



# MFS<sup>®</sup> Core Equity Portfolio

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

# MFS® Core Equity Portfolio

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

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

## LETTER FROM THE CEO



Dear Contract Owners:

Markets experienced dramatic swings this year as the coronavirus pandemic brought the global economy to a standstill for several months early in the year. The speedy development of vaccines and therapeutics later brightened the economic and market outlook, but a great deal of uncertainty remains as case counts remain high, new variants of the virus are appearing and questions persist over how fast the vaccine can be made widely available. In the United States, political uncertainty eased after former Vice President Joe Biden won the presidential election and the Democrats gained control of a closely divided Senate.

Global central banks have taken aggressive steps to cushion the economic and market fallout related to the virus, and governments are deploying unprecedented levels of fiscal support. Additional U.S. stimulus is anticipated with the Democrats in the White House and in control of both houses of Congress. The measures already put in place have helped build a supportive environment and are encouraging economic recovery; however, if markets disconnect from fundamentals, they can sow the seeds of instability. As such, dramatic increases in speculative retail trading bear watching.

In the aftermath of the crisis, we could see societal changes as households, businesses, and governments adjust to a new reality, and any such alterations could affect the investment landscape. For investors, events such as the COVID-19 outbreak demonstrate the importance of having a deep understanding of company fundamentals, and we have built our global research platform to do just that.

At MFS<sup>®</sup>, we put our clients' assets to work responsibly by carefully navigating the increasing complexity of our global markets and economies. Guided by our long-term philosophy and adhering to our commitment to sustainable investing, we tune out the noise and aim to uncover what we believe are the best, most durable investment opportunities in the market. Our unique global investment platform combines collective expertise, long-term discipline and thoughtful risk management to create sustainable value for investors.

Respectfully,



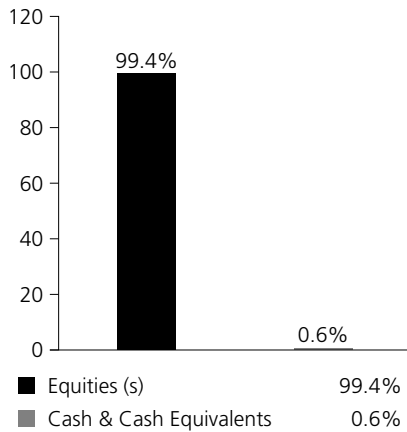
**Michael W. Roberge**  
Chief Executive Officer  
MFS Investment Management

February 16, 2021

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



### Global equity sectors (k)

Technology	31.2%
Financial Services	14.8%
Health Care (s)	14.1%
Capital Goods (s)	13.2%
Consumer Cyclical	13.1%
Energy	5.0%
Consumer Staples	4.7%
Telecommunications and Cable Television	3.3%

### Top ten holdings

Apple, Inc.	6.4%
Microsoft Corp.	5.2%
Amazon.com, Inc.	4.7%
Alphabet, Inc., "A"	3.1%
Facebook, Inc., "A"	2.1%
Johnson & Johnson	2.0%
Visa, Inc., "A"	1.9%
Adobe Systems, Inc.	1.6%
Merck & Co., Inc.	1.5%
Bank of America Corp.	1.4%

(k) The sectors set forth above and the associated portfolio composition are based on MFS' own custom sector classification methodology.

(s) Includes securities sold short.

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 December 31, 2020.

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

## MANAGEMENT REVIEW

### Summary of Results

For the twelve months ended December 31, 2020, Initial Class shares of the MFS Core Equity Portfolio (fund) provided a total return of 18.71%, while Service Class shares of the fund provided a total return of 18.39%. These compare with a return of 20.89% over the same period for the fund's benchmark, the Russell 3000<sup>®</sup> Index.

### Market Environment

Markets experienced an extraordinarily sharp selloff early in the period and, in many cases, an unusually rapid recovery later. Central banks and fiscal authorities undertook astonishing levels of stimulus to offset the economic effects of government-imposed social-distancing measures implemented to slow the spread of the COVID-19 virus. At this point, the global economy looks to have experienced the shortest — albeit the deepest and steepest — recession in the postwar period. However, the recovery remains subject to more than the usual number of uncertainties due to questions about the evolution of the virus, what its continued impact will be and how quickly vaccines to guard against it can be manufactured and distributed at scale. There are also worries over the public's willingness to be inoculated.

Around the world, central banks responded quickly and massively to the crisis with programs to improve liquidity and support markets. These programs proved largely successful in helping to restore market function, ease volatility and stimulate a continued market rebound. Late in the period, the US Federal Reserve adopted a new, flexible, average-inflation-targeting framework, which is expected to result in the federal funds rate remaining at low levels longer than under its previous model. In developed countries, monetary easing measures were complemented by unusually large fiscal stimulus initiatives. Due to relatively manageable external liabilities and balances of payments in many countries and persistently low inflation, even emerging market countries were able to implement countercyclical policies — a departure from the usual market-dictated response to risk-off crises.

Compounding market uncertainty earlier in the pandemic was a crash in the price of crude oil due to a sharp drop in global demand and a disagreement between Saudi Arabia and Russia over production cuts, which resulted in an oil price war. The subsequent decline in prices undercut oil exporters, many of which are in emerging markets, as well as a large segment of the high-yield credit market. The OPEC+ group later agreed on output cuts, with shale oil producers in the US also decreasing production, which, along with the gradual reopening of some major economies and the resultant boost in demand, helped stabilize the price of crude oil.

In the immediate aftermath of the market disruption that accompanied the initial phases of the pandemic, many companies that had added significant leverage to their balance sheets in recent years by borrowing to fund dividend payments and stock buybacks halted those activities, and some companies were forced to recapitalize. As markets and the economy stabilized later in the period, in many cases dividend payments and buybacks resumed. Conversely, some companies found themselves flush with liquidity, having borrowed preemptively during the worst of the crisis only to end up with excess cash on their balance sheets.

### Detractors from Performance

Security selection within the *capital goods* sector detracted from performance relative to the Russell 3000<sup>®</sup> Index, led by the fund's not holding shares of strong-performing electric vehicle manufacturer Tesla. The share price of Tesla appreciated throughout the period after the company disclosed record deliveries amid the launch of its Model Y and China factory. Additionally, Tesla was added as a constituent to the S&P 500 Index, which further boosted its stock performance.

Security selection in both the *health care* and *technology* sectors also hindered relative performance. Within the *health care* sector, the fund's overweight position in medical devices maker Boston Scientific weakened relative returns. Within the *technology* sector, an overweight position in semiconductor company Intel, and not holding shares of computer graphics processors maker NVIDIA and digital payment technology developer Paypal Holdings, weighed on the fund's relative results. The share price of Intel depreciated driven by weakness in its Data Center Group. Additionally, the firm came under pressure as management delayed the ramp-up of its 7nm process technology, while competitor AMD appeared to have gained market share in PCs and server chips.

Elsewhere, the timing of the fund's ownership in shares of diversified financial services firm Citigroup<sup>(h)</sup>, and its overweight positions in weak-performing real estate investment trust EPR Properties, integrated energy company Chevron, banking services provider Truist Financial and financial services firm U.S. Bancorp, further dampened relative returns.

