

Semiannual Report

June 30, 2023



# MFS<sup>®</sup> Global Real Estate Portfolio

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MFS<sup>®</sup> Variable Insurance Trust III

# MFS® Global Real Estate Portfolio

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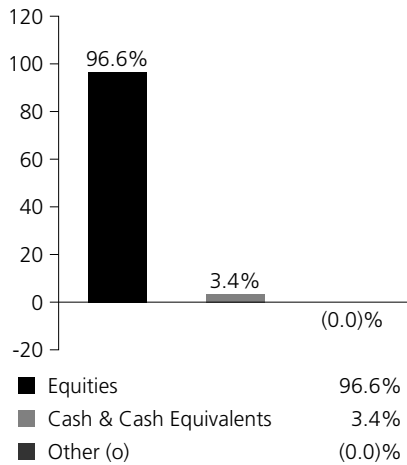
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The report is prepared for the general information of shareholders. It is authorized for distribution to prospective investors only when preceded or accompanied by a current prospectus.

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

## PORTFOLIO COMPOSITION

### Portfolio structure



### Top ten holdings

Prologis, Inc., REIT	9.1%
Equinix, Inc., REIT	6.2%
Simon Property Group, Inc., REIT	3.5%
Extra Space Storage, Inc., REIT	3.2%
Goodman Group, REIT	3.1%
Equity Lifestyle Properties, Inc., REIT	2.9%
Weyerhaeuser Co., REIT	2.7%
AvalonBay Communities, Inc., REIT	2.7%
Essex Property Trust, Inc., REIT	2.6%
Sun Communities, Inc., REIT	2.5%

### GICS equity industries (g)

Real Estate	89.5%
Communication Services	2.8%
Health Care	2.7%
Financials	1.6%

### Issuer country weightings (x)

United States	59.1%
United Kingdom	10.0%
Japan	6.4%
Australia	6.1%
Canada	4.5%
Singapore	3.6%
Mexico	2.8%
Hong Kong	2.1%
Spain	1.6%
Other Countries	3.8%

### Currency exposure weightings (y)

United States Dollar	59.1%
British Pound Sterling	10.0%
Japanese Yen	6.4%
Australian Dollar	6.1%
Euro	4.7%
Canadian Dollar	4.5%
Singapore Dollar	3.6%
Mexican Peso	2.8%
Hong Kong Dollar	2.1%
Other Currencies	0.7%

(g) The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.

(o) Less than 0.1%.

(x) Represents the portfolio's exposure to issuer countries as a percentage of a portfolio's net assets. For purposes of this presentation, United States includes Cash & Cash Equivalents.

(y) Represents the portfolio's exposure to a particular currency as a percentage of a portfolio's net assets. For purposes of this presentation, United States Dollar includes Cash & Cash Equivalents.

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.

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 June 30, 2023.

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

## EXPENSE TABLE

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

As a shareholder of the fund, you incur ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period January 1, 2023 through June 30, 2023.

#### Actual Expenses

The first line for each share class in the following table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

#### Hypothetical Example for Comparison Purposes

The second line for each share class in the following table provides information about hypothetical account values and hypothetical expenses based on the fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

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

Share Class		Annualized Expense Ratio	Beginning Account Value 1/01/23	Ending Account Value 6/30/23	Expenses Paid During Period (p) 1/01/23-6/30/23
Initial Class	Actual	0.92%	\$1,000.00	\$1,026.60	\$4.62
	Hypothetical (h)	0.92%	\$1,000.00	\$1,020.23	\$4.61
Service Class	Actual	1.17%	\$1,000.00	\$1,025.44	\$5.88
	Hypothetical (h)	1.17%	\$1,000.00	\$1,018.99	\$5.86

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

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

#### Notes to Expense Table

Changes to the fund's fee arrangements will occur during the fund's current fiscal year. Had these fee changes been in effect during the six month period, the annualized expense ratios, the actual expenses paid during the period, and the hypothetical expenses paid during the period would have been approximately 0.90%, \$4.52, and \$4.51 for Initial Class and 1.15%, \$5.78, and \$5.76 for Service Class, respectively. For further information about the fund's fee arrangements and changes to those fee arrangements, please see Note 3 in the Notes to Financial Statements.

