

**ANNUAL REPORT**  
December 31, 2017



# MFS<sup>®</sup> VALUE SERIES

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



# MFS® VALUE SERIES

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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:

Rising bond yields have led to a measurable uptick in market volatility, which has been a departure from the low-volatility environment that prevailed for much of 2017. In spite of this, global markets remain elevated amid synchronized economic growth. Although the U.S. Federal Reserve continues to gradually raise interest rates and shrink its balance sheet, monetary policy remains accommodative around the world, with many central banks taking only tentative steps toward tighter policies. However, interest rates have begun to rise globally of late as investors anticipate that central policy shifts may be necessary in the months ahead.

Newly enacted U.S. tax reforms have been welcomed by equity markets while emerging market economies have been boosted by a weaker U.S. dollar. Around the world, inflation remains largely subdued but tight labor markets and solid global demand have investors on the lookout for its potential resurgence amid robust global trade and recovering commodity prices.

At MFS®, we believe having a disciplined, long-term investment approach through a full market cycle is essential to capturing the best opportunities while also managing risk. In our view, such a strategy, along with the professional guidance of a financial advisor, will help you reach your investment objectives.

Respectfully,

A handwritten signature in black ink that reads "Robert J. Manning".

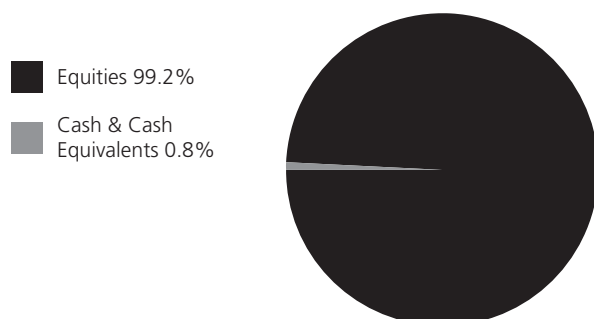
**Robert J. Manning**  
Executive Chairman  
MFS Investment Management

February 15, 2018

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



### Top ten holdings

JPMorgan Chase & Co.	4.9%
Johnson & Johnson	3.6%
Wells Fargo & Co.	3.5%
Philip Morris International, Inc.	3.1%
Accenture PLC, "A"	3.1%
Goldman Sachs Group, Inc.	2.5%
Citigroup, Inc.	2.4%
Medtronic PLC	2.2%
U.S. Bancorp	2.2%
Pfizer, Inc.	2.2%

### Equity sectors

Financial Services	31.0%
Health Care	15.5%
Consumer Staples	11.5%
Industrial Goods & Services	9.7%
Special Products & Services	6.2%
Energy	5.4%
Leisure	4.7%
Basic Materials	4.5%
Utilities & Communications	3.0%
Autos & Housing	2.7%
Transportation	2.1%
Technology	2.1%
Retailing	0.8%

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

Percentages are based on net assets as of December 31, 2017.

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

## MANAGEMENT REVIEW

### Summary of Results

For the twelve months ended December 31, 2017, Initial Class shares of the MFS Value Series (“fund”) provided a total return of 17.65%, while Service Class shares of the fund provided a total return of 17.35%. These compare with a return of 13.66% for the fund’s benchmark, the Russell 1000® Value Index.

### Market Environment

For the first time in many years, the global economy experienced a period of synchronized economic growth over the reporting period. The rebound in emerging markets (“EM”) economies was more pronounced (despite the slight deceleration in Chinese growth at the end of the period), helped by larger economies, such as Brazil and Russia, emerging from recessions. At the same time, developed markets (“DM”) economies continued to grow at or above potential. Market confidence increased in the US during the period fueled, in part, by a more lenient US regulatory backdrop and hopes for a significant cut in corporate tax rates, which came to fruition at the end of the period.

Globally, markets benefited from a reflation trade as commodity prices strengthened, activity and growth prospects improved, and inflation moved higher, though within moderate bounds. As a result, there were more tightening signals and actions by DM central banks. The US Federal Reserve increased interest rates by 25 basis points three times during the period, bringing the total number of quarter-percent hikes in the federal funds rate to five, since December 2015. The European Central Bank announced an extension of its quantitative easing program at the end of the period, but reduced the pace of its monthly asset purchases by half. In addition, the Bank of England hiked its base rate for the first time in a decade, late in the end of the period. Markets were comforted, along with central banks, by the decline in fears of a populist surge in Europe after establishment candidates won the Dutch and French elections, though a right-wing populist party gained seats in the German parliament for the first time in the post-World War II era. Additionally, European growth reflected a generally calmer political economic backdrop.

In recent months, the US dollar reversed the sharp rise seen early in the period, easing what had been a substantial headwind to earnings for multinationals. US consumer spending held up well during the second half of the period amid a modest increase in real wages and relatively low gasoline prices. However, demand for autos cooled from the record level logged early in the period, while the housing market improved, albeit constrained by below-average inventory levels. Global trade, which was sluggish early in the period, showed signs of improvement in the period’s second half, a positive indicator of global economic activity and prospects. Early in the period, there was a selloff in EM due to fears that President Trump would follow through on various campaign threats and promises that were judged to be detrimental to EM. While President Trump withdrew the US from the Trans-Pacific Partnership and began the renegotiation of the North American Free Trade Agreement, significant additional policy action was lacking on economic issues involving EM. As a result, EM resumed their upward trajectory, powered by strong inflows throughout 2017.

