

Edgar Filing: MFS VARIABLE INSURANCE TRUST II - Form 40-17G

MFS VARIABLE INSURANCE TRUST II
Form 40-17G
December 23, 2013

111 Huntington Avenue, Boston, Massachusetts 02199-7618
Phone 617-954-5000

December 23, 2013

VIA EDGAR
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Ladies and Gentlemen:

Pursuant to Rule 17g-1(g) under the Investment Company Act of 1940, as amended, enclosed herewith for filing are the following documents:

1. A copy of the resolution of the Board of Trustees approving the form and amount of the bonds:
 - a. Certificate of Assistant Secretary for MFS Series Trust I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, MFS Municipal Series Trust, MFS Variable Insurance Trust, MFS Variable Insurance Trust II, MFS Variable Insurance Trust III, MFS Institutional Trust, Massachusetts Investors Trust, Massachusetts Investors Growth Stock Fund, MFS California Municipal Fund, MFS Charter Income Trust, MFS Government Markets Income Trust, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Investment Grade Municipal Trust, MFS Municipal Income Trust, MFS Multimarket Income Trust and MFS Special Value Trust, dated December 20, 2013;
2. Fidelity Bond Claim Agreement, dated November 1, 1993, as amended and restated June 12, 2002, as amended and restated March 1, 2008, (including Exhibit A, as of September 10, 2013 and Exhibit B, as of November 1, 2013), between the investment company and all other parties to the joint insured bonds entered into pursuant to paragraph (f) of the Rule; and
3. Copies of the executed bonds:
 - a. Federal Insurance Company – Bond No. 81391896 – Declarations
 - b. Federal Insurance Company – Bond No. 81391896 – Contract
 - c. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 1
 - d. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 2
 - e. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 3
 - f. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 4
 - g. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 5
 - h. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 6
 - i. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 7
 - j. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 8
 - k. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 9
 - l. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 10
 - m. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 11

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- n. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 12
 - o. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 13
 - p. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 14
-

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- q. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 15
- r. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 16
- s. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 17
- t. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 18
- u. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 19
- v. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 20
- w. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 21
- x. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 22
- y. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 23
- z. Federal Insurance Company – Bond No. 81391896 – Endorsement No. 24
- aa. PolicyHolder Disclosure Notice of Terrorism Insurance Coverage
- bb. Important Notice to Policyholders

Had each of the Funds listed below on Attachment A not been named as an insured under the joint insured bonds in effect, it is estimated that each Fund would have been required to maintain coverage under the Rule as set forth on Attachment B.

The premium on the above-mentioned bonds has been paid from November 1, 2013 to November 1, 2014.

Very truly yours,

SUSAN S. NEWTON
Susan S. Newton
Assistant Secretary and Assistant Clerk

/bjn
Attachments

FIDELITY BOND CLAIM AGREEMENT

THIS MASTER FIDELITY BOND CLAIM AGREEMENT dated November 1, 1993, as amended and restated June 12, 2002, as amended and restated March 1, 2008, by and among (i) each of the funds listed from time to time in Exhibit A (collectively, the “Funds” or “Fund Parties”) and (ii) Massachusetts Financial Services Company (“MFS”), MFS Service Center, Inc. (“MFSC”), MFS Fund Distributors, Inc. (“MFD”), MFS Heritage Trust Company, MFS Institutional Advisors, Inc., and MFS International Ltd., (collectively, the “MFS Parties”).

WHEREAS, MFS or certain other MFS Parties act as investment adviser to all of the Funds and certain other clients, MFD acts as distributor for certain of the Funds and MFSC acts as the transfer and shareholder servicing agent for certain of the Funds; and from time to time hereafter each may act in the same capacities with respect to other clients including other investment companies;

WHEREAS, all the parties hereto are named insureds under broker’s blanket bonds issued by each of the insurance companies listed from time to time in Exhibit B, and/or such other insurance companies as from time to time may insure parties hereto as such bonds may be amended and/or restated from time to time (collectively the “Bonds”);

WHEREAS, the parties desire to establish (i) the criteria by which the premium for the Bonds shall be allocated among the parties, (ii) the basis on which additional investment companies for which MFS, or any subsidiary thereof, may hereafter act as investment adviser and/or for which MFD may act as distributor, and additional affiliates of MFS may from time to time be added as named insureds under the Bonds and (iii) the criteria by which losses in excess of the face amounts of the Bonds shall be allocated among the parties.

