



# MFS<sup>®</sup> Utilities Series

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

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

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## LETTER FROM THE CHAIR AND CEO



Dear Shareholders:

Signs of peaking inflation, hopes that monetary policy tightening cycles may be nearing an end and a rapid reopening of China's economy in late-2022 and early-2023 have combined to bolster investor sentiment in recent months. Markets have largely adjusted to the challenges posed by Russia's invasion of Ukraine, thanks in part to mild European winter weather which has alleviated concerns over potential shortages of natural gas. Resilient labor markets in much of the developed world have further contributed to a brighter-than-expected economic backdrop. However, many investors are mindful that the lagged effects of ongoing policy tightening have yet to work their way through the global economy.

Tighter global financial conditions have been a particular headwind for richly valued growth equities and interest rate-sensitive parts of the economy, such as housing. Over the near term, companies may face a challenging earnings backdrop as they are forced to absorb higher input and labor costs at a time of dwindling pricing power. For fixed income, the rise in interest rates has made bonds more attractive than they have been in years, which may provide balance to an overall portfolio.

During times of market transition, it is important to have a deep understanding of company fundamentals, and we have built our unique global research platform to do just that.

At MFS<sup>®</sup>, we put our clients' assets to work responsibly by carefully navigating increasingly complex global capital markets. Our investment team is guided by a commitment to long-term fundamental investing. Our global investment platform — combining collective expertise, long-term discipline, and thoughtful risk management — seeks to uncover what we believe are the best, most durable investment ideas in markets around the world, enabling us to potentially create value for investors.

Respectfully,

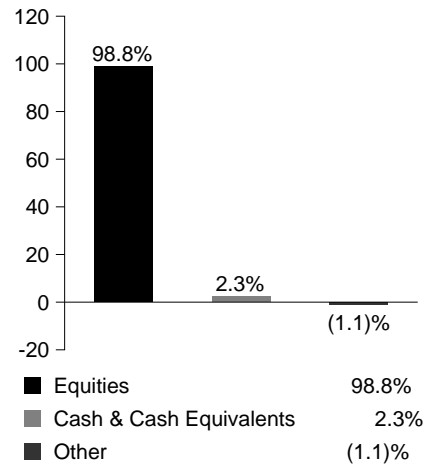
Michael W. Roberge  
Chair and Chief Executive Officer  
MFS Investment Management

February 15, 2023

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

NextEra Energy, Inc.	12.1%
PG&E Corp.	6.0%
Dominion Energy, Inc.	5.3%
Southern Co.	4.9%
Sempra Energy	4.6%
DTE Energy Co.	3.7%
American Electric Power Co., Inc.	3.4%
RWE AG	3.3%
Edison International	3.1%
Ameren Corp.	3.0%

### Top five industries

Utilities-Electric Power	84.1%
Energy - Renewables	5.6%
Telecommunications - Wireless	4.8%
Natural Gas - Distribution	2.0%
Utilities - Water	1.0%

### Issuer country weightings (x)

United States	73.2%
Spain	5.7%
Germany	5.3%
Portugal	4.2%
United Kingdom	3.9%
Italy	2.3%
Brazil	1.0%
France	1.0%
Canada	0.9%
Other Countries	2.5%

(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, they are treated as part of the equity portion of the portfolio.

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please refer to 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 December 31, 2022.

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

# MANAGEMENT REVIEW

## Summary of Results

For the twelve months ended December 31, 2022, Initial Class shares of the MFS Utilities Series (fund) provided a total return of 0.76%, while Service Class shares of the fund provided a total return of 0.48%. These compare with a return of -18.11% over the same period for the fund's benchmark, the Standard & Poor's 500 Stock Index, and a return of 1.57% for the fund's other benchmark, the Standard & Poor's 500 Utilities Index (S&P Utilities Index).

## Market Environment

During the reporting period, markets continued to grapple with the strongest global inflationary pressures in decades along with signs of slowing economic growth. Intermittent coronavirus flareups, particularly in China, where home-grown vaccines have proved less effective than elsewhere, kept supply chains stretched for a considerable period. At the same time, the reopening of the economy in the parts of the world where the virus has been better contained has led to a shift in consumption patterns in favor of services, straining already tight labor markets in most developed economies, while reducing demand for manufactured goods, primarily from Asia. As a result of Russia's invasion of Ukraine, geopolitical considerations, such as sanctions and trade bans, have resulted in additional supply chain disruptions and volatile global energy prices. Taken together, these factors have contributed to market volatility.