### Contributors to Performance

Security selection in the *financial services* sector contributed to relative performance, led by the timing of the fund's ownership in shares of diversified financial services firm Wells Fargo, and not owning shares of weak-performing global financial services firm JPMorgan Chase.

Security selection in both the *telecommunications and cable television* and *energy* sectors also bolstered relative results. Within the *telecommunications and cable television* sector, not owning shares of telecommunication services provider AT&T, and the timing of the fund's ownership in shares of broadcast and communication tower management firm American Tower<sup>(h)</sup>, supported relative

## MFS Core Equity Portfolio

*Management Review - continued*

results. Within the *energy* sector, not holding shares of integrated oil and gas company Exxon Mobil also helped relative returns. The share price of Exxon Mobil suffered as oil and gas prices came under significant pressure during the period due to lower volumes and production caused by the COVID-19 virus and the price war between Saudi Arabia and Russia.

Stocks in other sectors that were among the fund's top relative contributors included its overweight positions in computer and personal electronics maker Apple, internet retailer Amazon.com and integrated circuits and electronic devices developer Cadence Design Systems. Despite headwinds related to COVID-19, the share price of Apple appreciated as product demand recovered more rapidly than expected and the shift toward work-from-home and remote learning supported strong iPhone and iPad sales. Additionally, shares of Apple reacted positively to the announcement of a new line of its flagship iPhone product with 5G compatibility. Lastly, not holding shares of aerospace company Boeing, and the fund's holdings of analytics provider Clarivate Analytics<sup>(b)</sup>, also aided relative returns.

Respectfully,

Portfolio Manager(s)

Joseph MacDougall

(b) Security is not a benchmark constituent.

(h) Security was not held in the portfolio at period end.

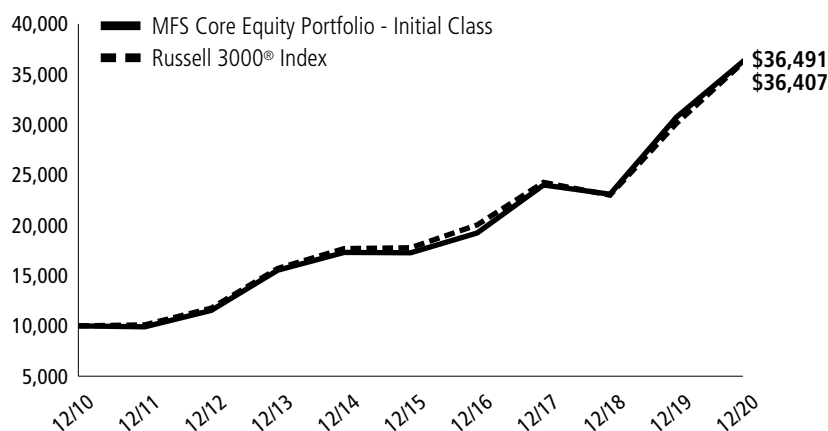
The views expressed in this report are those of the portfolio manager(s) only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or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

## PERFORMANCE SUMMARY THROUGH 12/31/20

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

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

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



### Total Returns through 12/31/20

#### Average annual total returns

Share Class	Class Inception Date	1-yr	5-yr	10-yr
Initial Class	5/12/97	18.71%	16.15%	13.82%
Service Class	8/24/01	18.39%	15.85%	13.53%

#### Comparative benchmark(s)

Russell 3000 Index (f)	20.89%	15.43%	13.79%
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(f) Source: FactSet Research Systems Inc.

#### Benchmark Definition(s)

Russell 3000 Index<sup>(h)</sup> – constructed to provide a comprehensive barometer for the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

It is not possible to invest directly in an index.

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#### Notes to Performance Summary

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

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

## MFS Core Equity Portfolio

### *Performance Summary – continued*

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

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



## EXPENSE TABLE

### Fund Expenses Borne by the Contract Holders during the Period, July 1, 2020 through December 31, 2020

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period July 1, 2020 through December 31, 2020.

#### Actual Expenses

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

#### Hypothetical Example for Comparison Purposes

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

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

Share Class		Annualized Expense Ratio	Beginning Account Value 7/01/20	Ending Account Value 12/31/20	Expenses Paid During Period (p) 7/01/20-12/31/20
Initial Class	Actual	0.85%	\$1,000.00	\$1,217.51	\$4.74
	Hypothetical (h)	0.85%	\$1,000.00	\$1,020.86	\$4.32
Service Class	Actual	1.10%	\$1,000.00	\$1,215.61	\$6.13
	Hypothetical (h)	1.10%	\$1,000.00	\$1,019.61	\$5.58

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

(p) "Expenses Paid During Period" are equal to each class's annualized expense ratio, as shown above, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

#### Notes to Expense Table

Expense ratios include 0.02% of investment related expenses from short sales (See Note 2 of the Notes to Financial Statements) that are outside of the expense limitation arrangement (See Note 3 of the Notes to Financial Statements).