NOW THEREFORE, it is agreed as follows:

1. Each of the Funds shall pay a portion of each premium which shall be determined as of a specified date (the “Date”) which is the same date for all Fund Parties by calculating the proportion which the minimum amount of fidelity bond coverage required for such Fund (calculated in accordance with Rule 17g-1 under the Investment Company Act of 1940, as amended, (“Rule 17g-1”)) bears to the total amount of coverage provided for under the Bonds and applying said proportion to the total annual premium. The amount remaining after calculating the portions of the premium to be paid by the Funds shall be paid by MFS or such MFS Parties as MFS shall determine.

2. If one or more of the insurance companies listed in Exhibit B (or such other insurers as from time to time may insure the parties hereto) are willing without additional premium until the next renewal date to add, as an insured under any of the Bonds, (i) any investment company permitted to be included on the Bonds pursuant to Rule 17g-1 for which MFS (or any subsidiary thereof) may act as investment adviser

and/or for which MFD may act as distributor, or (ii) any affiliate of MFS permitted to be included on the Bonds pursuant to Rule 17g-1, the parties hereto agree (a) that such addition may be made, (b) that such investment company shall become a party to this Agreement and be included within the terms "Funds" and "Fund Parties" and (c) that such affiliate shall become a party to this Agreement and be included within the term "MFS Parties."

3. In the event that the claims of loss of two or more insureds under the Bonds are so related that the insurer is entitled to assert that the claims must be aggregated with the result that the claims exceed the face amount of the Bonds but the total amount payable on such claims is limited to the face amount of the Bonds, the following rules for determining, as among such insureds, the priority of satisfaction of the claims under the Bonds shall apply:

A. All claims of Funds which have been duly proved and established under the Bonds shall be satisfied in full before satisfaction of any claims of MFS or other MFS Parties, if any.

B. If the claims of Funds which have been duly proved and established under the Bonds exceed the face amount of the Bonds, the insurance proceeds shall be applied to those claims in the following manner:

- (i) first, the insurance proceeds shall be applied to the claim of each Fund up to its respective minimum fidelity bond requirement as determined pursuant to paragraph one above with respect to the Funds; and
- (ii) the remaining amount of insurance proceeds then shall be applied to the unsatisfied claims of the Funds in proportion to their respective minimum fidelity bond requirements as determined pursuant to paragraph one above with respect to the Funds.

C. If after giving effect to Paragraph A there remains a portion of the insurance under the Bonds available for the satisfaction of claims of MFS or other MFS Parties, if any, which have been duly proved and established under the Bonds, such remainder shall be applied as MFS shall determine.

4. This Agreement hereby supercedes all prior or contemporaneous agreements among the parties hereto (or any two or more of them) (which other agreements may include other parties) relating to the subject matter hereof.

5. The Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

6. Exhibit A hereto may be amended from time to time to reflect the changes in the funds insured under the Bonds.

7. Exhibit B hereto may be amended from time to time to reflect the changes in the insurance companies issuing the Bonds.

8. A copy of the Declaration of Trust of each Fund is on file with the Secretary of State of The Commonwealth of Massachusetts. Each party hereto acknowledges that the obligations of or arising out of this Agreement are not binding upon any of the Fund's Trustees, officers, employees, agents or shareholders individually, but are binding solely upon the assets and property of the Fund. If this Agreement is executed by the Fund on behalf of one or more series of the Fund, each party hereto further acknowledges that the assets and liabilities of each series are separate and distinct and that the obligations of or arising out of this Agreement concerning a series are binding solely upon the assets or property of such series and not upon the assets or property of any other series.

9. This Agreement may be amended or modified only with the prior written consent of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered in their names and on their behalf by the undersigned officers, thereunto duly authorized, all as of the first day of March 2008.

MASSACHUSETTS FINANCIAL SERVICES COMPANY
MFS SERVICE CENTER, INC.
MFS FUND DISTRIBUTORS, INC.
MFS INSTITUTIONAL ADVISORS, INC.
MFS INTERNATIONAL LTD.