### Contributors to Performance

Stock selection in the *industrial goods & services* sector contributed to performance relative to the Russell 1000® Value Index. Within this sector, not owning shares of diversified industrial conglomerate General Electric, and an overweight position in diversified technology and manufacturing company Honeywell, bolstered relative performance. Shares of General Electric declined after its new management team significantly reduced its expectations for earnings and cash flow, and cut its dividend in half. Weakness in the Power and Oil & Gas divisions, along with other impairment charges, further weighed on the firm’s operating results.

An underweight allocation to the *energy* sector also helped relative results, led by an underweight position in integrated oil and gas company Exxon Mobil. The share price of Exxon Mobil declined at the beginning of the year after the company reported a large impairment charge related to North American natural gas assets, which appeared to have weighed on investor sentiment.

The combination of an overweight position and stock selection in the *health care* sector further boosted relative results. Within this sector, an overweight position in pharmaceutical and medical products maker Abbott Laboratories contributed to relative performance.

During the reporting period, stock selection in the *consumer staples* sector helped relative returns, led by the fund’s holdings of premium drinks distributor Diageo<sup>(b)</sup> (United Kingdom).

Stocks in other sectors that benefited relative results included the fund’s holdings of management consulting firm Accenture<sup>(b)</sup>, semiconductor company Texas Instruments<sup>(b)</sup>, diversified technology company 3M<sup>(b)</sup> and vehicle components manufacturer Aptiv<sup>(b)</sup>. The share price of Accenture climbed during the period driven by strong year-over-year growth across most of its business units, particularly in digital, cloud and security services. Additionally, not owning shares of poor-performing telecommunications service provider AT&T also helped relative results.

**Detractors from Performance**

The combination of weak stock selection and an underweight allocation to the *retailing* sector detracted from relative performance. Here, not owning shares of retail giant Wal-Mart, and an overweight position in auto parts retailer Advance Auto Parts, hurt relative results. The share price of Wal-Mart appreciated throughout the year, owing primarily to better-than-expected sales growth in the company's e-commerce segment.

An underweight position in the *technology* sector also held back relative results. Within this sector, not owning shares of semiconductor company Intel and network equipment company Cisco Systems weighed on relative performance. Shares of Intel rose as strong earnings results appeared to have buoyed investor sentiment. Revenues across all business divisions grew at a healthy pace and effective cost controls helped expand margins. Additionally, management revised its full-year guidance upwards based on the robust results.

Other top relative detractors during the period included not owning shares of strong-performing financial services firm Bank of America and insurance and investment firm Berkshire Hathaway. Better credit trends, strong expense management, higher interest rates and a greater level of capital return bolstered the share price of Bank of America in 2017. Additionally, holdings of global marketing and communications company Omnicom Group<sup>(b)</sup>, and overweight positions in automotive components supplier Johnson Controls, drugstore retailer CVS and oil field services company Schlumberger, further weighed on relative performance.

Respectfully,

Portfolio Manager(s)

Nevin Chtikara and Steven Gorham

(b) Security is not a benchmark constituent.

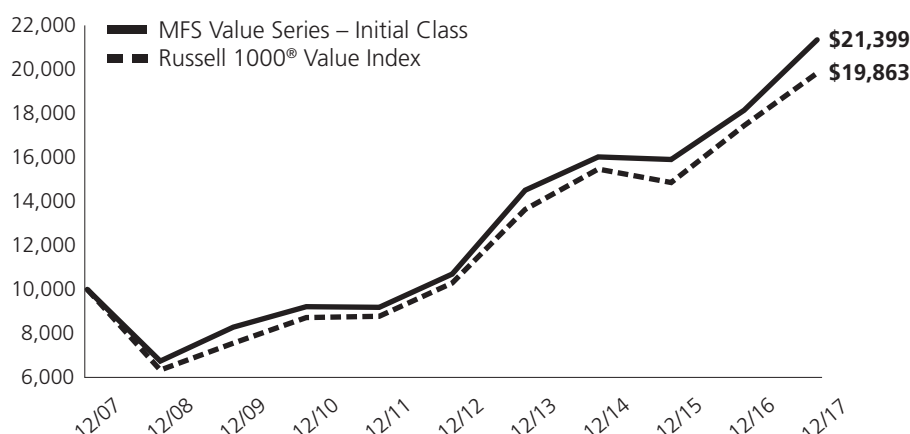
The views expressed in this report are those of the portfolio manager(s) only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or 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 12/31/17

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 12/31/17

#### Average annual total returns

Share Class	Class Inception Date	1-yr	5-yr	10-yr
Initial Class	1/02/02	17.65%	14.88%	7.90%
Service Class	1/02/02	17.35%	14.60%	7.64%

#### Comparative benchmark(s)

Russell 1000® Value Index (f)	13.66%	14.04%	7.10%
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(f) Source: FactSet Research Systems Inc.