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

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

Issuer	Shares/Par	Value (\$)
<b>Common Stocks – 96.6%</b>		
<b>Brokerage &amp; Asset Managers – 0.9%</b>		
Brookfield Corp.	45,352	\$ 1,526,854
<b>Construction – 7.2%</b>		
American Homes 4 Rent, "A", REIT	86,305	\$ 3,059,512
AvalonBay Communities, Inc., REIT	22,777	4,311,003
Essex Property Trust, Inc., REIT	18,013	4,220,446
		\$ 11,590,961
<b>Engineering - Construction – 2.8%</b>		
Corporacion Inmobiliaria Vesta S.A.B. de C.V.	804,683	\$ 2,610,507
Prologis Property Mexico S.A. de C.V., REIT	518,432	1,926,288
		\$ 4,536,795
<b>Financial Institutions – 0.6%</b>		
Brookfield Asset Management Ltd.	31,746	\$ 1,036,193
<b>Forest &amp; Paper Products – 4.9%</b>		
Rayonier, Inc., REIT	113,538	\$ 3,565,093
Weyerhaeuser Co., REIT	129,296	4,332,709
		\$ 7,897,802
<b>Medical &amp; Health Technology &amp; Services – 2.7%</b>		
Encompass Health Corp.	52,840	\$ 3,577,797
Universal Health Services, Inc.	5,486	865,526
		\$ 4,443,323
<b>Network &amp; Telecom – 6.2%</b>		
Equinix, Inc., REIT	12,692	\$ 9,949,766
<b>Printing &amp; Publishing – 0.3%</b>		
Lamar Advertising Co., REIT	4,070	\$ 403,947
<b>Real Estate – 66.5%</b>		
Alexandria Real Estate Equities, Inc., REIT	27,222	\$ 3,089,425
Big Yellow Group PLC, REIT	206,752	2,817,429
Brixmor Property Group, Inc., REIT	130,885	2,879,470
Canadian Apartment Properties, REIT	30,768	1,181,250
CapitaLand India Trusts IEU, REIT	935,500	788,576
CapitaLand Investment Ltd.	1,570,300	3,859,556
CubeSmart, REIT	27,761	1,239,806
Douglas Emmett, Inc., REIT	54,893	690,005
Embassy Office Parks, REIT	313,878	1,113,741
Equity Lifestyle Properties, Inc., REIT	70,923	4,744,039
Extra Space Storage, Inc., REIT	34,392	5,119,249
Farmland Partners, Inc., REIT	63,398	774,090
Goodman Group, REIT	372,709	4,992,660
Grainger PLC	1,217,567	3,513,215
Granite REIT	59,064	3,494,574
Heiwa Real Estate Co. Ltd.	36,200	957,458
Japan Logistics Fund, Inc., REIT	960	2,084,093
Japan Metropolitan Fund Investment Corp., REIT	1,085	724,663
KATITAS Co. Ltd.	166,100	2,859,104
LEG Immobilien SE (a)	12,590	723,179
Mitsui Fudosan Co. Ltd.	78,900	1,574,217