By: MARK N. POLEBAUM
Mark N. Polebaum
Secretary

MFS HERITAGE TRUST COMPANY

By: MARIA F. DIORIODWYER
Maria F. DiOrioDwyer
Chairman

On Behalf of the Funds Listed From Time to Time
On Exhibit A Hereto:

By: SUSAN S. NEWTON
Susan S. Newton
Assistant Secretary or Assistant Clerk

MFS FUNDS BOARD PRODUCTS:

MFS SERIES TRUST I

- MFS Cash Reserve Fund
- MFS Core Equity Fund
- MFS Global Leaders Fund
- MFS Low Volatility Global Equity Fund
- MFS Low Volatility Equity Fund
- MFS New Discovery Fund
- MFS Research International Fund
- MFS Technology Fund
- MFS Value Fund

MFS SERIES TRUST II

- MFS Growth Fund

MFS SERIES TRUST III

- MFS High Income Fund
- MFS High Yield Opportunities Fund
- MFS High Yield Pooled Portfolio
- MFS Municipal High Income Fund

MFS SERIES TRUST IV

- MFS Global New Discovery Fund
- MFS Government Money Market Fund
- MFS Mid Cap Growth Fund
- MFS Money Market Fund

MFS SERIES TRUST V

- MFS Research Fund
- MFS Total Return Fund
- MFS International New Discovery Fund

MFS SERIES TRUST VI

- MFS Global Equity Fund
- MFS Global Total Return Fund
- MFS Utilities Fund

MFS SERIES TRUST VII

- MFS Asia Pacific Ex-Japan Fund
- MFS Equity Income Fund
- MFS European Equity Fund
- MFS Latin American Fund

MFS SERIES TRUST VIII

MFS Global Growth Fund
MFS Strategic Income Fund

MFS SERIES TRUST IX

MFS Bond Fund
MFS Inflation-Adjusted Bond Fund
MFS Limited Maturity Fund
MFS Municipal Limited Maturity Fund
MFS Research Bond Fund

MFS SERIES TRUST X

MFS Absolute Return Fund
MFS Aggressive Growth Allocation Fund
MFS Conservative Allocation Fund
MFS Emerging Markets Debt Fund
MFS Emerging Markets Debt Local Currency Fund
MFS Emerging Markets Equity Fund
MFS Global Bond Fund
MFS Growth Allocation Fund
MFS International Diversification Fund
MFS International Growth Fund
MFS International Value Fund
MFS Moderate Allocation Fund

MFS SERIES TRUST XI

MFS Blended Research Core Equity Fund
MFS Mid Cap Value Fund

MFS SERIES TRUST XII

MFS Equity Opportunities Fund
MFS Lifetime Retirement Income Fund
MFS Lifetime 2010 Fund
MFS Lifetime 2015 Fund
MFS Lifetime 2020 Fund
MFS Lifetime 2025 Fund
MFS Lifetime 2030 Fund
MFS Lifetime 2035 Fund
MFS Lifetime 2040 Fund
MFS Lifetime 2045 Fund
MFS Lifetime 2050 Fund
MFS Lifetime 2055 Fund

MFS SERIES TRUST XIII

MFS Diversified Income Fund
MFS Global Real Estate Fund
MFS Government Securities Fund
MFS New Discovery Value Fund

MFS SERIES TRUST XIV
MFS Institutional Money Market Portfolio

MFS SERIES TRUST XV

MFS Commodity Strategy Fund
MFS Diversified Target Return Fund

MFS SERIES TRUST XVI

MFS Global Multi-Asset Fund

STAND-ALONE FUNDS

Massachusetts Investors Growth Stock Fund
Massachusetts Investors Trust

CLOSED-END FUNDS

MFS California Municipal Fund
MFS Charter Income Trust
MFS Government Markets Income Trust
MFS High Income Municipal Trust
MFS High Yield Municipal Trust
MFS InterMarket Income Trust I
MFS Intermediate High Income Fund
MFS Intermediate Income Trust
MFS Investment Grade Municipal Trust
MFS Multimarket Income Trust
MFS Municipal Income Trust
MFS Special Value Trust