#### Benchmark Definition(s)

Russell 1000® Value Index – constructed to provide a comprehensive barometer for the value securities in the large-cap segment of the U.S. equity universe. Companies in this index generally have lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Value Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company.

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, 2017 through December 31, 2017

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, 2017 through December 31, 2017.

#### 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 7/01/17	Ending Account Value 12/31/17	Expenses Paid During Period (p) 7/01/17-12/31/17
Initial Class	Actual	0.73%	\$1,000.00	\$1,078.37	\$3.82
	Hypothetical (h)	0.73%	\$1,000.00	\$1,021.53	\$3.72
Service Class	Actual	0.98%	\$1,000.00	\$1,077.28	\$5.13
	Hypothetical (h)	0.98%	\$1,000.00	\$1,020.27	\$4.99

(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 – 12/31/17

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>COMMON STOCKS – 99.2%</b>			<b>COMMON STOCKS – continued</b>		
<b>Aerospace – 5.2%</b>			<b>Computer Software – Systems – 0.4%</b>		
Honeywell International, Inc.	304,305	\$ 46,668,215	International Business Machines Corp.	63,852	\$ 9,796,174
Lockheed Martin Corp.	48,430	15,548,451	<b>Construction – 1.5%</b>		
Northrop Grumman Corp.	112,967	34,670,702	Sherwin-Williams Co.	51,470	\$ 21,104,759
United Technologies Corp.	220,818	28,169,752	Stanley Black & Decker, Inc.	91,120	15,462,153
		<u>\$ 125,057,120</u>			<u>\$ 36,566,912</u>
<b>Alcoholic Beverages – 1.2%</b>			<b>Consumer Products – 1.7%</b>		
Diageo PLC	787,617	\$ 28,825,478	Coty, Inc., "A"	483,453	\$ 9,615,880
<b>Apparel Manufacturers – 0.7%</b>			Newell Brands, Inc.	233,012	7,200,071
Hanesbrands, Inc.	515,019	\$ 10,769,047	Procter & Gamble Co.	128,045	11,764,774
NIKE, Inc., "B"	83,679	5,234,122	Reckitt Benckiser Group PLC	140,693	13,143,109
		<u>\$ 16,003,169</u>			<u>\$ 41,723,834</u>
<b>Automotive – 1.2%</b>			<b>Containers – 0.4%</b>		
Aptiv PLC	242,677	\$ 20,586,290	Crown Holdings, Inc. (a)	185,790	\$ 10,450,687
Delphi Technologies PLC (a)	80,892	4,244,403	<b>Electrical Equipment – 2.0%</b>		
Harley-Davidson, Inc.	75,994	3,866,575	HD Supply Holdings, Inc. (a)	119,062	\$ 4,766,052
		<u>\$ 28,697,268</u>	Johnson Controls International PLC	1,145,782	43,665,752
<b>Broadcasting – 1.8%</b>					<u>\$ 48,431,804</u>
Interpublic Group of Companies, Inc.	787,398	\$ 15,873,944	<b>Electronics – 1.7%</b>		
Omnicom Group, Inc.	385,430	28,070,867	Analog Devices, Inc.	68,247	\$ 6,076,030
		<u>\$ 43,944,811</u>	Texas Instruments, Inc.	330,675	34,535,697
<b>Brokerage &amp; Asset Managers – 2.9%</b>					<u>\$ 40,611,727</u>
BlackRock, Inc.	52,037	\$ 26,731,927	<b>Energy – Independent – 1.9%</b>		
Franklin Resources, Inc.	207,775	9,002,891	EOG Resources, Inc.	239,469	\$ 25,841,100
NASDAQ, Inc.	295,763	22,723,471	Occidental Petroleum Corp.	252,602	18,606,663
T. Rowe Price Group, Inc.	110,349	11,578,921			<u>\$ 44,447,763</u>
		<u>\$ 70,037,210</u>	<b>Energy – Integrated – 1.8%</b>		
<b>Business Services – 6.2%</b>			Chevron Corp.	176,177	\$ 22,055,599
Accenture PLC, "A"	478,195	\$ 73,206,873	Exxon Mobil Corp.	254,779	21,309,715
Amdocs Ltd.	88,123	5,770,294			<u>\$ 43,365,314</u>
Cognizant Technology Solutions Corp., "A"	95,909	6,811,457	<b>Entertainment – 0.2%</b>		
DXC Technology Co.	83,055	7,881,919	Time Warner, Inc.	45,093	\$ 4,124,657
Equifax, Inc.	107,031	12,621,095	<b>Food &amp; Beverages – 5.0%</b>		
Fidelity National Information Services, Inc.	257,874	24,263,365	Archer Daniels Midland Co.	245,841	\$ 9,853,307
Fiserv, Inc. (a)	128,898	16,902,395	Danone S.A.	139,098	11,674,420
		<u>\$ 147,457,398</u>	General Mills, Inc.	567,583	33,651,996
<b>Cable TV – 1.8%</b>			J.M. Smucker Co.	77,174	9,588,098
Comcast Corp., "A"	1,082,020	\$ 43,334,901	Nestle S.A.	454,386	39,075,937
			PepsiCo, Inc.	136,778	16,402,418
<b>Chemicals – 4.1%</b>					<u>\$ 120,246,176</u>
3M Co.	137,024	\$ 32,251,339	<b>Health Maintenance Organizations – 0.7%</b>		
DowDuPont, Inc.	140,324	9,993,875	Cigna Corp.	77,917	\$ 15,824,163
Monsanto Co.	75,192	8,780,922	<b>Insurance – 7.5%</b>		
PPG Industries, Inc.	401,485	46,901,478	Aon PLC	305,419	\$ 40,926,146
		<u>\$ 97,927,614</u>	Chubb Ltd.	316,343	46,227,203
			MetLife, Inc.	591,352	29,898,757