# MFS Global Real Estate Portfolio

Portfolio of Investments (unaudited) – continued

Issuer	Shares/Par	Value (\$)
<b>Common Stocks – continued</b>		
<b>Real Estate – continued</b>		
National Storage, REIT	2,026,802	\$ 3,172,863
NNN REIT, Inc.	83,491	3,572,580
Nomura Real Estate Holdings	44,700	1,063,308
Parkway Real Estate LLC, REIT	390,800	1,128,234
Phillips Edison & Co., REIT	85,046	2,898,368
Prologis, Inc., REIT	120,013	14,717,194
Region RE Ltd., REIT	890,613	1,348,557
Rexford Industrial Realty, Inc., REIT	23,275	1,215,420
Rural Funds Group, REIT	207,203	244,064
SEGRO PLC, REIT	295,686	2,691,735
Shaftesbury Capital PLC, REIT	2,162,293	3,160,773
Shurgard Self Storage Ltd., REIT	56,533	2,580,444
Simon Property Group, Inc., REIT	48,609	5,613,367
Sino Land Co. Ltd.	1,254,613	1,541,848
Star Asia Investment Corp., REIT	2,752	1,133,014
Sun Communities, Inc., REIT	30,570	3,988,162
Swire Properties Ltd.	550,600	1,357,149
Unite Group PLC, REIT	180,282	1,991,935
Urban Edge Properties, REIT	160,162	2,471,300
Vonovia SE, REIT	90,482	1,766,845
Wharf Real Estate Investment Co. Ltd.	110,000	550,555
		<b>\$ 107,427,514</b>
<b>Telecommunications - Wireless – 3.3%</b>		
Cellnex Telecom S.A.	64,495	\$ 2,603,244
SBA Communications Corp., REIT	11,901	2,758,176
		<b>\$ 5,361,420</b>
<b>Telephone Services – 1.2%</b>		
Helios Towers PLC (a)	1,624,970	\$ 1,921,315
<b>Total Common Stocks (Identified Cost, \$138,559,122)</b>		<b>\$156,095,890</b>
	<b>Strike Price</b>	<b>First Exercise</b>
<b>Rights – 0.0%</b>		
<b>Real Estate – 0.0%</b>		
	SGD	
CapitaLand India Trusts IEU, REIT (1 share for 1 right, Expiration 7/24/23) (a) (Identified Cost, \$0)	1.06	6/23/23 111,324 \$ 6,585
<b>Investment Companies (h) – 3.3%</b>		
<b>Money Market Funds – 3.3%</b>		
MFS Institutional Money Market Portfolio, 5.04% (v) (Identified Cost, \$5,261,348)	5,261,351	\$ 5,262,403
<b>Other Assets, Less Liabilities – 0.1%</b>		<b>211,061</b>
<b>Net Assets – 100.0%</b>		<b>\$161,575,939</b>

(a) Non-income producing security.

(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 \$5,262,403 and \$156,102,475, respectively.

(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.

*Portfolio of Investments (unaudited) – continued*

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

IEU	International Equity Unit
REIT	Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

SGD	Singapore Dollar
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**See Notes to Financial Statements**

# FINANCIAL STATEMENTS | STATEMENT OF ASSETS AND LIABILITIES

## (unaudited)

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

**At 6/30/23**

<b>Assets</b>	
Investments in unaffiliated issuers, at value (identified cost, \$138,559,122)	\$156,102,475
Investments in affiliated issuers, at value (identified cost, \$5,261,348)	5,262,403
Cash	2,698
Foreign currency, at value (identified cost, \$24)	24
Receivables for	
Fund shares sold	60,076
Dividends	435,979
Receivable from investment adviser	4,077
Other assets	553
<b>Total assets</b>	<b>\$161,868,285</b>
<b>Liabilities</b>	
Payables for	
Fund shares reacquired	\$214,767
Payable to affiliates	
Administrative services fee	182
Shareholder servicing costs	4
Distribution and/or service fees	769
Payable for independent Trustees' compensation	93
Accrued expenses and other liabilities	76,531
<b>Total liabilities</b>	<b>\$292,346</b>
<b>Net assets</b>	<b>\$161,575,939</b>
<b>Net assets consist of</b>	
Paid-in capital	\$134,367,643
Total distributable earnings (loss)	27,208,296
<b>Net assets</b>	<b>\$161,575,939</b>
Shares of beneficial interest outstanding	11,603,743

	<b>Net assets</b>	<b>Shares outstanding</b>	<b>Net asset value per share</b>
Initial Class	\$104,898,893	7,997,485	\$13.12
Service Class	56,677,046	3,606,258	15.72