MFS MUNICIPAL SERIES TRUST

MFS Alabama Municipal Bond Fund
MFS Arkansas Municipal Bond Fund
MFS California Municipal Bond Fund
MFS Georgia Municipal Bond Fund
MFS Maryland Municipal Bond Fund
MFS Massachusetts Municipal Bond Fund
MFS Mississippi Municipal Bond Fund
MFS New York Municipal Bond Fund
MFS North Carolina Municipal Bond Fund
MFS Pennsylvania Municipal Bond Fund
MFS South Carolina Municipal Bond Fund
MFS Tennessee Municipal Bond Fund
MFS Virginia Municipal Bond Fund
MFS West Virginia Municipal Bond Fund
MFS Municipal Income Fund

MFS VARIABLE INSURANCE TRUST

- MFS Core Equity Series
- MFS Growth Series
- MFS Global Equity Series
- MFS Investors Growth Stock Series
- MFS Investors Trust Series
- MFS Mid Cap Growth Series
- MFS New Discovery Series
- MFS Research Bond Series
- MFS Research International Series
- MFS Research Series
- MFS Total Return Series
- MFS Utilities Series
- MFS Value Series

MFS INSTITUTIONAL TRUST

- MFS Institutional International Equity Fund
- MFS Institutional Large Cap Value Fund

MFS VARIABLE INSURANCE TRUST II

- MFS Blended Research Core Equity Portfolio
- MFS Bond Portfolio
- MFS Core Equity Portfolio
- MFS Emerging Markets Equity Portfolio
- MFS Global Governments Portfolio
- MFS Global Growth Portfolio
- MFS Global Research Portfolio
- MFS Global Tactical Allocation Portfolio
- MFS Government Securities Portfolio
- MFS High Yield Portfolio
- MFS International Growth Portfolio
- MFS International Value Portfolio
- MFS Massachusetts Investors Growth Stock Portfolio
- MFS Money Market Portfolio
- MFS New Discovery Portfolio
- MFS Research International Portfolio
- MFS Strategic Income Portfolio
- MFS Technology Portfolio
- MFS Utilities Portfolio
- MFS Value Portfolio

MFS VARIABLE INSURANCE TRUST III

- MFS Blended Research Small Cap Equity Portfolio
- MFS Conservative Allocation Portfolio
- MFS Global Real Estate Portfolio
- MFS Growth Allocation Portfolio

MFS Inflation-Adjusted Bond Portfolio

MFS Limited Maturity Portfolio

MFS Mid Cap Value Portfolio

MFS Moderate Allocation Portfolio

MFS New Discovery Value Portfolio

FIDELITY BOND CLAIM AGREEMENT

EXHIBIT B

As of November 1, 2013

ICI Mutual Insurance Company (ICI Mutual)

Federal Insurance Company (Chubb)

MFS SERIES TRUST I (File Nos. 33-7638 and 811-4777)

MFS Cash Reserve Fund ("MCF")

MFS Core Equity Fund ("RGI")

MFS Global Leaders Fund ("GLD")

MFS Low Volatility Equity Fund ("LVU")

MFS Low Volatility Global Equity Fund ("LVO")

MFS New Discovery Fund ("NDF")

MFS Research International Fund ("RIF")

MFS Technology Fund ("SCT")

MFS Value Fund ("EIF")

MFS® SERIES TRUST II (File Nos. 33-7637 and 811-4775)

MFS Growth Fund ("MEG")

MFS® SERIES TRUST III (File Nos. 2-60491 and 811-2794)

MFS High Income Fund ("MFH")

MFS High Yield Opportunities Fund ("HYO")

MFS High Yield Pooled Portfolio ("HYP")

MFS Municipal High Income Fund ("MMH")

MFS® SERIES TRUST IV (File Nos. 2-54607 and 811-2594)

MFS Global New Discovery Fund ("GND")

MFS Government Money Market Fund ("MMG")

MFS Mid Cap Growth Fund ("OTC")

MFS Money Market Fund ("MMM")

MFS® SERIES TRUST V (File Nos. 2-38613 and 811-2031)

MFS International New Discovery Fund ("MIO")

MFS Research Fund ("MFR")

MFS Total Return Fund ("MTR")

MFS® SERIES TRUST VI (File Nos. 33-34502 and 811-6102)

MFS Global Equity Fund ("MWE")

MFS Global Total Return Fund ("MWT")

MFS Utilities Fund ("MMU")

MFS® SERIES TRUST VII (File Nos. 2-68918 and 811-3090)