

**SEMIANNUAL REPORT**

June 30, 2017



# **MFS<sup>®</sup> UTILITIES SERIES**

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



# MFS® UTILITIES 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.**

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NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR NCUA/NCUSIF

## LETTER FROM THE EXECUTIVE CHAIRMAN



Dear Contract Owners:

Despite policy uncertainty accompanying a new presidential administration in the United States and unease over ongoing Brexit negotiations, most markets have proved resilient. U.S. share prices have reached new highs. The U.S. Federal Reserve has continued to gradually hike interest rates. However, rates in most developed markets remain very low, with major non-U.S. central banks just beginning to contemplate curbing accommodative monetary policies.

Globally, economic growth has shown signs of recovery, led by China, the U.S. and the eurozone. Despite better growth, there are few immediate signs of worrisome inflation as wage growth remains muted. Europe has benefited from diminishing event risks as establishment candidates won both the Dutch and French elections, averting a feared populist trend. Emerging market economies are recovering at a somewhat slower pace amid fears that restrictive U.S. trade policies could further hamper the restrained pace of global trade growth. Looking ahead, markets will have to contend with issues involving geopolitical hot spots on the Korean peninsula and in the Middle East, which could potentially lead to a clash of interests between the U.S. and other major powers such as China or Russia.

At MFS®, we believe time is an asset. A patient, long-term approach to investing can have a powerful impact on decision making and outcomes. Time arbitrage, as we call it, simply comes down to having the conviction and discipline to allow enough time for good investment ideas to play out. In our view, such an approach, 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".

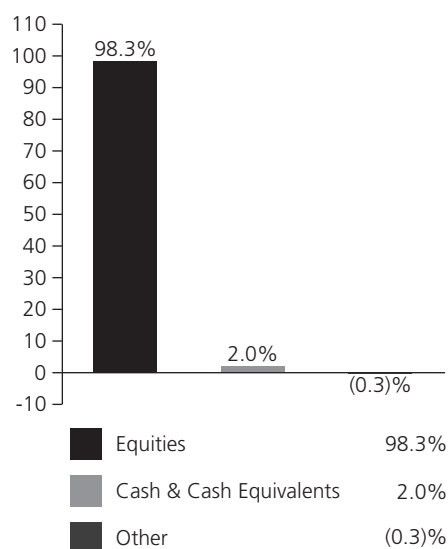
**Robert J. Manning**  
Executive Chairman  
MFS Investment Management

August 16, 2017

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

## PORTFOLIO COMPOSITION

### Portfolio structure (i)



### Top ten holdings (i)

Exelon Corp.	6.5%
NextEra Energy, Inc.	4.3%
PPL Corp.	4.0%
EDP Renovaveis S.A.	3.9%
Sempra Energy	3.6%
Enel S.p.A.	3.2%
PG&E Corp.	2.9%
Com Hem Holding AB	2.5%
American Electric Power Co., Inc.	2.4%
Enterprise Products Partners LP	2.3%

### Top five industries (i)

Utilities-Electric Power	54.5%
Natural Gas-Pipeline	15.4%
Telephone Services	7.9%
Telecommunications – Wireless	6.8%
Natural Gas-Distribution	5.0%

### Issuer country weightings (i)(x)

United States	68.0%
Portugal	6.0%
Canada	3.6%
Italy	3.2%
Spain	2.5%
Sweden	2.5%
United Kingdom	2.1%
France	1.7%
Brazil	1.6%
Other Countries	8.8%

(i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.

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

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

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

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

Percentages are based on net assets as of June 30, 2017.

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

## EXPENSE TABLE

### Fund Expenses Borne by the Contract Holders during the Period, January 1, 2017 through June 30, 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 January 1, 2017 through June 30, 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 1/01/17	Ending Account Value 6/30/17	Expenses Paid During Period (p) 1/01/17-6/30/17
Initial Class	Actual	0.78%	\$1,000.00	\$1,099.96	\$4.06
	Hypothetical (h)	0.78%	\$1,000.00	\$1,020.93	\$3.91
Service Class	Actual	1.03%	\$1,000.00	\$1,098.22	\$5.36
	Hypothetical (h)	1.03%	\$1,000.00	\$1,019.69	\$5.16