MFS Value Series

Portfolio of Investments – continued

Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – continued</b>		
<b>Insurance – continued</b>		
Prudential Financial, Inc.	130,930	\$ 15,054,331
Travelers Cos., Inc.	347,419	47,123,913
		<u>\$ 179,230,350</u>
<b>Leisure &amp; Toys – 0.2%</b>		
Hasbro, Inc.	50,609	\$ 4,599,852
<b>Machinery &amp; Tools – 2.5%</b>		
Eaton Corp. PLC	295,219	\$ 23,325,253
Illinois Tool Works, Inc.	136,841	22,831,921
Ingersoll-Rand Co. Ltd., "A"	149,851	13,365,211
		<u>\$ 59,522,385</u>
<b>Major Banks – 14.6%</b>		
Bank of New York Mellon Corp.	504,500	\$ 27,172,370
Goldman Sachs Group, Inc.	239,482	61,010,434
JPMorgan Chase & Co.	1,103,301	117,987,009
PNC Financial Services Group, Inc.	251,457	36,282,731
State Street Corp.	230,613	22,510,135
Wells Fargo & Co.	1,384,758	84,013,268
		<u>\$ 348,975,947</u>
<b>Medical &amp; Health Technology &amp; Services – 1.7%</b>		
CVS Health Corp.	142,681	\$ 10,344,373
Express Scripts Holding Co. (a)	175,019	13,063,418
McKesson Corp.	113,382	17,681,923
		<u>\$ 41,089,714</u>
<b>Medical Equipment – 6.2%</b>		
Abbott Laboratories	591,999	\$ 33,785,383
Danaher Corp.	319,657	29,670,563
Medtronic PLC	666,547	53,823,670
Thermo Fisher Scientific, Inc.	160,548	30,484,854
		<u>\$ 147,764,470</u>
<b>Oil Services – 1.7%</b>		
Schlumberger Ltd.	600,115	\$ 40,441,750
<b>Other Banks &amp; Diversified Financials – 5.7%</b>		
American Express Co.	262,828	\$ 26,101,449
Citigroup, Inc.	763,872	56,839,715
U.S. Bancorp	998,547	53,502,148
		<u>\$ 136,443,312</u>
<b>Pharmaceuticals – 7.0%</b>		
Johnson & Johnson	616,734	\$ 86,170,075
Merck & Co., Inc.	334,369	18,814,944
Novartis AG	68,091	5,757,810
Pfizer, Inc.	1,434,061	51,941,689
Roche Holding AG	19,355	4,896,103
		<u>\$ 167,580,621</u>
<b>Printing &amp; Publishing – 0.7%</b>		
Moody's Corp.	104,766	\$ 15,464,509
<b>Railroad &amp; Shipping – 1.4%</b>		
Canadian National Railway Co.	164,976	\$ 13,610,520
Union Pacific Corp.	152,053	20,390,307
		<u>\$ 34,000,827</u>

Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – continued</b>		
<b>Real Estate – 0.4%</b>		
Public Storage, Inc., REIT	42,543	\$ 8,891,487
<b>Specialty Stores – 0.1%</b>		
Advance Auto Parts, Inc.	28,096	\$ 2,800,890
<b>Telephone Services – 0.8%</b>		
Verizon Communications, Inc.	371,888	\$ 19,684,032
<b>Tobacco – 3.6%</b>		
Altria Group, Inc.	151,945	\$ 10,850,392
Philip Morris International, Inc.	707,560	74,753,714
		<u>\$ 85,604,106</u>
<b>Trucking – 0.7%</b>		
United Parcel Service, Inc., "B"	141,684	\$ 16,881,649
<b>Utilities – Electric Power – 2.1%</b>		
Duke Energy Corp.	374,936	\$ 31,535,867
Southern Co.	204,560	9,837,290
Xcel Energy, Inc.	205,133	9,868,949
		<u>\$ 51,242,106</u>
<b>Total Common Stocks (Identified Cost, \$1,336,340,580)</b>		<b><u>\$2,377,092,187</u></b>
<b>INVESTMENT COMPANIES (h) – 0.7%</b>		
<b>Money Market Funds – 0.7%</b>		
MFS Institutional Money Market Portfolio, 1.25% (v) (Identified Cost, \$15,209,104)	15,210,625	\$ 15,209,104
<b>OTHER ASSETS, LESS</b>		
<b>LIABILITIES – 0.1%</b>		<u>2,867,584</u>
<b>NET ASSETS – 100.0%</b>		<b><u>\$2,395,168,875</u></b>

- (a) Non-income producing security.
- (h) 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. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$15,209,104 and \$2,377,092,187, 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.