The ripple effects from the Russian invasion further complicated the mission central banks must undertake to rein in surging inflation. Energy shocks have historically resulted in global growth slowdowns, if not pullbacks, so policymakers will find themselves in the difficult position of trying to restrain inflation without tipping economies into recession. Despite the challenging macroeconomic and geopolitical environment, policymakers remained focused on controlling inflation, although investors appeared to have expected varying degrees of action from the central banks. The Fed has been among the most aggressive developed market central banks, tightening policy at the fastest rate in decades, although it slowed its hiking pace at the end of the period, as did the European Central Bank. After remaining on the monetary sidelines for much of the period, the Bank of Japan widened its Yield Curve Control band, capping the yield on its 10-year bond at 0.5%, up from 0.25%, an action investors interpreted as a first step toward monetary policy normalization.

Against an environment of still-tight labor markets, tighter global financial conditions and volatile materials prices, investor anxiety appeared to have increased over the potential that corporate profit margins may be past peak for this cycle. That said, tentative signs that supply chain bottlenecks (particularly semiconductors) may be moderating, the easing of COVID restrictions in China, low levels of unemployment across developed markets and hopes that inflation levels may be near a peak were supportive factors for the macroeconomic backdrop.

## Detractors from Performance

The fund's exposure to both the diversified tela0uuuu40(f)-2mshheprpymgo(diverse1dls277.8(contribbCersified)-bbCersifi0277.8(for)-27

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### Contributors to Performance

Favorable security selection within the electric utilities industry benefited relative performance, led by the fund's underweight positions in electricity provider NextEra Energy and utility company PPL. The share price of NextEra Energy came under pressure due to inflation and supply chain headwinds and the announcement of the earlier-than-expected resignation of the company's chief executive officer. Additionally, the fund's overweight position in utility company PG&E, not owning shares of power generation







# EXPENSE TABLE

Fund expenses borne by the shareholders during the period,  
July 1, 2022 through December 31, 2022

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period July 1, 2022 through December 31, 2022.

## Actual Expenses

The first line for each share class in the following table shows the actual expenses for a \$1,000 investment in the fund for the period July 1, 2022 through December 31, 2022.

## PORTFOLIO OF INVESTMENTS Š 12/31/22

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

Issuer	Shares/Par	Value (\$)
<b>Common Stocks – 98.5%</b>		
<b>Cable TV – 0.7%</b>		
Charter Communications, Inc., “A” (a)	24,295	\$ 8,238,434
<b>Energy - Renewables – 5.6%</b>		
AES Corp.	952,838	\$ 27,403,621
EDP Renovaveis S.A.	1,650,091	36,476,742
Orsted A/S	72,239	6,564,819
		\$ 70,445,182
<b>Natural Gas - Distribution – 2.0%</b>		
Atmos Energy Corp.	152,746	\$ 17,118,244
China Resources Gas Group Ltd.	2,041,200	7,601,968
		\$ 24,720,212
<b>Telecommunications - Wireless – 4.8%</b>		
Cellnex Telecom S.A.	1,065,099	\$ 35,420,522
Rogers Communications, Inc., “B”	255,015	11,935,229
SBA Communications Corp., REIT	46,656	13,078,144
		\$ 60,433,895
<b>Telephone Services – 0.6%</b>		
Hellenic Telecommunications Organization S.A.	434,682	\$ 6,788,802
<b>Utilities - Electric Power – 83.8%</b>		
ALLETE, Inc.	184,532	\$ 11,904,159
Alliant Energy Corp.	534,282	29,497,709
Ameren Corp.	416,907	37,071,370
American Electric Power Co., Inc.	446,698	42,413,975
CenterPoint Energy, Inc.	674,074	20,215,479
CLP Holdings Ltd.	1,346,000	9,820,664
Constellation Energy	346,203	29,846,161
Dominion Energy, Inc.	1,072,206	65,747,672
DTE Energy Co.	395,138	46,440,569
E.ON SE	2,505,074	25,029,636
Edison International	600,567	38,208,072
Enel S.p.A.	5,418,922	29,177,432
Energias de Portugal S.A.	3,168,293	15,790,813
Energisa S.A., IEU	775,100	6,490,302
Entergy Corp.	160,720	18,081,000
Equatorial Energia S.A.	1,282,800	6,564,943
Evergy, Inc.	405,974	25,547,944
Exelon Corp.	491,423	21,244,219
Iberdrola S.A.	3,065,330	35,864,401
National Grid PLC	1,688,461	20,359,578
NextEra Energy, Inc.	1,815,639	151,787,421
PG&E Corp. (a)	4,612,911	75,005,933
Pinnacle West Capital Corp.	217,757	16,558,242
Portland General Electric Co.	300,301	14,714,749
PPL Corp.	1,122,563	32,801,291
Public Service Enterprise Group, Inc.	296,983	18,196,148
RWE AG	923,778	41,126,591
Sempra Energy	372,698	57,596,750
Southern Co.	859,088	61,347,474
SSE PLC	1,361,807	28,185,627