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

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

**PORTFOLIO OF INVESTMENTS – 6/30/17 (unaudited)**

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

Issuer	Shares/Par	Value (\$)	Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – 93.3%</b>			<b>COMMON STOCKS – continued</b>		
<b>Cable TV – 4.7%</b>			<b>Telephone Services – continued</b>		
Altice USA, Inc. (a)	408,470	\$ 13,193,581	France Telecom S.A.	835,278	\$ 13,251,234
Charter Communications, Inc., "A" (a)	59,741	20,123,756	Hellenic Telecommunications Organization S.A.	1,019,632	12,274,593
Comcast Corp., "A"	786,522	30,611,436	PT XL Axiata Tbk (a)	32,408,600	8,292,127
NOS, SGPS, S.A.	1,885,091	11,441,340	Royal KPN N.V.	5,344,520	17,097,981
		\$ 75,370,113	TDC A.S.	1,975,005	11,485,356
			Telefonica Brasil S.A., ADR	227,925	3,074,708
<b>Energy – Independent – 1.8%</b>			Telesites S.A.B. de C.V. (a)	2,649,053	1,944,232
Enable Midstream Partners LP	279,518	\$ 4,455,517	Verizon Communications, Inc.	90,956	4,062,095
EQT Corp.	31,807	1,863,572			\$ 123,001,790
Targa Resources Corp.	261,251	11,808,545			
Western Gas Equity Partners LP	251,641	10,825,596			
		\$ 28,953,230	<b>Utilities – Electric Power – 51.2%</b>		
			AES Corp.	2,128,265	\$ 23,645,023
<b>Natural Gas – Distribution – 4.9%</b>			Alupar Investimento S.A., IEU	342,400	1,869,666
China Resources Gas Group Ltd.	4,526,000	\$ 15,449,077	Ameren Corp.	254,752	13,927,292
Infraestrutura Energetica Nova, S.A. de C.V.	1,076,312	5,737,761	American Electric Power Co., Inc.	560,570	38,942,798
Sempra Energy	521,945	58,849,299	Avangrid, Inc.	330,348	14,584,864
		\$ 80,036,137	Calpine Corp. (a)	2,623,344	35,493,844
			China Longyuan Power Group	12,486,000	9,083,693
<b>Natural Gas – Pipeline – 15.4%</b>			Covanta Holding Corp. (I)	620,181	8,186,389
Cheniere Energy, Inc. (a)	361,619	\$ 17,614,462	DTE Energy Co.	127,304	13,467,490
Enbridge, Inc.	723,280	28,812,959	Duke Energy Corp.	325,924	27,243,987
Energy Transfer Partners LP	1,712,653	34,920,995	Dynegy, Inc.	69,050	4,293,598
Enterprise Products Partners LP	1,371,330	37,135,616	Dynegy, Inc. (a)	1,760,654	14,560,609
EQT GP Holdings LP	200,318	6,039,588	Edison International	248,067	19,396,359
EQT Midstream Partners LP	295,898	22,082,868	EDP Renovaveis S.A.	7,925,842	63,032,542
Kinder Morgan, Inc.	510,979	9,790,358	Emera, Inc.	220,509	8,197,670
Plains All American Pipeline LP	155,963	4,097,148	Enel S.p.A.	9,543,855	51,166,998
Plains GP Holdings LP	543,390	14,215,082	Energias de Portugal S.A.	6,786,661	22,192,208
SemGroup Corp., "A"	195,865	5,288,355	Engie Brasil Energia S.A.	677,000	6,931,643
Shell Midstream Partners, LP	268,961	8,149,518	Exelon Corp.	2,917,726	105,242,379
Tallgrass Energy GP LP	369,859	9,405,514	Great Plains Energy, Inc.	316,245	9,259,654
TransCanada Corp.	449,129	21,410,514	Iberdrola S.A.	3,133,965	24,816,376
Williams Cos., Inc.	531,744	16,101,208	Innogy SE	224,451	8,835,331
Williams Partners LP	348,999	13,998,350	NextEra Energy Partners LP	561,941	20,786,198
		\$ 249,062,535	NextEra Energy, Inc.	498,789	69,895,303
			NRG Energy, Inc.	1,609,027	27,707,445
<b>Telecommunications – Wireless – 6.2%</b>			NRG Yield, Inc., "A"	679,675	11,595,256
Advanced Info Service PLC	2,000,700	\$ 10,454,055	NRG Yield, Inc., "C"	620,037	10,912,651
American Tower Corp., REIT	271,631	35,942,214	NTPC Ltd.	1,241,030	3,051,815
Cellnex Telecom S.A.U.	785,113	16,194,701	PG&E Corp.	702,850	46,648,155
KDDI Corp.	446,300	11,804,779	PPL Corp.	1,661,367	64,228,448
Millicom International Cellular S.A.	14,815	875,039	Public Service Enterprise Group, Inc.	352,919	15,179,046
Mobile TeleSystems PJSC, ADR	1,370,078	11,481,254	RWE AG	408,097	8,131,251
SBA Communications Corp., REIT (a)	30,099	4,060,355	SSE PLC	1,091,538	20,656,913
Vodafone Group PLC	3,076,747	8,725,913	Terna Participacoes S.A., IEU	474,643	3,157,696
		\$ 99,538,310			\$ 826,320,590
			<b>Utilities – Water – 1.5%</b>		
<b>Telephone Services – 7.6%</b>			Companhia de Saneamento Basico do Estado de Sao Paulo	1,104,200	\$ 10,552,377
Bezeq – The Israel Telecommunication Corp. Ltd.	4,195,796	\$ 6,970,240	SUEZ Environnement	718,594	13,308,330
BT Group PLC	1,271,704	4,882,034			\$ 23,860,707
Com Hem Holding AB	2,856,275	39,667,190			
			<b>Total Common Stocks (Identified Cost, \$1,331,044,697)</b>		
					<b>\$1,506,143,412</b>