**See Notes to Financial Statements**



## FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS (unaudited)

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

### Six months ended 6/30/23

#### Net investment income (loss)

Income	
Dividends	\$2,765,072
Dividends from affiliated issuers	58,414
Other	4,138
Foreign taxes withheld	(78,271)
Total investment income	\$2,749,353
Expenses	
Management fee	\$723,141
Distribution and/or service fees	70,255
Shareholder servicing costs	2,460
Administrative services fee	16,808
Independent Trustees' compensation	2,383
Custodian fee	24,981
Audit and tax fees	39,395
Legal fees	455
Miscellaneous	12,745
Total expenses	\$892,623
Reduction of expenses by investment adviser	(82,364)
Net expenses	\$810,259
Net investment income (loss)	\$1,939,094

#### Realized and unrealized gain (loss)

Realized gain (loss) (identified cost basis)	
Unaffiliated issuers	\$(2,841,373)
Affiliated issuers	248
Foreign currency	(3,756)
Net realized gain (loss)	\$(2,844,881)
Change in unrealized appreciation or depreciation	
Unaffiliated issuers	\$5,159,614
Affiliated issuers	257
Translation of assets and liabilities in foreign currencies	2,354
Net unrealized gain (loss)	\$5,162,225
Net realized and unrealized gain (loss)	\$2,317,344
Change in net assets from operations	\$4,256,438

#### See Notes to Financial Statements

## FINANCIAL STATEMENTS | STATEMENTS OF CHANGES IN NET ASSETS

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

	Six months ended 6/30/23 (unaudited)	Year ended 12/31/22
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income (loss)	\$1,939,094	\$2,798,788
Net realized gain (loss)	(2,844,881)	11,954,258
Net unrealized gain (loss)	5,162,225	(72,468,957)
Change in net assets from operations	\$4,256,438	\$(57,715,911)
Total distributions to shareholders	\$—	\$(14,602,234)
Change in net assets from fund share transactions	\$(2,618,336)	\$13,153,425
Total change in net assets	\$1,638,102	\$(59,164,720)
<b>Net assets</b>		
At beginning of period	159,937,837	219,102,557
At end of period	\$161,575,939	\$159,937,837

See Notes to Financial Statements

## FINANCIAL STATEMENTS | FINANCIAL HIGHLIGHTS

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

Initial Class	Six months ended 6/30/23 (unaudited)	Year ended				
		12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Net asset value, beginning of period	\$12.78	\$19.21	\$14.98	\$15.91	\$13.10	\$14.27
<b>Income (loss) from investment operations</b>						
Net investment income (loss) (d)	\$0.16	\$0.25	\$0.22	\$0.28	\$0.35	\$0.42
Net realized and unrealized gain (loss)	0.18	(5.30)	4.27	(0.14)	3.14	(0.79)
Total from investment operations	\$0.34	\$(5.05)	\$4.49	\$0.14	\$3.49	\$(0.37)
<b>Less distributions declared to shareholders</b>						
From net investment income	\$—	\$(0.26)	\$(0.26)	\$(0.70)	\$(0.58)	\$(0.58)
From net realized gain	—	(1.12)	—	(0.37)	(0.10)	(0.22)
Total distributions declared to shareholders	\$—	\$(1.38)	\$(0.26)	\$(1.07)	\$(0.68)	\$(0.80)
Net asset value, end of period (x)	\$13.12	\$12.78	\$19.21	\$14.98	\$15.91	\$13.10
Total return (%) (k)(r)(s)(x)	2.66(n)	(26.94)	30.12	1.49	26.87	(3.03)
<b>Ratios (%) (to average net assets) and Supplemental data:</b>						
Expenses before expense reductions	1.02(a)	1.01	1.01	1.02	1.01	1.01
Expenses after expense reductions	0.92(a)	0.92	0.92	0.92	0.92	0.92
Net investment income (loss)	2.50(a)	1.65	1.27	2.00	2.31	3.00
Portfolio turnover	10(n)	32	26	43	36	24
Net assets at end of period (000 omitted)	\$104,899	\$104,737	\$149,746	\$127,523	\$132,530	\$99,826