Issuer	Shares/Par	Value (\$)
Common Stocks – continued		
Utilities - Electric Power – continued		
Xcel Energy, Inc.	226,606	\$ 15,887,347
		\$ 1,048,523,671
Utilities - Water – 1.0%		
Veolia Environnement S.A.	488,733	\$ 12,555,936
Total Common Stocks (Identified Cost, \$927,366,329)		\$1,231,706,132
Convertible Preferred Stocks – 0.3%		
Utilities - Electric Power – 0.3%		
NextEra Energy, Inc., 5.279% (Identified Cost, \$2,860,140)	64,600	\$ 3,275,2
Investment Companies (h) – 1.2%		
Money Market Funds – 1.2%		
MFS Institutional Money Market Portfolio, 4.02% (v) (Identified Cost, \$15,428,682)	15,426,866	\$ 15,43
Other Assets, Less Liabilities – 0.0%		261,688
Net Assets – 100.0%		\$1,250,674,534

(a) Non-income producing security.

(h) An affiliated issuer, which may be considered one in which 0rn(1)0(,250u278(one) wn-) -278.1()-241\$14es

## MFS Utilities Series

Portfolio of Investments ... continued

Forward Foreign Currency Exchange Contracts - continued

	Currency Purchased	Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Liability Derivatives - continued						
SEK	1,133,113	USD	109,165	Brown Brothers Harriman	1/20/2023	\$ (4,113,113)
USD	6,011,843	CAD	8,272,314	HSBC Bank	1/20/2023	(98,113,113)
USD	1,359,112	CAD	1,854,168	Morgan Stanley Capital Services, Inc.	1/20/2023	(10,113,113)
USD	264,525	EUR	250,720	Brown Brothers Harriman	1/20/2023	(4,113,113)
USD	2,108,820	EUR	2,019,924	Citibank N.A.	1/20/2023	(55,743,113)
USD	3,576,430	EUR	3,606,911	HSBC Bank	1/20/2023	(288,743,113)
USD	136,930,631	EUR	139,109,080	Merrill Lynch International	1/20/2023	(12,139,113)
USD	20,331,581	EUR	19,641,230	State Street Bank Corp.	1/20/2023	(716,113)
USD	27,664,505	GBP	24,623,292	HSBC Bank	1/20/2023	(2,116,3113)
USD	2,530,333	GBP	2,238,748	Morgan Stanley Capital Services, Inc.	1/20/2023	(17,113)
USD	1,133,767	GBP	986,045	State Street Bank Corp.	1/20/2023	(58,8113)
						<u>\$(15,677,600)</u>

At December 31, 2022, the fund had cash collateral of \$11,890,000 to cover any collateral or margin obligations for certain derivative contracts. ~~Retained~~ cash and/or deposits with brokers in the Statement of Assets and Liabilities are comprised of cash collateral.