## Portfolio of Investments (unaudited) – continued

Issuer	Shares/Par	Value (\$)
<b>PREFERRED STOCKS – 5.0%</b>		
<b>Energy – Independent – 0.8%</b>		
Anadarko Petroleum Corp. (l)	296,987	\$ 12,202,899
<b>Telecommunications – Wireless – 0.6%</b>		
American Tower Corp.	79,918	\$ 9,688,459
<b>Telephone Services – 0.3%</b>		
Frontier Communications Corp.	167,505	\$ 4,931,347
<b>Utilities – Electric Power – 3.3%</b>		
Dominion Energy, Inc.	257,695	\$ 12,967,212
Dynegy, Inc.	216,352	6,382,384
Great Plains Energy, Inc.	153,746	8,154,688
NextEra Energy, Inc.	326,102	17,612,769
NextEra Energy, Inc.	131,422	8,429,407
		\$ 53,546,460
<b>Total Preferred Stocks</b>		
<b>(Identified Cost, \$97,077,803)</b>		<b>\$ 80,369,165</b>

(a) Non-income producing security.

(j) The rate quoted is the annualized seven-day yield of the fund at period end.

(l) A portion of this security is on loan.

(v) Underlying affiliated fund 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:

ADR American Depositary Receipt

IEU International Equity Unit

PJSC Public Joint Stock Company

PLC Public Limited Company

REIT Real Estate Investment Trust

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

CAD Canadian Dollar

EUR Euro

GBP British Pound

Issuer	Shares/Par	Value (\$)
<b>MONEY MARKET FUNDS – 1.8%</b>		
MFS Institutional Money Market Portfolio, 0.98% (v) (Identified Cost, \$29,916,931)	29,919,861	\$ 29,919,861
<b>COLLATERAL FOR SECURITIES LOANED – 0.3%</b>		
State Street Navigator Securities Lending Government Money Market Portfolio, 1% (j) (Identified Cost, \$4,713,072)	4,713,072	\$ 4,713,072
<b>Total Investments</b>		
<b>(Identified Cost, \$1,462,752,503)</b>		<b>\$1,621,145,510</b>
OTHER ASSETS,		
LESS LIABILITIES – (0.4)%		
		(6,371,999)
<b>NET ASSETS – 100.0%</b>		
		<b>\$1,614,773,511</b>