See Notes to Financial Statements

# MFS Global Real Estate Portfolio

## Financial Highlights - continued

Service Class	Six months ended 6/30/23 (unaudited)	Year ended				
		12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Net asset value, beginning of period	\$15.33	\$22.70	\$17.66	\$18.56	\$15.17	\$16.41
<b>Income (loss) from investment operations</b>						
Net investment income (loss) (d)	\$0.18	\$0.26	\$0.20	\$0.29	\$0.36	\$0.44
Net realized and unrealized gain (loss)	0.21	(6.30)	5.06	(0.17)(g)	3.66	(0.93)
Total from investment operations	\$0.39	\$(6.04)	\$5.26	\$0.12	\$4.02	\$(0.49)
<b>Less distributions declared to shareholders</b>						
From net investment income	\$—	\$(0.21)	\$(0.22)	\$(0.65)	\$(0.53)	\$(0.53)
From net realized gain	—	(1.12)	—	(0.37)	(0.10)	(0.22)
Total distributions declared to shareholders	\$—	\$(1.33)	\$(0.22)	\$(1.02)	\$(0.63)	\$(0.75)
Net asset value, end of period (x)	\$15.72	\$15.33	\$22.70	\$17.66	\$18.56	\$15.17
Total return (%) (k)(r)(s)(x)	2.54(n)	(27.14)	29.87	1.15	26.68	(3.33)
<b>Ratios (%) (to average net assets) and Supplemental data:</b>						
Expenses before expense reductions	1.27(a)	1.26	1.26	1.27	1.26	1.26
Expenses after expense reductions	1.17(a)	1.17	1.17	1.17	1.17	1.17
Net investment income (loss)	2.25(a)	1.42	1.02	1.75	2.07	2.74
Portfolio turnover	10(n)	32	26	43	36	24
Net assets at end of period (000 omitted)	\$56,677	\$55,200	\$69,356	\$58,035	\$58,508	\$53,577

(a) Annualized.

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

(g) The per share amount varies from the net realized and unrealized gain/loss for the period because of the timing of sales of fund shares and the per share amount of realized and unrealized gains and losses at such time.

(k) The total return does not reflect expenses that apply to separate accounts. Inclusion of these charges would reduce the total return figures for all periods shown.

(n) Not annualized.

(r) Certain expenses have been reduced without which performance would have been lower.

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

(x) The net asset values and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

## See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS (unaudited)

### (1) Business and Organization

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

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

### (2) Significant Accounting Policies

**General** — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests a significant amount of its net assets in U.S. and foreign real estate related investments and as a result is subject to certain risks associated with the direct ownership of real estate and the real estate industry in general. These include risks related to general, regional and local economic conditions; difficulties in valuing and disposing of real estate; fluctuations in interest rates and property tax rates, shifts in zoning laws, environmental regulations and other governmental action; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; the management skill and creditworthiness of the manager; and other factors. The fund invests in foreign securities. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's market, economic, industrial, political, regulatory, geopolitical, environmental, public health, and other conditions.

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

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

Under the fund's valuation policy and procedures, equity securities, including restricted equity securities, are generally valued at the last sale or official closing price on their primary market or exchange as provided by a third-party pricing service. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation on their primary market or exchange as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Open-end investment companies are generally valued at net asset value per share. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

Under the fund's valuation policy and procedures, market quotations are not considered to be readily available for debt instruments, floating rate loans, and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services or otherwise determined by the adviser in accordance with the adviser's fair valuation policy and procedures. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. In determining values, third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, spreads and other market data. An investment may also be valued at fair value if the adviser determines that the investment's value has been materially affected by

## MFS Global Real Estate Portfolio

### Notes to Financial Statements (unaudited) - continued

events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halt of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. Events that occur after foreign markets close (such as developments in foreign markets and significant movements in the U.S. markets) and prior to the determination of the fund's net asset value may be deemed to have a material effect on the value of securities traded in foreign markets. Accordingly, the fund's foreign equity securities may often be valued at fair value. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

