years</b>
<b>OFFICERS</b>				
Christopher R. Bohane <sup>(k)</sup> (age 45)	Assistant Secretary and Assistant Clerk	July 2005	135	Massachusetts Financial Services Company, Vice President and Assistant General Counsel
Kino Clark <sup>(k)</sup> (age 50)	Assistant Treasurer	January 2012	135	Massachusetts Financial Services Company, Vice President
John W. Clark, Jr. <sup>(k)</sup> (age 51)	Assistant Treasurer	April 2017	135	Massachusetts Financial Services Company, Vice President (since March 2017); Deutsche Bank (financial services), Department Head – Treasurer's Office (until February 2017)
Thomas H. Connors <sup>(k)</sup> (age 59)	Assistant Secretary and Assistant Clerk	September 2012	135	Massachusetts Financial Services Company, Vice President and Senior Counsel
Ethan D. Corey <sup>(k)</sup> (age 55)	Assistant Secretary and Assistant Clerk	July 2005	135	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel
David L. DiLorenzo <sup>(k)</sup> (age 50)	President	July 2005	135	Massachusetts Financial Services Company, Senior Vice President
Heidi W. Hardin <sup>(k)</sup> (age 51)	Secretary and Clerk	April 2017	135	Massachusetts Financial Services Company, Executive Vice President and General Counsel (since March 2017); Harris Associates (investment management), General Counsel (from September 2015 to January 2017); Janus Capital Management LLC (investment management), Senior Vice President and General Counsel (until September 2015)
Brian E. Langenfeld <sup>(k)</sup> (age 45)	Assistant Secretary and Assistant Clerk	June 2006	135	Massachusetts Financial Services Company, Vice President and Senior Counsel
Amanda S. Mooradian <sup>(k)</sup> (age 39)	Assistant Secretary and Assistant Clerk	September 2018	135	Massachusetts Financial Services Company, Assistant Vice President and Counsel
Susan A. Pereira <sup>(k)</sup> (age 48)	Assistant Secretary and Assistant Clerk	July 2005	135	Massachusetts Financial Services Company, Vice President and Senior Counsel
Kasey L. Phillips <sup>(k)</sup> (age 48)	Assistant Treasurer	September 2012	135	Massachusetts Financial Services Company, Vice President
Matthew A. Stowe <sup>(k)</sup> (age 44)	Assistant Secretary and Assistant Clerk	October 2014	135	Massachusetts Financial Services Company, Vice President and Assistant General Counsel

## MFS Government Securities Portfolio

Trustees and Officers – continued

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Number of MFS Funds for which the Person is an Officer</b>	<b>Principal Occupations During the Past Five Years</b>
Frank L. Tarantino (age 74)	Independent Senior Officer	June 2004	135	Tarantino LLC (provider of compliance services), Principal
Richard S. Weitzel <sup>(k)</sup> (age 48)	Assistant Secretary and Assistant Clerk	October 2007	135	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel
Martin J. Wolin <sup>(k)</sup> (age 51)	Chief Compliance Officer	July 2015	135	Massachusetts Financial Services Company, Senior Vice President and Chief Compliance Officer (since July 2015); Mercer (financial service provider), Chief Risk and Compliance Officer, North America and Latin America (until June 2015)
James O. Yost <sup>(k)</sup> (age 58)	Treasurer	September 1990	135	Massachusetts Financial Services Company, Senior Vice President

(h) Date first appointed to serve as Trustee/officer of an MFS Fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Mr. Manning served as Advisory Trustee. From January 2012 through December 2016, Messrs. DiLorenzo and Yost served as Treasurer and Deputy Treasurer of the Funds, respectively.

(j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., “public companies”).

(k) “Interested person” of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of a position with MFS. The address of MFS is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

Each Trustee has been elected by shareholders and each Trustee and officer holds office until his or her successor is chosen and qualified or until his or her earlier death, resignation, retirement or removal. The Trust does not hold annual meetings for the purpose of electing Trustees, and Trustees are not elected for fixed terms. Under the terms of the Board’s retirement policy, an Independent Trustee shall retire at the end of the calendar year in which he or she reaches the earlier of 75 years of age or 15 years of service on the Board (or, in the case of any Independent Trustee who joined the Board prior to 2015, 20 years of service on the Board).