MFS Utilities Series

Portfolio of Investments (unaudited) – continued

Derivative Contracts at 6/30/17

Forward Foreign Currency Exchange Contracts at 6/30/17

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Unrealized Appreciation (Depreciation)
<b>Asset Derivatives</b>							
BUY	CAD	Barclays Bank PLC	453,312	8/10/17	\$ 342,462	\$ 349,788	\$ 7,326
BUY	CAD	Deutsche Bank AG	347,469	8/10/17	262,173	268,116	5,943
BUY	CAD	Goldman Sachs International	441,895	8/10/17	334,318	340,978	6,660
BUY	CAD	JPMorgan Chase Bank N.A.	152,781	8/10/17	117,309	117,890	581
BUY	CAD	Morgan Stanley Capital Services, Inc.	1,071,031	8/10/17	812,228	826,436	14,208
BUY	EUR	BNP Paribas S.A.	1,171,373	8/10/17	1,315,257	1,340,351	25,094
BUY	EUR	Citibank N.A.	847	8/10/17	952	969	17
BUY	EUR	Deutsche Bank AG	433,055	8/10/17	486,071	495,526	9,455
BUY	EUR	JPMorgan Chase Bank N.A.	600,157	8/10/17	671,105	686,733	15,628
BUY	EUR	Morgan Stanley Capital Services, Inc.	1,158,483	8/10/17	1,306,988	1,325,602	18,614
SELL	EUR	BNP Paribas S.A.	305,927	8/10/17	350,063	350,059	4
BUY	GBP	BNP Paribas S.A.	700,476	8/10/17	912,178	913,366	1,188
BUY	GBP	UBS AG	25,875	8/10/17	33,041	33,739	698
							\$ 105,416
<b>Liability Derivatives</b>							
SELL	CAD	BNP Paribas S.A.	127,690	8/10/17	\$ 95,917	\$ 98,529	\$ (2,612)
SELL	CAD	Deutsche Bank AG	685,111	8/10/17	518,228	528,650	(10,422)
SELL	CAD	Goldman Sachs International	2,435,390	8/10/17	1,810,570	1,879,212	(68,642)
SELL	CAD	JPMorgan Chase Bank N.A.	1,570,718	8/10/17	1,176,652	1,212,008	(35,356)
SELL	CAD	Merrill Lynch International	46,398,996	8/10/17	34,460,756	35,802,701	(1,341,945)
SELL	EUR	Barclays Bank PLC	2,837,000	7/19/17	3,124,975	3,242,602	(117,627)
SELL	EUR	BNP Paribas S.A.	7,183,864	7/19/17-8/10/17	8,042,114	8,217,203	(175,089)
SELL	EUR	Citibank N.A.	967,005	8/10/17	1,093,066	1,106,502	(13,436)
SELL	EUR	Deutsche Bank AG	3,650,000	8/10/17	4,099,684	4,176,536	(76,852)
SELL	EUR	HSBC Bank	4,282,128	8/10/17	4,842,016	4,899,852	(57,836)
SELL	EUR	JPMorgan Chase Bank N.A.	65,131,466	8/10/17	73,638,181	74,527,092	(888,911)
SELL	EUR	Morgan Stanley Capital Services, Inc.	61,757,525	7/19/17-8/10/17	69,112,409	70,597,542	(1,485,133)
SELL	GBP	Merrill Lynch International	18,387,743	8/10/17	23,739,037	23,976,169	(237,132)
							\$(4,510,993)

At June 30, 2017, the fund had cash collateral of \$3,300,000 to cover any commitments for certain derivative contracts. Cash collateral is comprised of "Restricted cash" on the Statement of Assets and Liabilities.

See Notes to Financial Statements



## FINANCIAL STATEMENTS | STATEMENT OF ASSETS AND LIABILITIES (unaudited)

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

At 6/30/17

### Assets

Investments	
Non-affiliated issuers, at value (identified cost, \$1,432,835,572)	\$1,591,225,649
Underlying affiliated funds, at value (identified cost, \$29,916,931)	29,919,861
Total investments, at value, including \$4,610,777 of securities on loan (identified cost, \$1,462,752,503)	\$1,621,145,510
Cash	660,000
Restricted cash	3,300,000
Foreign currency, at value (identified cost, \$108,744)	108,534
Receivables for	
Forward foreign currency exchange contracts	105,416
Investments sold	6,340,399
Fund shares sold	253,440
Interest and dividends	3,522,156
Other assets	3,520
Total assets	\$1,635,438,975

### Liabilities

Payables for	
Forward foreign currency exchange contracts	\$4,510,993
Investments purchased	8,201,812
Fund shares reacquired	2,719,451
Collateral for securities loaned, at value	4,713,072
Payable to affiliates	
Investment adviser	65,680
Shareholder servicing costs	1,773
Distribution and/or service fees	14,373
Payable for independent Trustees' compensation	1,699
Deferred country tax expense payable	190,665
Accrued expenses and other liabilities	245,946
Total liabilities	\$20,665,464
Net assets	\$1,614,773,511

### Net assets consist of

Paid-in capital	\$1,409,987,717
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies (net of \$190,665 deferred country tax)	153,790,263
Accumulated net realized gain (loss) on investments and foreign currency	(40,217,143)
Undistributed net investment income	91,212,674
Net assets	\$1,614,773,511
Shares of beneficial interest outstanding	55,400,083

	Net assets	Shares outstanding	Net asset value per share
Initial Class	\$568,936,663	19,291,921	\$29.49
Service Class	1,045,836,848	36,108,162	28.96