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

PLC Public Limited Company  
REIT Real Estate Investment Trust

**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 12/31/17

### Assets

Investments in unaffiliated issuers, at value (identified cost, \$1,336,340,580)	\$2,377,092,187
Investments in affiliated issuers, at value (identified cost, \$15,209,104)	15,209,104
Cash	67,433
Foreign currency, at value (identified cost, \$51)	52
Receivables for	
Investments sold	2,746,379
Fund shares sold	585,659
Interest and dividends	4,438,979
Other assets	10,721
<b>Total assets</b>	<b>\$2,400,150,514</b>

### Liabilities

Payables for	
Investments purchased	\$1,160,265
Fund shares reacquired	3,389,879
Payable to affiliates	
Investment adviser	183,702
Shareholder servicing costs	1,804
Distribution and/or service fees	38,450
Payable for independent Trustees' compensation	12
Accrued expenses and other liabilities	207,527
<b>Total liabilities</b>	<b>\$4,981,639</b>
<b>Net assets</b>	<b>\$2,395,168,875</b>

### Net assets consist of

Paid-in capital	\$1,180,739,381
Unrealized appreciation (depreciation)	1,040,752,480
Accumulated net realized gain (loss)	142,097,667
Undistributed net investment income	31,579,347
<b>Net assets</b>	<b>\$2,395,168,875</b>
Shares of beneficial interest outstanding	115,679,665

	Net assets	Shares outstanding	Net asset value per share
Initial Class	\$996,794,479	47,638,839	\$20.92
Service Class	1,398,374,396	68,040,826	20.55

Net asset value per share is calculated using actual net assets and shares outstanding rather than amounts that have been rounded for presentation purposes.

**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 12/31/17**

### Net investment income (loss)

Income	
Dividends	\$51,967,361
Dividends from affiliated issuers	169,624
Income on securities loaned	11,954
Interest	1,087
Foreign taxes withheld	(289,250)
<b>Total investment income</b>	<b>\$51,860,776</b>
Expenses	
Management fee	\$16,084,495
Distribution and/or service fees	3,356,331
Shareholder servicing costs	65,705
Administrative services fee	376,032
Independent Trustees' compensation	40,416
Custodian fee	122,334
Shareholder communications	253,887
Audit and tax fees	55,984
Legal fees	29,373
Miscellaneous	49,043
<b>Total expenses</b>	<b>\$20,433,600</b>
Reduction of expenses by investment adviser	(185,751)
<b>Net expenses</b>	<b>\$20,247,849</b>
<b>Net investment income (loss)</b>	<b>\$31,612,927</b>
<b>Realized and unrealized gain (loss)</b>	
Realized gain (loss) (identified cost basis)	
Unaffiliated issuers	\$152,175,857
Affiliated issuers	(3,159)
Foreign currency	(32,554)
<b>Net realized gain (loss)</b>	<b>\$152,140,144</b>
Change in unrealized appreciation (depreciation)	
Unaffiliated issuers	\$191,198,442
Translation of assets and liabilities in foreign currencies	88,871
<b>Net unrealized gain (loss)</b>	<b>\$191,287,313</b>
<b>Net realized and unrealized gain (loss)</b>	<b>\$343,427,457</b>
<b>Change in net assets from operations</b>	<b>\$375,040,384</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	
	12/31/17	12/31/16
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income (loss)	\$31,612,927	\$41,358,275
Net realized gain (loss)	152,140,144	91,628,213
Net unrealized gain (loss)	191,287,313	157,373,104
Change in net assets from operations	\$375,040,384	\$290,359,592
<b>Distributions declared to shareholders</b>		
From net investment income	\$(41,910,441)	\$(43,606,764)
From net realized gain	(92,053,188)	(181,308,219)
Total distributions declared to shareholders	\$(133,963,629)	\$(224,914,983)
Change in net assets from fund share transactions	\$(116,293,113)	\$72,375,793
Total change in net assets	\$124,783,642	\$137,820,402
<b>Net assets</b>		
At beginning of period	2,270,385,233	2,132,564,831
At end of period (including undistributed net investment income of \$31,579,347 and \$41,909,415, respectively)	\$2,395,168,875	\$2,270,385,233

**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				
	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Net asset value, beginning of period	\$18.90	\$18.39	\$20.34	\$19.28	\$14.40
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.30	\$0.38(c)	\$0.40	\$0.44	\$0.30
Net realized and unrealized gain (loss)	2.93	2.16	(0.67)	1.55	4.83
Total from investment operations	\$3.23	\$2.54	\$(0.27)	\$1.99	\$5.13
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.40)	\$(0.42)	\$(0.48)	\$(0.31)	\$(0.20)
From net realized gain	(0.81)	(1.61)	(1.20)	(0.62)	(0.05)
Total distributions declared to shareholders	\$(1.21)	\$(2.03)	\$(1.68)	\$(0.93)	\$(0.25)
Net asset value, end of period (x)	\$20.92	\$18.90	\$18.39	\$20.34	\$19.28
Total return (%) (k)(r)(s)(x)	17.65	14.09(c)	(0.74)	10.51	35.89
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.74	0.73(c)	0.73	0.73	0.73
Expenses after expense reductions (f)	0.73	0.72(c)	0.73	0.72	0.73
Net investment income (loss)	1.51	2.02(c)	2.00	2.23	1.74
Portfolio turnover	10	15	13	13	15
Net assets at end of period (000 omitted)	\$996,794	\$968,078	\$964,811	\$1,118,647	\$1,090,381