**PORTFOLIO OF INVESTMENTS – 12/31/20**

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 – 100.2%</b>			<b>COMMON STOCKS – continued</b>		
<b>Aerospace – 2.7%</b>			<b>Chemicals – 0.6%</b>		
CACI International, Inc., "A" (a)	1,324	\$ 330,113	Element Solutions, Inc.	52,069	\$ 923,183
Curtiss-Wright Corp.	3,505	407,807	FMC Corp.	4,755	546,492
Honeywell International, Inc.	8,788	1,869,208			\$ 1,469,675
KBR, Inc.	12,257	379,109	<b>Computer Software – 10.2%</b>		
L3Harris Technologies, Inc.	4,520	854,370	Adobe Systems, Inc. (a)	7,534	\$ 3,767,904
Northrop Grumman Corp.	1,759	536,003	Atlassian Corp. PLC, "A" (a)	7,093	1,658,840
PAE, Inc. (a)	65,330	599,729	Cadence Design Systems, Inc. (a)	9,694	1,322,553
Raytheon Technologies Corp.	19,579	1,400,094	Eventbrite, Inc. (a)	42,639	771,766
		\$ 6,376,433	Everbridge, Inc. (a)	6,301	939,290
			Microsoft Corp.	54,420	12,104,096
<b>Alcoholic Beverages – 0.3%</b>			Ping Identity Holding Corp. (a)	7,177	205,549
Constellation Brands, Inc., "A"	3,264	\$ 714,979	salesforce.com, inc. (a)	13,367	2,974,559
					\$ 23,744,557
<b>Apparel Manufacturers – 0.3%</b>			<b>Computer Software - Systems – 8.1%</b>		
Skechers USA, Inc., "A" (a)	21,904	\$ 787,230	Apple, Inc. (s)	111,212	\$ 14,756,720
			EPAM Systems, Inc. (a)	1,924	689,466
<b>Automotive – 1.3%</b>			ServiceNow, Inc. (a)	2,988	1,644,685
Aptiv PLC	9,601	\$ 1,250,914	Square, Inc., "A" (a)	4,449	968,280
LKQ Corp. (a)	30,056	1,059,173	Zebra Technologies Corp., "A" (a)	2,039	783,649
Visteon Corp. (a)	5,684	713,456			\$ 18,842,800
		\$ 3,023,543	<b>Construction – 1.7%</b>		
			AvalonBay Communities, Inc., REIT	4,584	\$ 735,411
<b>Biotechnology – 0.9%</b>			AZEK Co. LLC (a)	5,283	203,131
Adaptive Biotechnologies Corp. (a)	4,554	\$ 269,278	D.R. Horton, Inc.	3,869	266,652
Illumina, Inc. (a)	1,511	559,070	Masco Corp.	13,270	728,921
Seer, Inc. (a)	521	29,249	Otis Worldwide Corp.	7,575	511,691
Vertex Pharmaceuticals, Inc. (a)	5,394	1,274,818	Sherwin-Williams Co.	1,134	833,388
		\$ 2,132,415	Vulcan Materials Co.	4,544	673,921
					\$ 3,953,115
<b>Broadcasting – 0.5%</b>			<b>Consumer Products – 1.4%</b>		
Netflix, Inc. (a)	1,993	\$ 1,077,675	Colgate-Palmolive Co.	13,822	\$ 1,181,919
			Energizer Holdings, Inc.	2,615	110,301
<b>Brokerage &amp; Asset Managers – 1.7%</b>			Kimberly-Clark Corp.	6,519	878,957
Cboe Global Markets, Inc.	7,289	\$ 678,752	Procter & Gamble Co.	8,321	1,157,784
Charles Schwab Corp.	52,671	2,793,670			\$ 3,328,961
NASDAQ, Inc.	2,802	371,937	<b>Consumer Services – 0.4%</b>		
		\$ 3,844,359	Bright Horizons Family Solutions, Inc. (a)	1,467	\$ 253,776
<b>Business Services – 3.3%</b>			Grand Canyon Education, Inc. (a)	6,740	627,562
Accenture PLC, "A"	2,990	\$ 781,018			\$ 881,338
Amdocs Ltd.	7,151	507,220	<b>Containers – 0.3%</b>		
Clarivate PLC (a)	49,572	1,472,784	Ball Corp.	7,242	\$ 674,809
Fidelity National Information Services, Inc.	7,935	1,122,485	<b>Electrical Equipment – 1.2%</b>		
Fiserv, Inc. (a)	8,187	932,172	AMETEK, Inc.	5,416	\$ 655,011
Global Payments, Inc.	5,213	1,122,985	Johnson Controls International PLC	10,235	476,849
Proofpoint, Inc. (a)	3,300	450,153	Sensata Technologies Holding PLC (a)	24,279	1,280,474
Verisk Analytics, Inc., "A"	6,493	1,347,882	TE Connectivity Ltd.	2,660	322,046
		\$ 7,736,699			\$ 2,734,380
<b>Cable TV – 1.2%</b>					
Cable One, Inc.	143	\$ 318,564			
Liberty Broadband Corp. (a)	15,978	2,530,436			
		\$ 2,849,000			

## Portfolio of Investments – continued

Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – continued</b>		
<b>Electronics – 3.9%</b>		
Applied Materials, Inc.	19,831	\$ 1,711,415
Intel Corp.	25,503	1,270,560
Lam Research Corp.	2,218	1,047,495
Monolithic Power Systems, Inc.	1,522	557,402
NXP Semiconductors N.V.	11,916	1,894,763
Silicon Laboratories, Inc. (a)	1,472	187,445
Texas Instruments, Inc.	14,472	2,375,289
		<u>\$ 9,044,369</u>
<b>Energy - Independent – 0.7%</b>		
ConocoPhillips	15,006	\$ 600,090
Diamondback Energy, Inc.	7,041	340,784
Pioneer Natural Resources Co.	3,220	366,726
Valero Energy Corp.	7,049	398,762
		<u>\$ 1,706,362</u>
<b>Energy - Integrated – 0.8%</b>		
Chevron Corp.	20,609	\$ 1,740,430
<b>Food &amp; Beverages – 2.5%</b>		
Archer Daniels Midland Co.	12,017	\$ 605,777
Coca-Cola Co.	7,297	400,168
Coca-Cola European Partners PLC	6,937	345,671
Hostess Brands, Inc. (a)	23,452	343,337
J.M. Smucker Co.	2,999	346,684
Mondelez International, Inc.	25,745	1,505,310
Nomad Foods Ltd. (a)	8,869	225,450
PepsiCo, Inc.	13,597	2,016,435
		<u>\$ 5,788,832</u>
<b>Food &amp; Drug Stores – 1.1%</b>		
Grocery Outlet Holding Corp. (a)	5,992	\$ 235,186
Wal-Mart Stores, Inc.	15,658	2,257,101
		<u>\$ 2,492,287</u>
<b>Gaming &amp; Lodging – 0.6%</b>		
Marriott International, Inc., "A"	5,893	\$ 777,405
Wyndham Hotels & Resorts, Inc.	9,355	556,061
		<u>\$ 1,333,466</u>
<b>General Merchandise – 0.8%</b>		
Dollar General Corp.	8,619	\$ 1,812,576
<b>Health Maintenance Organizations – 1.6%</b>		
Cigna Corp.	10,427	\$ 2,170,693
Humana, Inc.	3,627	1,488,049
		<u>\$ 3,658,742</u>
<b>Insurance – 3.5%</b>		
Aon PLC	11,340	\$ 2,395,802
Arthur J. Gallagher & Co.	10,031	1,240,935
Assurant, Inc.	5,041	686,685
Chubb Ltd.	9,814	1,510,571
Everest Re Group Ltd.	1,354	316,958
Hartford Financial Services Group, Inc.	15,763	772,072
MetLife, Inc.	11,588	544,056
Reinsurance Group of America, Inc.	3,352	388,497
Third Point Reinsurance Ltd. (a)	34,398	327,469
		<u>\$ 8,183,045</u>

Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – continued</b>		
<b>Internet – 5.2%</b>		
Airbnb, Inc., "A" (a)	412	\$ 60,482
Alphabet, Inc., "A" (a)(s)	4,057	7,110,460
Facebook, Inc., "A" (a)	17,707	4,836,844
		<u>\$ 12,007,786</u>
<b>Leisure &amp; Toys – 0.7%</b>		
Electronic Arts, Inc.	11,672	\$ 1,676,099
<b>Machinery &amp; Tools – 2.1%</b>		
Caterpillar, Inc.	4,572	\$ 832,196
Cummins, Inc.	2,266	514,609
Eaton Corp. PLC	6,829	820,436
IDEX Corp.	1,922	382,862
Ingersoll Rand, Inc. (a)	9,896	450,862
Roper Technologies, Inc.	2,899	1,249,730
Trane Technologies PLC	4,015	582,817
		<u>\$ 4,833,512</u>
<b>Major Banks – 3.8%</b>		
Bank of America Corp.	103,531	\$ 3,138,025
Goldman Sachs Group, Inc.	9,702	2,558,514
PNC Financial Services Group, Inc.	13,162	1,961,138
Wells Fargo & Co.	35,245	1,063,694
		<u>\$ 8,721,371</u>
<b>Medical &amp; Health Technology &amp; Services – 2.2%</b>		
IDEXX Laboratories, Inc. (a)	935	\$ 467,378
McKesson Corp.	8,269	1,438,145
PRA Health Sciences, Inc. (a)	15,209	1,907,817
Quest Diagnostics, Inc.	8,506	1,013,660
Teladoc Health, Inc. (a)	1,389	277,744
		<u>\$ 5,104,744</u>
<b>Medical Equipment – 4.2%</b>		
Becton, Dickinson and Co.	5,070	\$ 1,268,615
Boston Scientific Corp. (a)	40,948	1,472,081
Danaher Corp.	3,242	720,178
Maravai Lifesciences Holdings, Inc., "A" (a)	35,008	981,974
Masimo Corp. (a)	742	199,138
Medtronic PLC	21,787	2,552,129
PerkinElmer, Inc.	7,342	1,053,577
STERIS PLC	8,025	1,521,059
		<u>\$ 9,768,751</u>
<b>Natural Gas - Pipeline – 0.3%</b>		
Cheniere Energy, Inc. (a)	3,855	\$ 231,416
Enterprise Products Partners LP	20,043	392,642
		<u>\$ 624,058</u>
<b>Network &amp; Telecom – 0.5%</b>		
Equinix, Inc., REIT	1,517	\$ 1,083,411
<b>Oil Services – 0.3%</b>		
Cactus, Inc., "A"	7,447	\$ 194,143
ChampionX Corp. (a)	35,956	550,127
		<u>\$ 744,270</u>

## MFS Core Equity Portfolio

Portfolio of Investments – continued

Issuer	Shares/Par	Value (\$)	Issuer	Shares/Par	Value (\$)
<b>COMMON STOCKS – continued</b>			<b>COMMON STOCKS – continued</b>		
<b>Other Banks &amp; Diversified Financials – 4.0%</b>			<b>Specialty Stores – continued</b>		
Bank OZK	18,238	\$ 570,302	Home Depot, Inc.	8,001	\$ 2,125,226
Moody's Corp.	2,965	860,562	Ross Stores, Inc.	7,651	939,619
Northern Trust Corp.	6,387	594,885	Urban Outfitters, Inc. (a)	24,687	631,987
Prosperity Bancshares, Inc.	2,909	201,768			\$ 16,532,910
SVB Financial Group (a)	1,049	406,834			
Truist Financial Corp.	31,783	1,523,359	<b>Telecommunications - Wireless – 1.8%</b>		
U.S. Bancorp	14,218	662,417	SBA Communications Corp., REIT	5,346	\$ 1,508,267
Visa, Inc., "A"	20,087	4,393,629	T-Mobile USA, Inc. (a)	19,202	2,589,390
		\$ 9,213,756			\$ 4,097,657
			<b>Telephone Services – 0.5%</b>		
<b>Pharmaceuticals – 5.7%</b>			Verizon Communications, Inc.	19,112	\$ 1,122,830
Eli Lilly & Co.	17,132	\$ 2,892,567			
Johnson & Johnson	28,982	4,561,187	<b>Tobacco – 0.4%</b>		
Merck & Co., Inc.	43,238	3,536,868	Philip Morris International, Inc.	12,504	\$ 1,035,206
Zoetis, Inc.	13,348	2,209,094			
		\$ 13,199,716	<b>Trucking – 0.3%</b>		
<b>Pollution Control – 0.3%</b>			Forward Air Corp.	6,165	\$ 473,718
GFL Environmental, Inc.	20,737	\$ 605,106	J.B. Hunt Transport Services, Inc.	2,464	336,706
U.S. Ecology, Inc.	4,950	179,833			\$ 810,424
		\$ 784,939	<b>Utilities - Electric Power – 2.9%</b>		
<b>Printing &amp; Publishing – 0.1%</b>			American Electric Power Co., Inc.	9,347	\$ 778,325
Warner Music Group Corp.	6,793	\$ 258,066	CenterPoint Energy, Inc.	19,161	414,644
			CenterPoint Energy, Inc. (a)(z)	11,576	250,505
<b>Railroad &amp; Shipping – 1.2%</b>			DTE Energy Co.	2,753	334,242
Canadian Pacific Railway Ltd.	4,316	\$ 1,496,314	Duke Energy Corp.	4,549	416,506
Kansas City Southern Co.	6,802	1,388,492	Eergy, Inc.	7,660	425,207
		\$ 2,884,806	Exelon Corp.	16,017	676,238
<b>Real Estate – 1.9%</b>			NextEra Energy, Inc.	21,684	1,672,920
Broadstone Net Lease, Inc.	25,182	\$ 493,064	PG&E Corp. (a)	38,374	478,140
EPR Properties, REIT	42,641	1,385,832	Pinnacle West Capital Corp.	3,842	307,168
Industrial Logistics Properties Trust, REIT	21,204	493,841	Southern Co.	8,292	509,377
Lexington Realty Trust, REIT	28,161	299,070	Xcel Energy, Inc.	8,515	567,695
STORE Capital Corp., REIT	22,501	764,584			\$ 6,830,967
Sun Communities, Inc., REIT	1,870	284,147	<b>Total Common Stocks (Identified Cost, \$145,331,919)</b>		<b>\$232,751,234</b>
W.P. Carey, Inc., REIT	9,945	701,918			
		\$ 4,422,456	<b>INVESTMENT COMPANIES (h) – 0.6%</b>		
<b>Restaurants – 1.6%</b>			<b>Money Market Funds – 0.6%</b>		
Performance Food Group Co. (a)	7,258	\$ 345,554	MFS Institutional Money Market Portfolio, 0.1% (v) (Identified Cost, \$1,489,118)	1,489,118	\$ 1,489,118
Starbucks Corp.	19,387	2,074,021			
Texas Roadhouse, Inc.	5,545	433,397	<b>SECURITIES SOLD SHORT – (0.8)%</b>		
Wendy's Co.	34,511	756,481	<b>Medical &amp; Health Technology &amp; Services – (0.5)%</b>		
		\$ 3,609,453	Healthcare Services Group, Inc.	(41,530)	\$ (1,166,993)
<b>Specialty Chemicals – 1.5%</b>			<b>Telecommunications - Wireless – (0.2)%</b>		
Air Products & Chemicals, Inc.	3,750	\$ 1,024,575	Crown Castle International Corp., REIT	(2,286)	\$ (363,908)
Avient Corp.	16,099	648,468	<b>Trucking – (0.1)%</b>		
Axalta Coating Systems Ltd. (a)	19,871	567,317	XPO Logistics, Inc.	(1,913)	\$ (228,030)
DuPont de Nemours, Inc.	13,132	933,816	<b>Total Securities Sold Short (Proceeds Received, \$1,522,683)</b>		<b>\$ (1,758,931)</b>
Univar Solutions, Inc. (a)	14,613	277,793	<b>OTHER ASSETS, LESS LIABILITIES – (0.0)%</b>		<b>(92,397)</b>
		\$ 3,451,969	<b>NET ASSETS – 100.0%</b>		<b>\$232,389,024</b>
<b>Specialty Stores – 7.1%</b>					
Amazon.com, Inc. (a)(s)	3,371	\$ 10,979,111			
AutoZone, Inc. (a)	1,046	1,239,970			
Burlington Stores, Inc. (a)	2,359	616,997			