See Notes to Financial Statements

## FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS (unaudited)

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

Six months ended 6/30/17

### Net investment income

Income	
Dividends	\$32,069,858
Dividends from underlying affiliated funds	196,822
Interest	57,224
Foreign taxes withheld	(1,213,842)
Total investment income	\$31,110,062
Expenses	
Management fee	\$5,828,393
Distribution and/or service fees	1,289,476
Shareholder servicing costs	39,405
Administrative services fee	133,653
Independent Trustees' compensation	16,916
Custodian fee	101,284
Shareholder communications	129,896
Audit and tax fees	30,766
Legal fees	8,601
Miscellaneous	24,460
Total expenses	\$7,602,850
Reduction of expenses by investment adviser	(61,198)
Net expenses	\$7,541,652
Net investment income	\$23,568,410
<b>Realized and unrealized gain (loss) on investments and foreign currency</b>	
Realized gain (loss) (identified cost basis)	
Investments:	
Non-affiliated issuers	\$5,718,318
Underlying affiliated funds	(3,511)
Foreign currency	(5,856,316)
Net realized gain (loss) on investments and foreign currency	\$(141,509)
Change in unrealized appreciation (depreciation)	
Investments (net of \$190,665 increase in deferred country tax)	\$135,285,827
Translation of assets and liabilities in foreign currencies	(7,827,881)
Net unrealized gain (loss) on investments and foreign currency translation	\$127,457,946
Net realized and unrealized gain (loss) on investments and foreign currency	\$127,316,437
Change in net assets from operations	\$150,884,847

See Notes to Financial Statements

## FINANCIAL STATEMENTS | STATEMENTS OF CHANGES IN NET ASSETS

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

	Six months ended 6/30/17 (unaudited)	Year ended 12/31/16
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$23,568,410	\$59,514,902
Net realized gain (loss) on investments and foreign currency	(141,509)	(17,525,329)
Net unrealized gain (loss) on investments and foreign currency translation	127,457,946	127,664,837
Change in net assets from operations	\$150,884,847	\$169,654,410
<b>Distributions declared to shareholders</b>		
From net investment income	\$—	\$(59,729,803)
From net realized gain on investments	—	(36,926,325)
Total distributions declared to shareholders	\$—	\$(96,656,128)
Change in net assets from fund share transactions	\$(91,554,216)	\$(46,897,011)
Total change in net assets	\$59,330,631	\$26,101,271
<b>Net assets</b>		
At beginning of period	1,555,442,880	1,529,341,609
At end of period (including undistributed net investment income of \$91,212,674 and \$67,644,264, respectively)	\$1,614,773,511	\$1,555,442,880

**See Notes to Financial Statements**

## FINANCIAL STATEMENTS | FINANCIAL HIGHLIGHTS

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

Initial Class	Six months ended 6/30/17 (unaudited)	Years ended 12/31				
		2016	2015	2014	2013	2012
Net asset value, beginning of period	\$26.81	\$25.56	\$33.97	\$31.88	\$27.61	\$26.08
<b>Income (loss) from investment operations</b>						
Net investment income (d)	\$0.44	\$1.06(c)	\$0.81	\$0.99	\$0.94	\$0.84
Net realized and unrealized gain (loss) on investments and foreign currency	2.24	1.91	(5.56)	3.13	4.64	2.57
Total from investment operations	\$2.68	\$2.97	\$(4.75)	\$4.12	\$5.58	\$3.41
<b>Less distributions declared to shareholders</b>						
From net investment income	\$—	\$(1.08)	\$(1.38)	\$(0.74)	\$(0.73)	\$(1.88)
From net realized gain on investments	—	(0.64)	(2.28)	(1.29)	(0.58)	—
Total distributions declared to shareholders	\$—	\$(1.72)	\$(3.66)	\$(2.03)	\$(1.31)	\$(1.88)
Net asset value, end of period (x)	\$29.49	\$26.81	\$25.56	\$33.97	\$31.88	\$27.61
Total return (%) (k)(r)(s)(x)	10.00(n)	11.47(c)	(14.54)	12.77	20.60	13.40
<b>Ratios (%) (to average net assets) and Supplemental data:</b>						
Expenses before expense reductions (f)	0.79(a)	0.77(c)	0.79	0.79	0.80	0.82
Expenses after expense reductions (f)	0.78(a)	0.77(c)	0.78	0.78	0.80	0.82
Net investment income	3.11(a)	3.89(c)	2.59	2.87	3.07	3.11
Portfolio turnover	14(n)	33	42	53	50	51
Net assets at end of period (000 omitted)	\$568,937	\$556,607	\$561,517	\$754,927	\$525,386	\$476,685
<b>Service Class</b>						
Service Class	Six months ended 6/30/17 (unaudited)	Years ended 12/31				
		2016	2015	2014	2013	2012
Net asset value, beginning of period	\$26.37	\$25.15	\$33.48	\$31.47	\$27.27	\$25.73
<b>Income (loss) from investment operations</b>						
Net investment income (d)	\$0.40	\$0.97(c)	\$0.72	\$0.92	\$0.85	\$0.71
Net realized and unrealized gain (loss) on investments and foreign currency	2.19	1.90	(5.47)	3.05	4.58	2.59
Total from investment operations	\$2.59	\$2.87	\$(4.75)	\$3.97	\$5.43	\$3.30
<b>Less distributions declared to shareholders</b>						
From net investment income	\$—	\$(1.01)	\$(1.30)	\$(0.67)	\$(0.65)	\$(1.76)
From net realized gain on investments	—	(0.64)	(2.28)	(1.29)	(0.58)	—
Total distributions declared to shareholders	\$—	\$(1.65)	\$(3.58)	\$(1.96)	\$(1.23)	\$(1.76)
Net asset value, end of period (x)	\$28.96	\$26.37	\$25.15	\$33.48	\$31.47	\$27.27
Total return (%) (k)(r)(s)(x)	9.82(n)	11.24(c)	(14.76)	12.47	20.30	13.13
<b>Ratios (%) (to average net assets) and Supplemental data:</b>						
Expenses before expense reductions (f)	1.04(a)	1.02(c)	1.04	1.04	1.05	1.07
Expenses after expense reductions (f)	1.03(a)	1.02(c)	1.03	1.03	1.05	1.07
Net investment income	2.87(a)	3.64(c)	2.34	2.71	2.82	2.66
Portfolio turnover	14(n)	33	42	53	50	51
Net assets at end of period (000 omitted)	\$1,045,837	\$998,836	\$967,824	\$1,252,327	\$978,732	\$837,196