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

# 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	
	12/31/22	12/31/21
Change in net assets		
From operations		
Net investment income (loss)	\$22,268,570	\$24,809,395
Net realized gain (loss)	96,439,674	37,084,768
Net unrealized gain (loss)	(114,645,691)	100,375,768
Change in net assets from operations	\$4,062,553	\$162,269,931
Total distributions to shareholders	\$(77,825,621)	\$(61,909,232)
Change in net assets from fund share transactions	\$28,354,613	\$(21,147,000)
Total change in net assets	\$(45,408,455)	\$79,213,644
Net assets		

# 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 reflect 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				
	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Net asset value, beginning of period	\$38.31	\$35.33	\$35.18	\$29.38	\$29.38
Income (loss) from investment operations					
Net investment income (loss) (d)	\$0.71	\$0.78	\$0.87	\$0.90	\$0.87
Net realized and unrealized gain (loss)	(0.32)	4.11	0.99	6.37	(0.50)
Total from investment operations	\$0.39	\$4.89	\$1.86	\$7.27	\$0.37
Less distributions declared to shareholders					
From net investment income	\$(0.92)	\$(0.65)	\$(0.84)	\$(1.37)	\$(0.33)
From net realized gain	(1.46)	(1.26)	(0.87)	(0.10)	(0.12)
Total distributions declared to shareholders	\$(2.38)	\$(1.91)	\$(1.71)	\$(1.47)	\$(0.45)
Net asset value, end of period (x)	\$36.32	\$38.31	\$35.33	\$35.18	\$29.38
Total return (%) (k)(r)(s)(x)	0.76	14.09	5.90	25.07	1.06
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions	0.78	0.79	0.80	0.79	0.78
Expenses after expense reductions	0.77	0.77	0.79	0.78	0.77
Net investment income (loss)	1.92	2.16	2.63	2.69	2.98
Portfolio turnover	29	16	32	28	27
Net assets at end of period (000 omitted)	\$549,238	\$584,216	\$537,240	\$556,301	\$492,000

## Service Class

	Year ended				
	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Net asset value, beginning of period	\$37.58	\$34.69	\$34.56	\$28.86	\$28.86
Income (loss) from investment operations					
Net investment income (loss) (d)	\$0.60	\$0.68	\$0.77	\$0.80	\$0.80
Net realized and unrealized gain (loss)	(0.32)	4.03	0.97	6.27	(0.50)
Total from investment operations	\$0.28	\$4.71	\$1.74	\$7.07	\$0.29
Less distributions declared to shareholders					
From net investment income	\$(0.83)	\$(0.56)	\$(0.74)	\$(1.27)	\$(0.23)
From net realized gain	(1.46)	(1.26)	(0.87)	(0.10)	(0.12)
Total distributions declared to shareholders	\$(2.29)	\$(1.82)	\$(1.61)	\$(1.37)	\$(0.35)
Net asset value, end of period (x)	\$35.57	\$37.58	\$34.69	\$34.56	\$28.86
Total return (%) (k)(r)(s)(x)	0.48	13.82	5.62	24.80	0.81
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions	1.03	1.04	1.05	1.04	1.03
Expenses after expense reductions	1.02	1.02	1.04	1.03	1.02
Net investment income (loss)	1.66	1.91	2.38	2.44	2.76
Portfolio turnover	29	16	32	28	27
Net assets at end of period (000 omitted)	\$701,436	\$711,867	\$679,629	\$733,992	\$727,000

See Notes to Financial Statements



Financial Highlights - continued

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

events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halt of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. Events that occur after foreign markets close (such as developments in foreign markets and significant movements in the U.S. markets) and prior to the determination of the fund's net asset value may be deemed to have a material effect on the value of securities traded in foreign



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

## MFS Utilities Series

### Notes to Financial Statements - continued

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future.

Book/tax differences primarily relate to wash sale loss deferrals, derivative transactions, and certain preferred stock treated as debt for tax purposes.