*Portfolio of Investments – continued*

- (a) Non-income producing security.
- (h) An affiliated issuer, which may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$1,489,118 and \$232,751,234, respectively.
- (s) Security or a portion of the security was pledged to cover collateral requirements for securities sold short.
- (v) Affiliated issuer that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

<b>Restricted Securities</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Value</b>
CenterPoint Energy, Inc.	5/07/20	\$186,142	\$250,505
% of Net assets			0.1%

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

REIT Real Estate Investment Trust

At December 31, 2020, the fund had cash collateral of \$22,014 and other liquid securities with an aggregate value of \$4,002,807 to cover any collateral or margin obligations for securities sold short. Restricted 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 ASSETS AND LIABILITIES**

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

**At 12/31/20**

<b>Assets</b>	
Investments in unaffiliated issuers, at value (identified cost, \$145,331,919)	\$232,751,234
Investments in affiliated issuers, at value (identified cost, \$1,489,118)	1,489,118
Cash	2,147
Deposits with brokers for Securities sold short	22,014
Receivables for Fund shares sold	4,682
Dividends	203,915
Other assets	1,384
<b>Total assets</b>	<b>\$234,474,494</b>

<b>Liabilities</b>	
Payables for Securities sold short, at value (proceeds received, \$1,522,683)	\$1,758,931
Fund shares reacquired	255,014
Payable to affiliates Investment adviser	9,325
Administrative services fee	210
Shareholder servicing costs	74
Distribution and/or service fees	744
Payable for independent Trustees' compensation	142
Accrued expenses and other liabilities	61,030
<b>Total liabilities</b>	<b>\$2,085,470</b>
<b>Net assets</b>	<b>\$232,389,024</b>

<b>Net assets consist of</b>	
Paid-in capital	\$124,782,705
Total distributable earnings (loss)	107,606,319
<b>Net assets</b>	<b>\$232,389,024</b>
Shares of beneficial interest outstanding	8,362,913

	<b>Net assets</b>	<b>Shares outstanding</b>	<b>Net asset value per share</b>
Initial Class	\$177,571,072	6,369,871	\$27.88
Service Class	54,817,952	1,993,042	27.50

**See Notes to Financial Statements**

## FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS

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

**Year ended 12/31/20**

### Net investment income (loss)

Income	
Dividends	\$2,915,445
Other	18,157
Dividends from affiliated issuers	9,094
Income on securities loaned	713
Foreign taxes withheld	(7,049)
<b>Total investment income</b>	<b>\$2,936,360</b>
Expenses	
Management fee	\$1,546,467
Distribution and/or service fees	117,481
Shareholder servicing costs	13,625
Administrative services fee	38,024
Independent Trustees' compensation	8,268
Custodian fee	11,800
Shareholder communications	23,206
Audit and tax fees	58,710
Legal fees	3,337
Dividend and interest expense on securities sold short	56,407
Interest expense and fees	1,069
Miscellaneous	32,053
<b>Total expenses</b>	<b>\$1,910,447</b>
Reduction of expenses by investment adviser	(22,664)
<b>Net expenses</b>	<b>\$1,887,783</b>
<b>Net investment income (loss)</b>	<b>\$1,048,577</b>

### Realized and unrealized gain (loss)

Realized gain (loss) (identified cost basis)	
Unaffiliated issuers	\$19,785,065
Affiliated issuers	(663)
Securities sold short	(117,599)
Foreign currency	(232)
<b>Net realized gain (loss)</b>	<b>\$19,666,571</b>
Change in unrealized appreciation or depreciation	
Unaffiliated issuers	\$16,463,129
Affiliated issuers	22
Securities sold short	(226,175)
Translation of assets and liabilities in foreign currencies	(26)
<b>Net unrealized gain (loss)</b>	<b>\$16,236,950</b>
<b>Net realized and unrealized gain (loss)</b>	<b>\$35,903,521</b>
<b>Change in net assets from operations</b>	<b>\$36,952,098</b>

**See Notes to Financial Statements**

**FINANCIAL STATEMENTS | STATEMENTS OF CHANGES IN NET ASSETS**

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

	<b>Year ended</b>	
	<b>12/31/20</b>	<b>12/31/19</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income (loss)	\$1,048,577	\$1,426,764
Net realized gain (loss)	19,666,571	10,423,720
Net unrealized gain (loss)	16,236,950	46,036,440
Change in net assets from operations	\$36,952,098	\$57,886,924
Total distributions to shareholders	\$(11,731,291)	\$(28,139,029)
Change in net assets from fund share transactions	\$(7,064,004)	\$(1,702,049)
Total change in net assets	\$18,156,803	\$28,045,846
<b>Net assets</b>		
At beginning of period	214,232,221	186,186,375
At end of period	\$232,389,024	\$214,232,221

**See Notes to Financial Statements**



## FINANCIAL STATEMENTS | FINANCIAL HIGHLIGHTS

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

Initial Class	Year ended				
	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Net asset value, beginning of period	\$24.81	\$21.68	\$25.21	\$21.67	\$21.28
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.14	\$0.18	\$0.20	\$0.17	\$0.21(c)
Net realized and unrealized gain (loss)	4.38	6.59	(0.78)	5.04	2.16
Total from investment operations	\$4.52	\$6.77	\$(0.58)	\$5.21	\$2.37
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.18)	\$(0.21)	\$(0.18)	\$(0.23)	\$(0.17)
From net realized gain	(1.27)	(3.43)	(2.77)	(1.44)	(1.81)
Total distributions declared to shareholders	\$(1.45)	\$(3.64)	\$(2.95)	\$(1.67)	\$(1.98)
Net asset value, end of period (x)	\$27.88	\$24.81	\$21.68	\$25.21	\$21.67
Total return (%) (k)(r)(s)(x)	18.71	33.19	(3.83)	24.82	11.38(c)
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	0.87	0.88	0.87	0.87	0.84(c)
Expenses after expense reductions (f)	0.86	0.87	0.86	0.86	0.82(c)
Net investment income (loss)	0.56	0.75	0.79	0.72	1.00(c)
Portfolio turnover	46	37	40	39	60
Net assets at end of period (000 omitted)	\$177,571	\$167,488	\$144,991	\$171,038	\$156,040
<b>Supplemental Ratios (%):</b>					
Ratios of expenses to average net assets after expense reductions excluding short sale expenses and interest expense and fees (f)	0.83	0.83	0.83	0.84	0.80(c)