See Notes to Financial Statements

*Financial Highlights – continued*

- (a) Annualized.
- (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.
- (n) Not annualized.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (x) The net asset values and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

**See Notes to Financial Statements**

## NOTES TO FINANCIAL STATEMENTS (unaudited)

### (1) Business and Organization

MFS Utilities 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. The fund invests primarily in issuers in the utility industry. Issuers in a single industry can react similarly to market, economic, political and regulatory conditions and developments. The fund invests in foreign securities. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's legal, political, and economic environment.

In October 2016, the Securities and Exchange Commission (SEC) released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule, which introduces two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impacts of the Rule, management believes that many of the Regulation S-X amendments are consistent with the fund's current financial statement presentation and expects that the fund will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

**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 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. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. 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

## Notes to Financial Statements (unaudited) – continued

significant movements in the U.S. markets) and prior to the determination of the fund's net asset value may be deemed to have a material effect on the value of securities traded in foreign markets. Accordingly, the fund's foreign equity securities may often be valued at fair value. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. The following is a summary of the levels used as of June 30, 2017 in valuing the fund's assets or liabilities:

Investments at Value	Level 1	Level 2	Level 3	Total
<b>Equity Securities:</b>				
United States	\$1,059,524,997	\$10,675,982	\$—	\$1,070,200,979
Portugal	96,666,091	—	—	96,666,091
Canada	58,421,144	—	—	58,421,144
Italy	51,166,997	—	—	51,166,997
Spain	41,011,077	—	—	41,011,077
Sweden	40,542,229	—	—	40,542,229
United Kingdom	34,264,860	—	—	34,264,860
France	26,559,563	—	—	26,559,563
Brazil	25,586,091	—	—	25,586,091
Other Countries	131,639,491	10,454,055	—	142,093,546
Mutual Funds	34,632,933	—	—	34,632,933
<b>Total Investments</b>	<b>\$1,600,015,473</b>	<b>\$21,130,037</b>	<b>\$—</b>	<b>\$1,621,145,510</b>
<b>Other Financial Instruments</b>				
Forward Foreign Currency Exchange Contracts – Assets	\$—	\$105,416	\$—	\$105,416
Forward Foreign Currency Exchange Contracts – Liabilities	—	(4,510,993)	—	(4,510,993)

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

Of the level 2 investments presented above, equity investments amounting to \$10,675,982 would have been considered level 1 investments at the beginning of the period. Of the level 1 investments presented above, equity investments amounting to \$154,267,157 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.