Service Class	Year ended				
	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Net asset value, beginning of period	\$18.59	\$18.12	\$20.05	\$19.03	\$14.22
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.25	\$0.33(c)	\$0.34	\$0.38	\$0.25
Net realized and unrealized gain (loss)	2.87	2.11	(0.65)	1.52	4.78
Total from investment operations	\$3.12	\$2.44	\$(0.31)	\$1.90	\$5.03
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.35)	\$(0.36)	\$(0.42)	\$(0.26)	\$(0.17)
From net realized gain	(0.81)	(1.61)	(1.20)	(0.62)	(0.05)
Total distributions declared to shareholders	\$(1.16)	\$(1.97)	\$(1.62)	\$(0.88)	\$(0.22)
Net asset value, end of period (x)	\$20.55	\$18.59	\$18.12	\$20.05	\$19.03
Total return (%) (k)(r)(s)(x)	17.35	13.78(c)	(0.93)	10.20	35.59
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.99	0.98(c)	0.98	0.98	0.98
Expenses after expense reductions (f)	0.98	0.97(c)	0.98	0.97	0.98
Net investment income (loss)	1.26	1.78(c)	1.76	1.99	1.49
Portfolio turnover	10	15	13	13	15
Net assets at end of period (000 omitted)	\$1,398,374	\$1,302,307	\$1,167,754	\$1,481,882	\$1,404,019

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 Value Series (the fund) is a diversified series of MFS Variable Insurance Trust (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 October 2016, the Securities and Exchange Commission (SEC) released its final rule on Investment Company Reporting Modernization (the "Rule"). The Rule, which introduced two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contained amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments, for all reporting periods ending after August 1, 2017. The fund has adopted the Rule's Regulation S-X amendments and believes that the fund's financial statements are in compliance with those amendments.

**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** – 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. 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. Values obtained from 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 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.

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 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. Events that occur on a frequent basis 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



## Notes to Financial Statements – continued

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. The following is a summary of the levels used as of December 31, 2017 in valuing the fund's assets or liabilities:

Financial Instruments	Level 1	Level 2	Level 3	Total
Equity Securities:				
United States	\$2,260,108,810	\$—	\$—	\$2,260,108,810
Switzerland	49,729,850	—	—	49,729,850
United Kingdom	13,143,109	28,825,478	—	41,968,587
Canada	13,610,520	—	—	13,610,520
France	11,674,420	—	—	11,674,420
Mutual Funds	15,209,104	—	—	15,209,104
Total	\$2,363,475,813	\$28,825,478	\$—	\$2,392,301,291

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

Of the level 1 investments presented above, equity investments amounting to \$16,570,523 would have been considered level 2 investments at the beginning of the period. The primary reason for changes in the classifications between levels 1 and 2 occurs when foreign equity securities are fair valued using other observable market-based inputs in place of the closing exchange price due to events occurring after the close of the exchange or market on which the investment is principally traded. The fund's foreign equity securities may often be valued using other observable market-based inputs. The fund's policy is to recognize transfers between the levels as of the end of the period.

**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.

**Security Loans** – Under its Securities Lending Agency Agreement with the fund, State Street Bank and Trust Company ("State Street"), as lending agent, loans the securities of the fund to certain qualified institutions (the "Borrowers") approved by the fund. Security loans can be terminated at the discretion of either the lending agent or the fund and the related securities must be returned within the earlier of the standard trade settlement period for such securities or within three business days. The loans are collateralized by cash and/or U.S. Treasury and federal agency obligations in an amount typically at least equal to the market value of the securities loaned. On loans collateralized by cash, the cash collateral is invested in a money market fund. The market value of the loaned securities is determined at the close of business of the fund and any additional required collateral is delivered to the fund on the next business day. State Street provides the fund with indemnification against Borrower default. In the event of Borrower default, State Street will, for the benefit of the fund, either purchase securities identical to those loaned or, when such purchase is commercially impracticable, pay the fund the market value of the loaned securities. In return, State Street assumes the fund's rights to the related collateral. If the collateral value is less than the cost to purchase identical securities, State Street is responsible for the shortfall, but only to the extent that such shortfall is not due to a decline in collateral value resulting from collateral reinvestment for which the fund bears the risk of loss. A portion of the income generated upon investment of the collateral is remitted to the Borrowers, and the remainder is allocated between the fund and the lending agent. On loans collateralized by U.S. Treasury and/or federal agency obligations, a fee is received from the Borrower, and is allocated between the fund and the lending agent. Income from securities lending is separately reported in the Statement of Operations. The dividend and interest income earned on the securities loaned is accounted for in the same manner as other dividend and interest income. At December 31, 2017, there were no securities on loan or collateral outstanding.