See Notes to Financial Statements

MFS Core Equity Portfolio

Financial Highlights - continued

Service Class	Year ended				
	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Net asset value, beginning of period	\$24.50	\$21.44	\$24.96	\$21.47	\$21.10
<b>Income (loss) from investment operations</b>					
Net investment income (loss) (d)	\$0.08	\$0.12	\$0.14	\$0.11	\$0.16(c)
Net realized and unrealized gain (loss)	4.31	6.51	(0.78)	4.99	2.13
Total from investment operations	\$4.39	\$6.63	\$(0.64)	\$5.10	\$2.29
<b>Less distributions declared to shareholders</b>					
From net investment income	\$(0.12)	\$(0.14)	\$(0.11)	\$(0.17)	\$(0.11)
From net realized gain	(1.27)	(3.43)	(2.77)	(1.44)	(1.81)
Total distributions declared to shareholders	\$(1.39)	\$(3.57)	\$(2.88)	\$(1.61)	\$(1.92)
Net asset value, end of period (x)	\$27.50	\$24.50	\$21.44	\$24.96	\$21.47
Total return (%) (k)(r)(s)(x)	18.39	32.87	(4.07)	24.50	11.07(c)
<b>Ratios (%) (to average net assets) and Supplemental data:</b>					
Expenses before expense reductions (f)	1.12	1.13	1.12	1.12	1.09(c)
Expenses after expense reductions (f)	1.11	1.12	1.11	1.11	1.07(c)
Net investment income (loss)	0.32	0.50	0.54	0.47	0.75(c)
Portfolio turnover	46	37	40	39	60
Net assets at end of period (000 omitted)	\$54,818	\$46,744	\$41,195	\$46,453	\$42,883

**Supplemental Ratios (%):**

Ratios of expenses to average net assets after expense reductions excluding short sale expenses and interest expense and fees (f)	1.08	1.08	1.08	1.09	1.06(c)
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- (c) Amount reflects a one-time reimbursement of expenses by the custodian (or former custodian) without which net investment income and performance would be lower and expenses would be higher.
- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (k) The total return does not reflect expenses that apply to separate accounts. Inclusion of these charges would reduce the total return figures for all periods shown.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower. Excluding the effect of the proceeds received from a non-recurring litigation settlement against Household International, Inc., the total return for the year ended December 31, 2017 would have been lower by approximately 0.78%.
- (x) The net asset values and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

**See Notes to Financial Statements**

## NOTES TO FINANCIAL STATEMENTS

### (1) Business and Organization

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

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

### (2) Significant Accounting Policies

**General** — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued.

In March 2020, the FASB issued Accounting Standards Update 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"), which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other IBOR-based reference rates as of the end of 2021. The temporary relief provided by ASU 2020-04 is effective for certain reference rate-related contract modifications that occur during the period from March 12, 2020 through December 31, 2022. Management is evaluating the impact of ASU 2020-04 on the fund's investments, derivatives, debt and other contracts that will undergo reference rate-related modifications as a result of the reference rate reform.

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

**Investment Valuations** — Equity securities, including restricted equity securities and equity securities sold short, 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. Equity securities sold short, for which there were no sales reported that day, are generally valued at the last quoted daily ask quotation on their primary market or exchange as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. In determining values, third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data. The 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 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

## MFS Core Equity Portfolio

### Notes to Financial Statements - continued

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

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. The following is a summary of the levels used as of December 31, 2020 in valuing the fund's assets or liabilities:

Financial Instruments	Level 1	Level 2	Level 3	Total
Equity Securities:				
United States	\$226,460,641	\$250,505	\$—	\$226,711,146
Canada	2,101,420	—	—	2,101,420
United Kingdom	2,043,905	—	—	2,043,905
Netherlands	1,894,763	—	—	1,894,763
Mutual Funds	1,489,118	—	—	1,489,118
Total	\$233,989,847	\$250,505	\$—	\$234,240,352
Securities Sold Short	\$(1,758,931)	\$—	\$—	\$(1,758,931)

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

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

**Short Sales** — The fund entered into short sales whereby it sells a security it does not own in anticipation of a decline in the value of that security. The fund will realize a gain if the security price decreases and a loss if the security price increases between the date of the short sale and the date on which the fund replaces the borrowed security. Losses from short sales can exceed the proceeds of the security sold; and they can also exceed the potential loss from an ordinary buy and sell transaction. The amount of any premium, dividends, or interest the fund may be required to pay in connection with a short sale will be recognized as a fund expense. During the year ended December 31, 2020, this expense amounted to \$56,407. The fund segregates cash or marketable securities in an amount that, when combined with the amount of proceeds from the short sale deposited with the broker, at least equals the current market value of the security sold short.

**Security Loans** — Under its Securities Lending Agency Agreement with the fund, State Street Bank and Trust Company, 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. The lending agent provides the fund with indemnification against Borrower default. In the event of Borrower default, the lending agent will, for the benefit of the fund, either purchase securities identical to those loaned or, when such purchase is

*Notes to Financial Statements - continued*

commercially impracticable, pay the fund the market value of the loaned securities. In return, the lending agent assumes the fund's rights to the related collateral. If the collateral value is less than the cost to purchase identical securities, the lending agent is responsible for the shortfall, but only to the extent that such shortfall is not due to a decline in collateral value resulting from collateral reinvestment for which the fund bears the risk of loss. A portion of the income generated upon investment of the collateral is remitted to the Borrowers, and the remainder is allocated between the fund and the lending agent. On loans collateralized by U.S. Treasury and/or federal agency obligations, a fee is received from the Borrower, and is allocated between the fund and the lending agent. Income from securities lending is separately reported in the Statement of Operations. The dividend and interest income earned on the securities loaned is accounted for in the same manner as other dividend and interest income. At December 31, 2020, there were no securities on loan or collateral outstanding.

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

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

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

**Tax Matters and Distributions** — The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the applicable foreign tax law. Foreign income taxes may be withheld by certain countries in which the fund invests. Additionally, capital gains realized by the fund on securities issued in or by certain foreign countries may be subject to capital gains tax imposed by those countries.

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

Book/tax differences primarily relate to wash sale loss deferrals and partnership adjustments.

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

	<b>Year ended 12/31/20</b>	<b>Year ended 12/31/19</b>
Ordinary income (including any short-term capital gains)	\$3,863,247	\$2,965,018
Long-term capital gains	7,868,044	25,174,011
<b>Total distributions</b>	<b>\$11,731,291</b>	<b>\$28,139,029</b>

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

## MFS Core Equity Portfolio

Notes to Financial Statements - continued

<b>As of 12/31/20</b>	
Cost of investments	\$145,818,817
Gross appreciation	89,042,538
Gross depreciation	(2,379,934)
Net unrealized appreciation (depreciation)	\$86,662,604
Undistributed ordinary income	2,101,522
Undistributed long-term capital gain	18,669,766
Other temporary differences	172,427

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

	<b>Year ended 12/31/20</b>	<b>Year ended 12/31/19</b>
Initial Class	\$9,114,275	\$21,988,555
Service Class	2,617,016	6,150,474
Total	\$11,731,291	\$28,139,029

### (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 \$2.5 billion	0.65%
In excess of \$2.5 billion	0.60%

MFS has agreed in writing to reduce its management fee by a specified amount if certain MFS mutual fund assets exceed thresholds agreed to by MFS and the fund's Board of Trustees. For the year ended December 31, 2020, this management fee reduction amounted to \$22,664, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the year ended December 31, 2020 was equivalent to an annual effective rate of 0.74% of the fund's average daily net assets.