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

The derivative instruments used by the fund were forward foreign currency exchange contracts. The fund’s period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at June 30, 2017 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value	
		Asset Derivatives	Liability Derivatives
Foreign Exchange	Forward Foreign Currency Exchange	\$105,416	\$(4,510,993)

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the six months ended June 30, 2017 as reported in the Statement of Operations:

Risk	Foreign Currency
Foreign Exchange	\$(5,806,093)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the six months ended June 30, 2017 as reported in the Statement of Operations:

Risk	Translation of Assets and Liabilities in Foreign Currencies
Foreign Exchange	\$(7,861,292)

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

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the clearing broker and the clearing house for cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options). For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund’s collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as “Restricted cash” or “Deposits with brokers.” Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

**Forward Foreign Currency Exchange Contracts** – The fund entered into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. These contracts may be used to hedge the fund’s currency risk or for non-hedging purposes. For hedging purposes, the fund may enter into contracts to deliver or receive foreign currency that the fund will receive from or use in its normal investment activities. The fund may also use contracts to hedge against declines in the value of foreign currency denominated securities due to unfavorable exchange rate movements. For non-hedging purposes, the fund may enter into contracts with the intent of changing the relative exposure of the fund’s portfolio of securities to different currencies to take advantage of anticipated exchange rate changes.

Forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any unrealized gains or losses are recorded as a receivable or payable for forward foreign currency exchange contracts until the contract settlement date. On contract settlement date, any gain or loss on the contract is recorded as realized gains or losses on foreign currency.



*Notes to Financial Statements (unaudited) – continued*

Risks may arise upon entering into these contracts from unanticipated movements in the value of the contract and from the potential inability of counterparties to meet the terms of their contracts. Generally, the fund's maximum risk due to counterparty credit risk is the unrealized gain on the contract due to the use of Continuous Linked Settlement, a multicurrency cash settlement system for the centralized settlement of foreign transactions. This risk is mitigated in cases where there is an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and, where applicable, by the posting of collateral by the counterparty to the fund to cover the fund's exposure to the counterparty under such ISDA Master Agreement.

**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. At period end, the fund had investment securities on loan, all of which were classified as equity securities in the fund's Portfolio of Investments, with a fair value of \$4,610,777. The fair value of the fund's investment securities on loan and a related liability of \$4,713,072 for cash collateral received on securities loaned are both presented gross in the Statement of Assets and Liabilities. The collateral received on securities loaned exceeded the value of securities on loan at period end. The liability for cash collateral for securities loaned is carried at fair value, which is categorized as level 2 within the fair value hierarchy. 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 included in “Interest” income 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.

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

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

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

**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

## MFS Utilities Series

Notes to Financial Statements (unaudited) – continued

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, derivative transactions, and partnership adjustments.

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

	<b>Year ended 12/31/16</b>
Ordinary income (including any short-term capital gains)	\$59,729,879
Long-term capital gains	36,926,249
<b>Total distributions</b>	<b>\$96,656,128</b>

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

<b>As of 6/30/17</b>	
Cost of investments	\$1,471,026,597
Gross appreciation	269,712,743
Gross depreciation	(119,593,830)
<b>Net unrealized appreciation (depreciation)</b>	<b>\$150,118,913</b>
<b>As of 12/31/16</b>	
Undistributed ordinary income	71,583,133
Capital loss carryforwards	(31,801,540)
Other temporary differences	(523,067)
<b>Net unrealized appreciation (depreciation)</b>	<b>14,642,421</b>

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

As of December 31, 2016, the fund had capital loss carryforwards available to offset future realized gains. These net capital losses may be carried forward indefinitely and their character is retained as short-term and/or long-term losses. Such losses are characterized as follows:

Long-Term	\$(31,801,540)
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**Multiple Classes of Shares of Beneficial Interest** – The fund offers multiple classes of shares, which differ in their respective distribution and/or service fees. The fund’s income, realized and unrealized gain (loss), and common expenses are allocated to shareholders based on the daily net assets of each class. Dividends are declared separately for each class. Differences in per share dividend rates are generally due to differences in separate class expenses. The fund’s distributions declared to shareholders as reported in the Statements of Changes in Net Assets are presented by class as follows:

	From net investment income		From net realized gain on investments	
	Six months ended 6/30/17	Year ended 12/31/16	Six months ended 6/30/17	Year ended 12/31/16
Initial Class	\$—	\$22,376,960	\$—	\$13,202,553
Service Class	—	37,352,843	—	23,723,772
<b>Total</b>	<b>\$—</b>	<b>\$59,729,803</b>	<b>\$—</b>	<b>\$36,926,325</b>

### (3) Transactions with Affiliates

**Investment Adviser** – The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at the following annual rates:

First \$1 billion of average daily net assets	0.75%
Next \$2 billion of average daily net assets	0.70%
Average daily net assets in excess of \$3 billion	0.65%

MFS has agreed in writing to reduce its management fee by a specified amount if certain MFS mutual fund assets exceed thresholds agreed to by MFS and the fund’s Board of Trustees. For the six months ended June 30, 2017, this management fee reduction amounted to \$61,198, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the six months ended June 30, 2017 was equivalent to an annual effective rate of 0.72% of the fund’s average daily net assets.