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

Financial Instruments	Level 1	Level 2	Level 3	Total
Equity Securities:				
United States	\$90,056,450	\$—	\$—	\$90,056,450
United Kingdom	16,096,402	—	—	16,096,402
Japan	—	10,395,857	—	10,395,857
Australia	3,172,863	6,585,281	—	9,758,144
Canada	7,238,871	—	—	7,238,871
Singapore	788,576	4,994,375	—	5,782,951
Mexico	4,536,795	—	—	4,536,795
Hong Kong	1,541,848	1,907,704	—	3,449,552
Spain	2,603,244	—	—	2,603,244
Other Countries	5,070,468	1,113,741	—	6,184,209
Mutual Funds	5,262,403	—	—	5,262,403
Total	\$136,367,920	\$24,996,958	\$—	\$161,364,878

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

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

**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** — Dividends received in cash are recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded when the fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date. Dividend payments received in additional securities are recorded on the ex-dividend date in an amount equal to the

*Notes to Financial Statements (unaudited) - continued*

value of the security on such date. Distributions from REITs may be characterized as ordinary income, net capital gain, or a return of capital to the fund. The proper characterization of REIT distributions is generally not known until after the end of each calendar year. As such, estimates are used in reporting the character of income and distributions for financial statement purposes. The fund receives substantial distributions from holdings in REITs.

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

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

**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.

Book/tax differences primarily relate to passive foreign investment companies and wash sale loss deferrals.

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

	<b>Year ended 12/31/22</b>
Ordinary income (including any short-term capital gains)	\$4,454,179
Long-term capital gains	10,148,055
Total distributions	\$14,602,234

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

<b>As of 6/30/23</b>	
Cost of investments	\$145,129,503
Gross appreciation	27,155,403
Gross depreciation	(10,920,028)
Net unrealized appreciation (depreciation)	\$16,235,375
<b>As of 12/31/22</b>	
Undistributed ordinary income	1,158,123
Undistributed long-term capital gain	10,722,485
Other temporary differences	(4,254)
Net unrealized appreciation (depreciation)	11,075,504

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

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

	Six months ended 6/30/23	Year ended 12/31/22
Initial Class	\$—	\$10,318,539
Service Class	—	4,283,695
Total	\$—	\$14,602,234

### (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	0.90%
In excess of \$1 billion and up to \$2.5 billion	0.75%
In excess of \$2.5 billion	0.65%

MFS has agreed in writing to reduce its management fee by a specified amount if certain MFS mutual fund assets exceed thresholds agreed to by MFS and the fund's Board of Trustees. MFS has also agreed in writing to waive at least 0.01% of its management fee as part of this agreement. The agreement to waive at least 0.01% of the management fee will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until April 30, 2024. For the six months ended June 30, 2023, this management fee reduction amounted to \$10,320, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the six months ended June 30, 2023 was equivalent to an annual effective rate of 0.89% of the fund's average daily net assets.

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs, certain tax reclaim recovery expenses (including contingency fees and closing agreement expenses), and investment-related expenses, such that total annual operating expenses do not exceed 0.92% of average daily net assets for the Initial Class shares and 1.17% of average daily net assets for the Service Class shares. This written agreement will terminate on July 31, 2023. For the six months ended June 30, 2023, this reduction amounted to \$72,044, which is included in the reduction of total expenses in the Statement of Operations. Effective August 1, 2023, the investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs, certain tax reclaim recovery expenses (including contingency fees and closing agreement expenses), and investment-related expenses, such that total annual operating expenses do not exceed 0.90% of average daily net assets for the Initial Class shares and 1.15% of average daily net assets for the Service Class shares. This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until April 30, 2025.

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

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

**Shareholder Servicing Agent** — MFS Service Center, Inc. (MFSC), a wholly-owned subsidiary of MFS, receives a fee from the fund for its services as shareholder servicing agent. For the six months ended June 30, 2023, the fee was \$2,013, which equated to 0.0025% annually of the fund's average daily net assets. MFSC also receives reimbursement from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the six months ended June 30, 2023, these costs amounted to \$447.