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs, and investment-related expenses (such as short sale dividend and interest expenses incurred in connection with the fund's investment activity), such that total annual operating expenses do not exceed 0.84% of average daily net assets for the Initial Class shares and 1.09% of average daily net assets for the Service Class shares. This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until April 30, 2022. For the year ended December 31, 2020, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

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

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

## Notes to Financial Statements - continued

**Shareholder Servicing Agent** — MFS Service Center, Inc. (MFSC), a wholly-owned subsidiary of MFS, receives a fee from the fund for its services as shareholder servicing agent. For the year ended December 31, 2020, the fee was \$12,782, which equated to 0.0062% annually of the fund's average daily net assets. MFSC also receives reimbursement from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the year ended December 31, 2020, these costs amounted to \$843.

**Administrator** — MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets. The administrative services fee incurred for the year ended December 31, 2020 was equivalent to an annual effective rate of 0.0184% 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 from MFS for their services to the fund. Certain officers and Trustees of the fund are officers or directors of MFS, MFD, and MFSC.

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

The fund is permitted to engage in purchase and sale transactions with funds and accounts for which MFS serves as investment adviser or sub-adviser ("cross-trades") pursuant to a policy adopted by the Board of Trustees. This policy has been designed to ensure that cross-trades conducted by the fund comply with Rule 17a-7 under the Investment Company Act of 1940. During the year ended December 31, 2020, the fund engaged in purchase and sale transactions pursuant to this policy, which amounted to \$237,244 and \$204,215, respectively. The sales transactions resulted in net realized gains (losses) of \$(6,837).

The adviser has voluntarily undertaken to reimburse the fund from its own resources on a quarterly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the year ended December 31, 2020, this reimbursement amounted to \$14,248, which is included in "Other" income in the Statement of Operations.

#### (4) Portfolio Securities

For the year ended December 31, 2020, purchases and sales of investments, other than short sales and short-term obligations, aggregated \$95,074,735 and \$111,874,063, respectively.

#### (5) Shares of Beneficial Interest

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

	Year ended 12/31/20		Year ended 12/31/19	
	Shares	Amount	Shares	Amount
Shares sold				
Initial Class	328,117	\$8,057,874	173,198	\$4,231,121
Service Class	404,275	9,377,983	114,041	2,743,994
	732,392	\$17,435,857	287,239	\$6,975,115
Shares issued to shareholders in reinvestment of distributions				
Initial Class	354,090	\$9,114,275	988,694	\$21,988,555
Service Class	102,951	2,617,016	279,694	6,150,474
	457,041	\$11,731,291	1,268,388	\$28,139,029
Shares reacquired				
Initial Class	(1,063,282)	\$(26,098,196)	(1,099,951)	\$(26,894,741)
Service Class	(422,060)	(10,132,956)	(407,368)	(9,921,452)
	(1,485,342)	\$(36,231,152)	(1,507,319)	\$(36,816,193)

## MFS Core Equity Portfolio

Notes to Financial Statements - continued

	Year ended 12/31/20		Year ended 12/31/19	
	Shares	Amount	Shares	Amount
Net change				
Initial Class	(381,075)	\$(8,926,047)	61,941	\$(675,065)
Service Class	85,166	1,862,043	(13,633)	(1,026,984)
	(295,909)	\$(7,064,004)	48,308	\$(1,702,049)

### (6) Line of Credit

The fund and certain other funds managed by MFS participate in a \$1.25 billion unsecured committed line of credit of which \$1 billion is reserved for use by the fund and certain other U.S. funds. The line of credit is provided by a syndicate of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the highest of one month LIBOR, the Federal Funds Effective Rate and the Overnight Bank Funding Rate, plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at rates equal to customary reference rates plus an agreed upon spread. For the year ended December 31, 2020, the fund's commitment fee and interest expense were \$1,063 and \$0, respectively, and are included in "Interest expense and fees" in the Statement of Operations.

### (7) Investments in Affiliated Issuers

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

Affiliated Issuers	Beginning Value	Purchases	Sales Proceeds	Realized Gain (Loss)	Change in Unrealized Appreciation or Depreciation	Ending Value
MFS Institutional Money Market Portfolio	\$1,972,595	\$38,383,448	\$38,866,284	\$(663)	\$22	\$1,489,118
<b>Affiliated Issuers</b>					<b>Dividend Income</b>	<b>Capital Gain Distributions</b>
MFS Institutional Money Market Portfolio					\$9,094	\$—

### (8) Impacts of COVID-19

The pandemic related to the global spread of novel coronavirus disease (COVID-19), which was first detected in December 2019, has resulted in significant disruptions to global business activity and the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general. This pandemic, the full effects of which are still unknown, has resulted in substantial market volatility and may have adversely impacted the prices and liquidity of the fund's investments and the fund's performance.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of MFS Variable Insurance Trust II and the Shareholders of MFS Core Equity Portfolio:

### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of MFS Core Equity Portfolio (the "Fund"), including the portfolio of investments, as of December 31, 2020, 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, 2020, 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, 2020, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

Boston, Massachusetts  
February 16, 2021

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, 2021, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since<sup>(h)</sup></b>	<b>Number of MFS Funds overseen by the Trustee</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships During the Past Five Years<sup>(i)</sup></b>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 57)	Trustee	February 2004	134	Massachusetts Financial Services Company, Non-Executive Chairman (since January 2021); Director; Chairman of the Board; Executive Chairman (January 2017-2020); Co-Chief Executive Officer (2015-2016)	N/A
Michael W. Roberge <sup>(k)</sup> (age 54)	Trustee	January 2021	134	Massachusetts Financial Services Company, Chairman (since January 2021); Chief Executive Officer (since January 2017); Director; President (until December 2018); Chief Investment Officer (until December 2018); Co-Chief Executive Officer (until December 2016)	N/A
<b>INDEPENDENT TRUSTEES</b>					
John P. Kavanaugh (age 66)	Trustee and Chair of Trustees	January 2009	134	Private investor	N/A
Steven E. Buller (age 69)	Trustee	February 2014	134	Private investor	N/A
John A. Caroselli (age 66)	Trustee	March 2017	134	Private investor; JC Global Advisors, LLC (management consulting), President (since 2015)	N/A
Maureen R. Goldfarb (age 65)	Trustee	January 2009	134	Private investor	N/A
Peter D. Jones (age 65)	Trustee	January 2019	134	Private investor	N/A
James W. Kilman, Jr. (age 59)	Trustee	January 2019	134	Burford Capital Limited (finance and investment management), Chief Financial Officer (since 2019); KielStrand Capital LLC (family office), Chief Executive Officer (since 2016); Morgan Stanley & Co. (financial services), Vice Chairman of Investment Banking, Co-Head of Diversified Financials Coverage – Financial Institutions Investment Banking Group (until 2016)	Alpha-En Corporation, Director (2016-2019)
Clarence Otis, Jr. (age 64)	Trustee	March 2017	134	Private investor	VF Corporation, Director; Verizon Communications, Inc., Director; The Travelers Companies, Director

## Trustees and Officers - continued

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since<sup>(h)</sup></b>	<b>Number of MFS Funds overseen by the Trustee</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships During the Past Five Years<sup>(i)</sup></b>
Maryanne L. Roepke (age 64)	Trustee	May 2014	134	Private investor	N/A
Laurie J. Thomsen (age 63)	Trustee	March 2005	134	Private investor	The Travelers Companies, Director; Dycom Industries, Inc., Director