Notes to Financial Statements (unaudited) – continued

**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 six months ended June 30, 2017, the fee was \$36,900, which equated to 0.0046% 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 six months ended June 30, 2017, these costs amounted to \$2,505.

**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 six months ended June 30, 2017 was equivalent to an annual effective rate of 0.0167% of the fund's average daily net assets.

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

**Other** – This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the six months ended June 30, 2017, the fee paid by the fund under this agreement was \$1,439 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. Under this policy, cross-trades are effected at current market prices with no remuneration paid in connection with the transaction. During the six months ended June 30, 2017, the fund engaged in purchase and sale transactions pursuant to this policy, which amounted to \$336,347 and \$2,028,259, respectively. The sales transactions resulted in net realized gains (losses) of \$785,379.

#### (4) Portfolio Securities

For the six months ended June 30, 2017, purchases and sales of investments, other than short-term obligations, aggregated \$214,767,734 and \$246,940,597, respectively.

#### (5) Shares of Beneficial Interest

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

	Six months ended 6/30/17		Year ended 12/31/16	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	273,234	\$7,749,720	906,725	\$24,878,423
Service Class	1,360,418	37,743,772	4,514,067	119,819,942
	1,633,652	\$45,493,492	5,420,792	\$144,698,365

MFS Utilities Series

Notes to Financial Statements (unaudited) – continued

	Six months ended 6/30/17		Year ended 12/31/16	
	Shares	Amount	Shares	Amount
Shares issued to shareholders in reinvestment of distributions				
Initial Class	—	\$—	1,294,742	\$35,579,513
Service Class	—	—	2,257,916	61,076,615
	—	\$—	3,552,658	\$96,656,128
Shares reacquired				
Initial Class	(1,738,660)	\$(49,212,368)	(3,412,304)	\$(91,825,699)
Service Class	(3,132,230)	(87,835,340)	(7,368,351)	(196,425,805)
	(4,870,890)	\$(137,047,708)	(10,780,655)	\$(288,251,504)
Net change				
Initial Class	(1,465,426)	\$(41,462,648)	(1,210,837)	\$(31,367,763)
Service Class	(1,771,812)	(50,091,568)	(596,368)	(15,529,248)
	(3,237,238)	\$(91,554,216)	(1,807,205)	\$(46,897,011)

**(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 six months ended June 30, 2017, the fund's commitment fee and interest expense were \$5,419 and \$0, respectively, and are included in "Miscellaneous" expense in the Statement of Operations.

**(7) Transactions in Underlying Affiliated Funds – 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 an affiliated issuer:

Underlying Affiliated Fund	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount
MFS Institutional Money Market Portfolio	73,959,910	104,905,576	(148,945,625)	29,919,861
Underlying Affiliated Fund	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	\$(3,511)	\$—	\$196,822	\$29,919,861

## RESULTS OF SHAREHOLDER MEETING (unaudited)

At a special meeting of shareholders of MFS Variable Insurance Trust, which was held on March 23, 2017, the following action was taken:

**Item 1:** To elect the following individuals as Trustees:

Nominee	Number of Dollars	
	For	Withheld Authority
Steven E. Buller	11,311,922,492.61	518,570,973.54
John A. Caroselli	11,291,109,000.34	539,384,465.81
Maureen R. Goldfarb	11,233,211,779.66	597,281,686.49
David H. Gunning	11,179,077,201.17	651,416,264.98
Michael Hegarty	11,191,993,154.78	638,500,311.37
John P. Kavanaugh	11,242,238,261.44	588,255,204.71
Robert J. Manning	11,314,479,376.58	516,014,089.57
Clarence Otis, Jr.	11,208,873,448.85	621,620,017.30
Maryanne L. Roepke	11,263,427,105.03	567,066,361.12
Robin A. Stelmach	11,313,883,043.82	516,610,422.33
Laurie J. Thomsen	11,240,219,041.09	590,274,425.06

## 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* (once you have selected "Individual Investor" as your role, click on "Individual Investor Home" in the top navigation and then select "Learn More About Proxy Voting" under the "I want to..." header on the left hand column of the page), 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* (once you have selected "Individual Investor" as your role, click on "Individual Investor Home" in the top navigation and then select "Learn More About Proxy Voting" under the "I want to..." header on the left hand column of the page), 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*). This information is available on *mfs.com* by following these steps once you have selected "Individual Investor" as your role: (1) Click on the "Individual Investor Home" in the top navigation and then select the "Announcements" option within the "Market Outlooks" drop down, or (2) Click on "Products & Services" and "Variable Insurance Portfolios" and then select 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.