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

	Year ended 12/31/22	Year ended 12/31/21
Ordinary income (including any short-term capital gains)	\$42,430,357	\$19,917,214
Long-term capital gains	35,395,264	41,992,018
Total distributions	\$77,825,621	\$61,909,232

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

As of 12/31/22	
Cost of investments	\$936,684,741
Gross appreciation	328,670,283
Gross depreciation	(29,005,556)
Net unrealized appreciation (depreciation)	\$299,664,727
Undistributed ordinary income	38,927,153
Undistributed long-term capital gain	62,554,400
Other temporary differences	(68,031)
Total distributable earnings (loss)	\$401,078,249

**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:

	Year ended 12/31/22	Year ended 12/31/21
Initial Class	\$34,761,572	\$28,006,297
Service Class	43,064,049	33,902,935
Total	\$77,825,621	\$61,909,232

### (3) Transactions with Affiliates

**Investment Adviser** — The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at the following annual rates based on the fund's average daily net assets:

Up to \$1 billion	0.75%
In excess of \$1 billion and up to \$3 billion	0.70%
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. Effective March 1, 2022, MFS has also agreed in writing to waive at least 0.01% of its management fee as part of this agreement. The agreement to waive at least 0.01% of the management fee will continue until



	Year ended 12/31/22		Year ended 12/31/21	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	1,003,536	\$37,516,319	847,836	\$30,773,859
Service Class	2,874,003	106,408,790	1,266,913	45,089,704
	3,877,539	\$143,925,109	2,114,749	\$75,863,563
Shares issued to shareholders in reinvestment of distributions				
Initial Class	917,434	\$34,761,572	763,739	\$28,006,297
Service Class	1,159,194	43,064,049	941,748	33,902,935
	2,076,628	\$77,825,621	1,705,487	\$61,909,232
Shares reacquired				
Initial Class	(2,047,407)	\$(75,308,977)	(1,570,699)	\$(57,115,573)
Service Class				



Notes to Financial Statements - continued

(8) LIBOR Transition

Certain of the fund's investments, including investments in certain debt instruments and derivatives (if any), as well as borrowings by the fund and certain other contractual arrangements of the fund, may be based on the London Interbank Offered Rate ("LIBOR"). In 2017, the regulatory authority that oversees financial services firms in the United Kingdom announced plans to transition away from LIBOR by the end of 2021. In March 2021, the administrator of LIBOR announced the extension of the publication of the more commonly used U.S. dollar LIBOR settings to the end of June 2023. Although the full impacts of the transition away from LIBOR are not fully known, the transition may result in, among other things, an increase in volatility or illiquidity of the markets for instruments that currently rely on LIBOR to determine interest rates and this could have an adverse impact on the fund's performance. With respect to the fund's accounting for investments, including investments in certain debt instruments and derivatives, as well as borrowings by the fund and any other contractual arrangements of the fund that undergo reference rate-related modifications as a result of the transition, management will rely upon the relief provided by FASB Codification Topic 848 – Reference Rate Reform (Topic 848). The guidance in Topic 848 permits the fund to account for those modified contracts as a continuation of the existing contracts. Management is still evaluating the impact to the fund of the June 30, 2023 planned discontinuation of the more commonly used U.S. dollar LIBOR settings.

(9) Russia and Ukraine Conflict

The market disruptions, which began in late February 2022, associated with geopolitical events related to the conflict between Russia and Ukraine may adversely affect the value of the fund's assets and thus the fund's performance. Management continues to monitor these events and to evaluate the related impacts, if any, to the fund.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of MFS Utilities Series (the "Fund"), including the portfolio of investments, as of December 31, 2022, 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, 2022, 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, 2022, 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, 2023

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, 2023, 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 TRUSTEE</b>					
Michael W. Roberge (age 56)	Trustee	January 2021	136	Massachusetts Financial Services Company, Chairman (since January 2021); Chief Executive Officer (since January 2017); Director; Chairman of the Board (since January 2022); President (until January 2022)	