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since<sup>(h)</sup></b>	<b>Number of MFS Funds for which the Person is an Officer</b>	<b>Principal Occupations During the Past Five Years</b>
<b>OFFICERS</b>				
Christopher R. Bohane <sup>(k)</sup> (age 47)	Assistant Secretary and Assistant Clerk	July 2005	134	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel
Kino Clark <sup>(k)</sup> (age 52)	Assistant Treasurer	January 2012	134	Massachusetts Financial Services Company, Vice President
John W. Clark, Jr. <sup>(k)</sup> (age 53)	Assistant Treasurer	April 2017	134	Massachusetts Financial Services Company, Vice President (since March 2017); Deutsche Bank (financial services), Department Head - Treasurer's Office (until February 2017)
Thomas H. Connors <sup>(k)</sup> (age 61)	Assistant Secretary and Assistant Clerk	September 2012	134	Massachusetts Financial Services Company, Vice President and Senior Counsel
David L. DiLorenzo <sup>(k)</sup> (age 52)	President	July 2005	134	Massachusetts Financial Services Company, Senior Vice President
Heidi W. Hardin <sup>(k)</sup> (age 53)	Secretary and Clerk	April 2017	134	Massachusetts Financial Services Company, Executive Vice President and General Counsel (since March 2017); Harris Associates (investment management), General Counsel (until January 2017)
Brian E. Langenfeld <sup>(k)</sup> (age 47)	Assistant Secretary and Assistant Clerk	June 2006	134	Massachusetts Financial Services Company, Vice President and Senior Counsel
Amanda S. Mooradian <sup>(k)</sup> (age 41)	Assistant Secretary and Assistant Clerk	September 2018	134	Massachusetts Financial Services Company, Assistant Vice President and Senior Counsel
Susan A. Pereira <sup>(k)</sup> (age 50)	Assistant Secretary and Assistant Clerk	July 2005	134	Massachusetts Financial Services Company, Vice President and Assistant General Counsel
Kasey L. Phillips <sup>(k)</sup> (age 50)	Assistant Treasurer	September 2012	134	Massachusetts Financial Services Company, Vice President
Matthew A. Stowe <sup>(k)</sup> (age 46)	Assistant Secretary and Assistant Clerk	October 2014	134	Massachusetts Financial Services Company, Vice President and Assistant General Counsel
Martin J. Wolin <sup>(k)</sup> (age 53)	Chief Compliance Officer	July 2015	134	Massachusetts Financial Services Company, Senior Vice President and Chief Compliance Officer

## MFS Core Equity Portfolio

Trustees and Officers - continued

<b>Name, Age</b>	<b>Position(s) Held with Fund</b>	<b>Trustee/Officer Since<sup>(h)</sup></b>	<b>Number of MFS Funds for which the Person is an Officer</b>	<b>Principal Occupations During the Past Five Years</b>
James O. Yost <sup>(k)</sup> (age 60)	Treasurer	September 1990	134	Massachusetts Financial Services Company, Senior Vice President

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

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

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

Each Trustee (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).

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

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

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

### Investment Adviser

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

### Distributor

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

### Portfolio Manager(s)

Joseph MacDougall

### Custodian

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

### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

## BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

### MFS Core Equity Portfolio

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 by videoconference (in accordance with Securities and Exchange Commission relief) over the course of three months beginning in May and ending in July, 2020 (“contract review meetings”) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the “MFS Funds”). The independent Trustees were assisted in their evaluation of the Fund’s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by an independent consultant who was retained by and reported to the independent Trustees.

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

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent third party, on the investment performance of the Fund for various time periods ended December 31, 2019 and the investment performance of a group of funds with substantially similar investment classifications/objectives (the “Broadridge performance universe”), (ii) information provided by Broadridge on the Fund’s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Broadridge as well as all other funds in the same investment classification/category (the “Broadridge expense group and universe”), (iii) information provided by MFS on the advisory fees of portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee “breakpoints” are observed for the Fund, (v) information regarding MFS’ financial results and financial condition, including MFS’ and certain of its affiliates’ estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS’ institutional business, (vi) MFS’ views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS’ senior management and other personnel providing investment advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Broadridge was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

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

Based on information provided by Broadridge and MFS, the Trustees reviewed the Fund’s total return investment performance as well as the Broadridge performance universe over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund’s Initial Class shares in comparison to the performance of funds in its Broadridge performance universe over the five-year period ended December 31, 2019, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund’s Initial Class shares was in the 1st quintile relative to the other funds in the universe for this five-year period (the 1st quintile being the best performers and the 5th quintile being the worst performers). The total return performance of the Fund’s Initial Class shares was in the 1st quintile for each of the one- and three-year periods ended December 31, 2019 relative to the Broadridge performance universe. Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

## MFS Core Equity Portfolio

### *Board Review of Investment Advisory Agreement - continued*

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

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

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

The Trustees also considered whether the Fund may benefit from any economies of scale in the management of the Fund in the event of growth in assets of the Fund and/or growth in assets of the MFS Funds as a whole. They noted that the Fund's advisory fee rate schedule is subject to contractual breakpoints that reduce the Fund's advisory fee rate on average daily net assets over \$1 billion and \$2.5 billion. The Trustees also noted that MFS has agreed in writing to waive a portion of the management fees of certain MFS Funds, including the Fund, if the total combined assets of certain funds within the MFS Funds' complex increase above agreed upon thresholds (the "group fee waiver"), enabling the Fund's shareholders to share in the benefits from any economies of scale at the complex level. The group fee waiver is reviewed and renewed annually between the Board and MFS. The Trustees concluded that the breakpoints and the group fee waiver were sufficient to allow the Fund to benefit from economies of scale as its assets and overall complex assets grow.

The Trustees also considered information prepared by MFS relating to MFS' costs and profits with respect to the Fund, the MFS Funds considered as a group, and other investment companies and accounts advised by MFS, as well as MFS' methodologies used to determine and allocate its costs to the MFS Funds, the Fund and other accounts and products for purposes of estimating profitability.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that the advisory fees charged to the Fund represent reasonable compensation in light of the services being provided by MFS to the Fund.

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

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

The Trustees 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.

*Board Review of Investment Advisory Agreement - continued*

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, 2020.

## 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/vit2](http://mfs.com/vit2) 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/vit2](http://mfs.com/vit2) 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, 529 program manager (if applicable), and custodian who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

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

## FEDERAL TAX INFORMATION (unaudited)

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

The fund designates \$8,655,000 as capital gain dividends paid during the fiscal year.

For corporate shareholders, 66.93% of the ordinary income dividends paid during the fiscal year qualify for the corporate dividends received deduction.



# FACTS

## WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?



### Why?

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

### What?

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

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

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

### How?

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

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

### Questions?

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

## Who we are

### Who is providing this notice?

MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., and MFS Heritage Trust Company.

## What we do

### How does MFS protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.

### How does MFS collect my personal information?

We collect your personal information, for example, when you

- open an account or provide account information
- direct us to buy securities or direct us to sell your securities
- make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

### Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.*

### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *MFS does not share with nonaffiliates so they can market to you.*

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *MFS doesn't jointly market.*

## Other important information

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