Messrs. Buller, Hegarty, Kilman and Otis and Ms. Roepke are members of the Trust’s Audit Committee.

Each of the Interested Trustees and certain Officers hold comparable officer positions with certain affiliates of MFS.

The Statement of Additional Information for a Fund includes further information about the Trustees and is available without charge upon request by calling 1-800-225-2606.

### Investment Adviser

Massachusetts Financial Services Company  
111 Huntington Avenue  
Boston, MA 02199-7618

### Distributor

MFS Fund Distributors, Inc.  
111 Huntington Avenue  
Boston, MA 02199-7618

### Portfolio Manager(s)

Geoffrey Schechter  
Jake Stone

### Custodian

State Street Bank and Trust Company  
1 Lincoln Street  
Boston, MA 02111-2900

### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

## BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested (“independent”) Trustees, voting separately, annually approve the continuation of the Fund’s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2018 (“contract review meetings”) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the “MFS Funds”). The independent Trustees were assisted in their evaluation of the Fund’s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds’ Independent Senior Officer, a senior officer appointed by and reporting to the independent Trustees.

In connection with their deliberations regarding the continuation of the investment advisory agreement, the Trustees, including the independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. The investment advisory agreement for the Fund was considered separately, although the Trustees also took into account the common interests of all MFS Funds in their review. As described below, the Trustees considered the nature, quality, and extent of the various investment advisory, administrative, and shareholder services performed by MFS under the existing investment advisory agreement and other arrangements with the Fund.

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent third party, on the investment performance of the Fund for various time periods ended December 31, 2017 and the investment performance of a group of funds with substantially similar investment classifications/objectives (the “Broadridge performance universe”), (ii) information provided by Broadridge on the Fund’s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Broadridge (the “Broadridge expense group”), (iii) information provided by MFS on the advisory fees of portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee “breakpoints” are observed for the Fund, (v) information regarding MFS’ financial results and financial condition, including MFS’ and certain of its affiliates’ estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS’ institutional business, (vi) MFS’ views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS’ senior management and other personnel providing investment advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Broadridge was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

The Trustees’ conclusion as to the continuation of the investment advisory agreement was based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. It is also important to recognize that the fee arrangements for the Fund and other MFS Funds are the result of years of review and discussion between the independent Trustees and MFS, that certain aspects of such arrangements may receive greater scrutiny in some years than in others, and that the Trustees’ conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years.

Based on information provided by Broadridge and MFS, the Trustees reviewed the Fund’s total return investment performance as well as the Broadridge performance universe over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund’s Initial Class shares in comparison to the performance of funds in its Broadridge performance universe over the three-year period ended December 31, 2017, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund’s Initial Class shares was in the 2nd quintile relative to the other funds in the universe for this three-year period (the 1st quintile being the best performers and the 5th quintile being the worst performers). The total return performance of the Fund’s Initial Class shares was in the 2nd quintile for each of the one- and five-year periods ended December 31, 2017 relative to the Broadridge performance universe. Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

In the course of their deliberations, the Trustees took into account information provided by MFS in connection with the contract review meetings, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding the Fund’s performance. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that they were satisfied with MFS’ responses and efforts relating to investment performance.

In assessing the reasonableness of the Fund's advisory fee, the Trustees considered, among other information, the Fund's advisory fee and the total expense ratio of the Fund's Initial Class shares as a percentage of average daily net assets and the advisory fee and total expense ratios of peer groups of funds based on information provided by Broadridge. The Trustees considered that MFS currently observes an expense limitation for the Fund, which may not be changed without the Trustees' approval. The Trustees also considered that, according to the data provided by Broadridge (which takes into account any fee reductions or expense limitations that were in effect during the Fund's last fiscal year), the Fund's effective advisory fee rate was higher than the Broadridge expense group median and the Fund's total expense ratio was approximately at the Broadridge expense group median. The Trustees also noted that MFS has agreed to further reduce such expense limitation for the Fund effective August 1, 2018, which may not be changed without the Trustees' approval.

The Trustees also considered the advisory fees charged by MFS to any institutional separate accounts advised by MFS ("separate accounts") and unaffiliated investment companies for which MFS serves as subadviser ("subadvised funds") that have comparable investment strategies to the Fund, if any. In comparing these fees, the Trustees considered information provided by MFS as to the generally broader scope of services provided by MFS to the Fund, as well as the more extensive regulatory burdens imposed on MFS in managing the Fund, in comparison to separate accounts and subadvised funds. The Trustees also considered the higher demands placed on MFS' investment personnel and trading infrastructure as a result of the daily cash in-flows and out-flows of the Fund in comparison to separate accounts.