## MFS Utilities Series

### Trustees and Officers - continued

Name, Age	Position(s) Held with Fund	Trustee/Officer Since <sup>(h)</sup>	Number of MFS Funds for which the Person is an Officer	Principal Occupations During the Past Five Years
<b>OFFICERS</b>				
Christopher R. Bohdane (age 49)	Assistant Secretary and Assistant Clerk	July 2005	136	Massachusetts Financial Services Company, Senior Vice President and Senior Managing Counsel
Kino Clark <sup>(k)</sup> (age 54)	Assistant Treasurer	January 2012	136	Massachusetts Financial Services Company, Vice President
John W. Clark, Jr. (age 55)	Assistant Treasurer	April 2017	136	Massachusetts Financial Services Company, Vice President
David L. DiLorenzo <sup>(b)</sup> (age 54)	President	July 2005	136	Massachusetts Financial Services Company, Senior Vice President
Heidi W. Hardin <sup>(h)</sup> (age 55)	Secretary and Clerk	April 2017	136	Massachusetts Financial Services Company, Executive Vice President and General Counsel
Brian E. Langenfeld <sup>(d)</sup> (age 49)	Assistant Secretary and Assistant Clerk	June 2006	136	Massachusetts Financial Services Company, Vice President and Managing Counsel
Rosa E. Licea-Mailloux <sup>(b)</sup> (age 46)	Chief Compliance Officer	March 2022	136	Massachusetts Financial Services Company, Vice President (since 2018); Director of Corporate Compliance (2018-2021), Senior Director Compliance (2021-2022), Senior Managing Director of North American Compliance & Chief Compliance Officer (since March 2022); Natixis Investment Managers (investment management), Funds Chief Compliance Officer, Deputy General Counsel & Senior Vice President (until 2018)
Amanda S. Mooradian <sup>(h)</sup> (age 43)	Assistant Secretary and Assistant Clerk	September 2018	136	Massachusetts Financial Services Company, Assistant Vice President and Senior Counsel
Susan A. Pereira <sup>(a)</sup> (age 52)	Assistant Secretary and Assistant Clerk	July 2005	136	Massachusetts Financial Services Company, Vice President and Managing Counsel
Kasey L. Phillips <sup>(b)</sup> (age 52)	Assistant Treasurer	September 2012	136	Massachusetts Financial Services Company, Vice President
Matthew A. Stowe <sup>(b)</sup> (age 48)	Assistant Secretary and Assistant Clerk	October 2014	136	Massachusetts Financial Services Company, Vice President and Senior Managing Counsel
William B. Wilsoff <sup>(h)</sup> (age 40)	Assistant Secretary and Assistant Clerk	October 2022	136	Massachusetts Financial Services Company, Assistant Vice President and Counsel
James O. Yost <sup>(b)</sup> (age 62)	Treasurer	September 1990	136	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 from January 2012 through December 2016, Messrs. DiLorenzo and Yost served as Treasurer and Deputy Treasurer of the Funds, respectively.

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

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

Each Trustee (other than Messrs. Jones, Kilman and Roberge) 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. Mr. Roberge became a Trustee of the Funds on January 1, 2021 and Messrs. Jones and Kilman became Trustees of the Funds on January 1, 2019. 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).



# BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

## MFS Utilities Series

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, 2022 (“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

## 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 the Broadridge expense group based on information provided by Broadridge. The Trustees 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 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 \$3 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 considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the MFS Funds. The Trustees also considered that MFS discontinued its historic practice of obtaining investment research from portfolio brokerage commissions paid by certain MFS Funds effective January 2018, and directly pays or voluntarily reimburses a Fund, if applicable, for the costs of external research acquired through the use of the Fund's portfolio brokerage commissions.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2022.

## PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting [mfs.com/proxyvoting](http://mfs.com/proxyvoting), or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available by August 31 of each year without charge by visiting [mfs.com/proxyvoting](http://mfs.com/proxyvoting), or by visiting the SEC's Web site at <http://www.sec.gov>.

## QUARTERLY PORTFOLIO DISCLOSURE

The fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's Web site at <http://www.sec.gov>. A shareholder can obtain the portfolio holdings report for the first and third quarters of the fund's fiscal year at [mfs.com/vit1](http://mfs.com/vit1) by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Prospectus and Reports" tab.

## FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS Funds on the MFS Web site ([mfs.com](http://mfs.com)). This information is available at <https://www.mfs.com/announcements> or at [mfs.com/vit1](http://mfs.com/vit1) by choosing the fund's name and then scrolling to the "Resources" section and clicking on the "Announcements" tab, if any.

## INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

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



FACTS