**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. 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 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.

**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 wash sale loss deferrals.

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

	Year ended 12/31/17	Year ended 12/31/16
Ordinary income (including any short-term capital gains)	\$43,636,516	\$45,729,481
Long-term capital gains	90,327,113	179,185,502
Total distributions	\$133,963,629	\$224,914,983

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

<b>As of 12/31/17</b>	
Cost of investments	\$1,361,553,966
Gross appreciation	1,043,053,102
Gross depreciation	(12,305,777)
Net unrealized appreciation (depreciation)	\$1,030,747,325
Undistributed ordinary income	38,930,080
Undistributed long-term capital gain	144,751,216
Other temporary differences	873

**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

## Notes to Financial Statements – continued

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:

	From net investment income		From net realized gain on investments	
	Year ended 12/31/17	Year ended 12/31/16	Year ended 12/31/17	Year ended 12/31/16
Initial Class	\$18,606,105	\$20,323,713	\$38,073,487	\$78,502,858
Service Class	23,304,336	23,283,051	53,979,701	102,805,361
Total	\$41,910,441	\$43,606,764	\$92,053,188	\$181,308,219

**(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. For the period January 1, 2017 through April 27, 2017, the management fee was computed daily and paid monthly at an annual rate of 0.75% of the fund's average daily net assets up to \$1 billion and 0.65% of average daily net assets in excess of \$1 billion. The investment adviser had agreed in writing to reduce its management fee to 0.60% of average daily net assets in excess of \$2.5 billion. This written agreement was terminated April 27, 2017. For the period January 1, 2017 through April 27, 2017, the fund's average daily net assets did not exceed \$2.5 billion and therefore, the management fee was not reduced in accordance with this agreement. Effective April 28, 2017, the management fee is computed daily and paid monthly at an annual rate of 0.75% of average daily net assets up to \$1 billion, 0.65% of average daily net assets in excess of \$1 billion and up to \$2.5 billion, and 0.60% of average daily net assets in excess of \$2.5 billion. MFS has also 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, 2017, this management fee reduction amounted to \$185,751, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the year ended December 31, 2017 was equivalent to an annual effective rate of 0.68% 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, 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, 2019. For the year ended December 31, 2017, 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.

**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, 2017, the fee was \$62,325, which equated to 0.0027% 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, 2017, these costs amounted to \$3,380.

**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, 2017 was equivalent to an annual effective rate of 0.0162% 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

## MFS Value Series

Notes to Financial Statements – continued

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, 2017, the fee paid by the fund under this agreement was \$4,167 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.

The fund is permitted to engage in purchase and sale transactions with funds and accounts for which MFS serves as investment adviser or sub-adviser (“cross-trades”) pursuant to a policy adopted by the Board of Trustees. This policy has been designed to ensure that cross-trades conducted by the fund comply with Rule 17a-7 under the Investment Company Act of 1940. During the year ended December 31, 2017, the fund engaged in purchase and sale transactions pursuant to this policy, which amounted to \$766,552 and \$2,688,496, respectively. The sales transactions resulted in net realized gains (losses) of \$490,967.

### (4) Portfolio Securities

For the year ended December 31, 2017, purchases and sales of investments, other than short-term obligations, aggregated \$238,519,029 and \$456,023,662, 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:

	Year ended 12/31/17		Year ended 12/31/16	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	3,112,430	\$62,667,706	4,025,968	\$74,915,419
Service Class	5,441,312	107,596,402	9,184,966	167,110,176
	8,553,742	\$170,264,108	13,210,934	\$242,025,595
Shares issued to shareholders in reinvestment of distributions				
Initial Class	2,942,866	\$56,679,592	5,382,711	\$98,826,571
Service Class	4,082,622	77,284,037	6,977,776	126,088,412
	7,025,488	\$133,963,629	12,360,487	\$224,914,983
Shares reacquired				
Initial Class	(9,631,383)	\$(193,884,289)	(10,647,169)	\$(199,696,185)
Service Class	(11,541,084)	(226,636,561)	(10,564,944)	(194,868,600)
	(21,172,467)	\$(420,520,850)	(21,212,113)	\$(394,564,785)
Net change				
Initial Class	(3,576,087)	\$(74,536,991)	(1,238,490)	\$(25,954,195)
Service Class	(2,017,150)	(41,756,122)	5,597,798	98,329,988
	(5,593,237)	\$(116,293,113)	4,359,308	\$72,375,793

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 6%, 2%, and 1%, 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 Federal Reserve funds 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 at the end of each calendar quarter. 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 Federal Reserve funds rate plus an agreed upon spread. For the year ended December 31, 2017, the fund’s commitment fee and interest expense were \$15,569 and \$0, respectively, and are included in “Miscellaneous” expense in the Statement of Operations.