The Trustees also considered whether the Fund may benefit from any economies of scale in the management of the Fund in the event of growth in assets of the Fund and/or growth in assets of the MFS Funds as a whole. They noted that the Fund's advisory fee rate schedule is subject to a contractual breakpoint that reduces the Fund's advisory fee rate on average daily net assets over \$1 billion. The Trustees also noted that MFS has agreed in writing to waive a portion of the management fees of certain MFS Funds, including the Fund, if the total combined assets of certain funds within the MFS Funds' complex increase above agreed upon thresholds (the "group fee waiver"), enabling the Fund's shareholders to share in the benefits from any economies of scale at the complex level. The group fee waiver is reviewed and renewed annually between the Board and MFS. The Trustees concluded that the breakpoint and the group fee waiver were sufficient to allow the Fund to benefit from economies of scale as its assets and overall complex assets grow.

The Trustees also considered information prepared by MFS relating to MFS' costs and profits with respect to the Fund, the MFS Funds considered as a group, and other investment companies and accounts advised by MFS, as well as MFS' methodologies used to determine and allocate its costs to the MFS Funds, the Fund and other accounts and products for purposes of estimating profitability. After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that the advisory fees charged to the Fund represent reasonable compensation in light of the services being provided by MFS to the Fund.

In addition, the Trustees considered MFS' resources and related efforts to continue to retain, attract and motivate capable personnel to serve the Fund. The Trustees also considered current and developing conditions in the financial services industry, including the presence of large and well-capitalized companies which are spending, and appear to be prepared to continue to spend, substantial sums to engage personnel and to provide services to competing investment companies. In this regard, the Trustees also considered the financial resources of MFS and its ultimate parent, Sun Life Financial Inc. The Trustees also considered the advantages and possible disadvantages to the Fund of having an adviser that also serves other investment companies as well as other accounts.

The Trustees also considered the nature, quality, cost, and extent of administrative, transfer agency, and distribution services provided to the Fund by MFS and its affiliates under agreements and plans other than the investment advisory agreement, including any 12b-1 fees the Fund pays to MFS Fund Distributors, Inc., an affiliate of MFS. The Trustees also considered the nature, extent and quality of certain other services MFS performs or arranges for on the Fund's behalf, which may include securities lending programs, directed expense payment programs, class action recovery programs, and MFS' interaction with third-party service providers, principally custodians and sub-custodians. The Trustees concluded that the various non-advisory services provided by MFS and its affiliates on behalf of the Fund were satisfactory.

The Trustees considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the MFS Funds. The Trustees also considered that, effective January 3, 2018, MFS had discontinued its historic practice of obtaining investment research from portfolio brokerage commissions paid by certain MFS Funds and would thereafter voluntarily reimburse a Fund, if applicable, for the costs of external research acquired through the use of the Fund's portfolio brokerage commissions.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2018.

## 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](http://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](http://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 on Form N-Q. The fund's Form N-Q is available on the SEC's website 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](http://mfs.com/vit2) by choosing the fund's name and then selecting the "Resources" tab and clicking on "Prospectus and Reports".

## 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](http://mfs.com)). This information is available at <https://www.mfs.com/en-us/what-we-do/announcements.html> or at [mfs.com/vit2](http://mfs.com/vit2) by choosing the fund's name.

## INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent, 529 program manager (if applicable), 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.



# FACTS

## WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?



### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Account transactions and transaction history
- Checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MFS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MFS share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

### Questions?

Call **800-225-2606** or go to **mfs.com**.



## Who we are

<b>Who is providing this notice?</b>	MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., and MFS Heritage Trust Company.
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## What we do

<b>How does MFS protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.
<b>How does MFS collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or provide account information</li> <li>• direct us to buy securities or direct us to sell your securities</li> <li>• make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>MFS does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>MFS doesn't jointly market.</i></li> </ul>

## Other important information

If you own an MFS product or receive an MFS service in the name of a third party such as a bank or broker-dealer, their privacy policy may apply to you instead of ours.