**Administrator** — MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets. The administrative services fee is computed daily and paid monthly. The administrative services fee incurred for the six months ended June 30, 2023 was equivalent to an annual effective rate of 0.0209% of the fund's average daily net assets.



## Notes to Financial Statements (unaudited) - continued

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

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

The adviser has voluntarily undertaken to reimburse the fund from its own resources on a quarterly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2023, this reimbursement amounted to \$4,069, which is included in "Other" income in the Statement of Operations.

#### (4) Portfolio Securities

For the six months ended June 30, 2023, purchases and sales of investments, other than short-term obligations, aggregated \$16,374,221 and \$18,579,314, respectively.

#### (5) Shares of Beneficial Interest

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

	Six months ended 6/30/23		Year ended 12/31/22	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	349,050	\$4,556,349	1,145,505	\$17,068,075
Service Class	315,878	4,908,740	889,626	16,159,669
	664,928	\$9,465,089	2,035,131	\$33,227,744
Shares issued to shareholders in reinvestment of distributions				
Initial Class	—	\$—	734,939	\$10,318,539
Service Class	—	—	254,074	4,283,695
	—	\$—	989,013	\$14,602,234
Shares reacquired				
Initial Class	(546,469)	\$(7,230,886)	(1,480,461)	\$(23,560,753)
Service Class	(309,735)	(4,852,539)	(599,069)	(11,115,800)
	(856,204)	\$(12,083,425)	(2,079,530)	\$(34,676,553)
Net change				
Initial Class	(197,419)	\$(2,674,537)	399,983	\$3,825,861
Service Class	6,143	56,201	544,631	9,327,564
	(191,276)	\$(2,618,336)	944,614	\$13,153,425

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, the MFS Growth Allocation Portfolio, and the MFS Conservative Allocation Portfolio were the owners of record of approximately 19%, 8%, and 4%, respectively, of the value of outstanding voting shares of the fund.

#### (6) Line of Credit

The fund and certain other funds managed by MFS participate in a \$1.45 billion unsecured committed line of credit of which \$1.2 billion is reserved for use by the fund and certain other MFS U.S. funds. The line of credit is provided by a syndicate of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the highest of 1) Daily Simple SOFR (Secured Overnight Financing Rate) plus 0.10%, 2) the Federal Funds Effective Rate, or 3) the Overnight Bank Funding Rate, each plus an agreed upon spread. A commitment fee, based on the average daily unused portion of the committed line of credit, is allocated among the participating funds. The line of credit expires

## MFS Global Real Estate Portfolio

Notes to Financial Statements (unaudited) - continued

on March 14, 2024 unless extended or renewed. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at rates equal to customary reference rates plus an agreed upon spread. For the six months ended June 30, 2023, the fund's commitment fee and interest expense were \$404 and \$0, respectively, and are included in "Miscellaneous" expense in the Statement of Operations.

### (7) Investments in Affiliated Issuers

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

Affiliated Issuers	Beginning Value	Purchases	Sales Proceeds	Realized Gain (Loss)	Change in Unrealized Appreciation or Depreciation	Ending Value
MFS Institutional Money Market Portfolio	\$3,669,400	\$14,942,341	\$13,349,843	\$248	\$257	\$5,262,403
Affiliated Issuers					Dividend Income	Capital Gain Distributions
MFS Institutional Money Market Portfolio					\$58,414	\$—

## STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM

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

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

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

## PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting [mfs.com/proxyvoting](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 as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's Web site at <http://www.sec.gov>. A shareholder can obtain the portfolio holdings report for the first and third quarters of the fund's fiscal year at [mfs.com/vit3](http://mfs.com/vit3) by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Prospectus and Reports" tab.

## FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS Funds on the MFS Web site ([mfs.com](http://mfs.com)). This information is available at <https://www.mfs.com/announcements> or at [mfs.com/vit3](http://mfs.com/vit3) by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Announcements" tab, if any.

## INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

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

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