Notes to Financial Statements – continued

**(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	9,388,614	285,223,535	(279,401,524)	15,210,625	
Affiliated Issuers	Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	\$(3,159)	\$—	\$—	\$169,624	\$15,209,104

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of MFS Variable Insurance Trust and the Shareholders of  
MFS Value Series:

### **Opinion on the Financial Statements and Financial Highlights**

We have audited the accompanying statement of assets and liabilities of MFS Value Series (one of the series of MFS Variable Insurance Trust) (the "Fund"), including the portfolio of investments, as of December 31, 2017, 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, 2017, 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, 2017, 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, 2018

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, 2018, 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.

<u>Name, Age</u>	<u>Position(s) Held with Fund</u>	<u>Trustee/Officer Since <sup>(h)</sup></u>	<u>Number of MFS Funds overseen by the Trustee</u>	<u>Principal Occupations During the Past Five Years</u>	<u>Other Directorships During the Past Five Years <sup>(i)</sup></u>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 54)	Trustee	February 2004	137	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 56)	Trustee	January 2014	137	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 63)	Trustee and Chair of Trustees	January 2009	137	Private investor	N/A
Steven E. Buller (age 66)	Trustee	February 2014	137	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 63)	Trustee	March 2017	137	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 62)	Trustee	January 2009	137	Private investor	N/A
Michael Hegarty (age 73)	Trustee	December 2004	137	Private investor	Rouse Properties Inc., Director (until 2016); Capmark Financial Group Inc., Director (until 2015)
Clarence Otis, Jr. (age 61)	Trustee	March 2017	137	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 61)	Trustee	May 2014	137	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen (age 60)	Trustee	March 2005	137	Private investor	The Travelers Companies, Director; Dycom Industries, Inc., Director (since 2015)

## MFS Value Series

### 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>
<b>OFFICERS</b>				
Christopher R. Bohane <sup>(k)</sup> (age 44)	Assistant Secretary and Assistant Clerk	July 2005	137	Massachusetts Financial Services Company, Vice President and Assistant General Counsel
Kino Clark <sup>(k)</sup> (age 49)	Assistant Treasurer	January 2012	137	Massachusetts Financial Services Company, Vice President
John W. Clark, Jr. <sup>(k)</sup> (age 50)	Assistant Treasurer	April 2017	137	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 58)	Assistant Secretary and Assistant Clerk	September 2012	137	Massachusetts Financial Services Company, Vice President and Senior Counsel
Ethan D. Corey <sup>(k)</sup> (age 54)	Assistant Secretary and Assistant Clerk	July 2005	137	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel
David L. DiLorenzo <sup>(k)</sup> (age 49)	President	July 2005	137	Massachusetts Financial Services Company, Senior Vice President
Heidi W. Hardin <sup>(k)</sup> (age 50)	Secretary and Clerk	April 2017	137	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 44)	Assistant Secretary and Assistant Clerk	June 2006	137	Massachusetts Financial Services Company, Vice President and Senior Counsel
Susan A. Pereira <sup>(k)</sup> (age 47)	Assistant Secretary and Assistant Clerk	July 2005	137	Massachusetts Financial Services Company, Vice President and Senior Counsel
Kasey L. Phillips <sup>(k)</sup> (age 47)	Assistant Treasurer	September 2012	137	Massachusetts Financial Services Company, Vice President
Matthew A. Stowe <sup>(k)</sup> (age 43)	Assistant Secretary and Assistant Clerk	October 2014	137	Massachusetts Financial Services Company, Vice President and Assistant General Counsel
Frank L. Tarantino (age 73)	Independent Senior Officer	June 2004	137	Tarantino LLC (provider of compliance services), Principal
Richard S. Weitzel <sup>(k)</sup> (age 47)	Assistant Secretary and Assistant Clerk	October 2007	137	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel
Martin J. Wolin <sup>(k)</sup> (age 50)	Chief Compliance Officer	July 2015	137	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 57)	Treasurer	September 1990	137	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. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds. 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.



*Trustees and Officers – continued*

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 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)**

Nevin Chitkara  
Steven Gorham

**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, 2017 (“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, 2016 and the investment performance of a group of funds with substantially similar investment classifications/objectives (the “Lipper 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 performance of peer groups of funds 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 Lipper performance universe over the three-year period ended December 31, 2016, 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 4th quintile for the one-year period and the 2nd quintile for the five-year period ended December 31, 2016 relative to the Lipper 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.

*Board Review of Investment Advisory Agreement – continued*

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 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 contractual breakpoints that reduce the Fund's advisory fee rate on average daily net assets over \$1 billion and \$2.5 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 breakpoints 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 also considered benefits to MFS from the use of the Fund's portfolio brokerage commissions, if applicable, to pay for investment research and various other factors. Additionally, the Trustees considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the Fund.

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, 2017.

## 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 will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room  
Securities and Exchange Commission  
100 F Street, NE, Room 1580  
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the fund's Form N-Q also may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section at the above address.

## 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/vit1](http://mfs.com/vit1) 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.

## FEDERAL TAX INFORMATION (unaudited)

The following information is provided pursuant to provisions of the Internal Revenue Code.

The fund designates \$99,360,000 as capital gain dividends paid during the fiscal year.

For corporate shareholders, 100% of the ordinary income dividends paid during the fiscal year qualify for the corporate dividends received deduction.

# 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](http://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.

