

MFS MUNICIPAL INCOME TRUST
Form N-CSRS
July 08, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-4841

MFS MUNICIPAL INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: October 31

Date of reporting period: April 30, 2008

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Semiannual report

MFS® Municipal Income Trust

4/30/08

MFM-SEM

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MFS® Municipal Income Trust

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New York Stock Exchange Symbol: MFM

NOT FDIC INSURED MAY LOSE VALUE

NO BANK OR CREDIT UNION GUARANTEE NOT A DEPOSIT

NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR

NCUA/NCUSIF

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LETTER FROM THE CEO

Dear Shareholders:

Negative headlines tend to resonate during difficult markets, and we certainly have had more than our share of tough news recently. As a result consumer, and particularly investor, sentiment are at all-time lows. That said, I do think it is helpful to remember there are always silver linings in the storm clouds if you look hard enough.

Through all of the challenges we have faced, there are some positive underlying trends. In the United States, for example, institutional traders and credit market followers are just now showing increasing signs of confidence and are beginning to take on more risk. At the corporate level, earnings continue to be relatively strong as companies have reduced labor costs, controlled inventories, and relied less on debt to finance expansion. More broadly, low interest rates and strong demand for consumer goods and industrial equipment are good signs for the global economy.

While I do not mean to minimize the risks inherent in today's markets, periods such as these allow the talented fund managers and research analysts we have at MFS® to test their convictions, reevaluate existing positions, and identify new investment ideas. Our investment process also includes a significant risk management component, with constant attention paid to monitoring market risk, so we can do our best to minimize any surprises to your portfolio.

For investors, this is a great time to check in with your advisor and make sure you have a sound investment plan in place—one that can keep your hard-earned money working over the long term through a strategy that involves asset allocation, diversification, and periodic portfolio rebalancing and reviews. A plan tailored to your distinct needs and goals continues to be the best approach to help you take advantage of the inevitable challenges and opportunities that present themselves over time.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

June 16, 2008

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

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| | | |
|--------------------|----------------|-------|
| Healthcare Revenue | Hospitals | 30.1% |
| Healthcare Revenue | Long Term Care | 10.9% |
| Tobacco | | 6.3% |
| Tax Assessment | | 6.0% |
| Industrial Revenue | Airlines | 5.5% |

Credit quality of bonds (r)

| | |
|-----------|-------|
| AAA | 12.5% |
| AA | 3.3% |
| A | 8.3% |
| BBB | 28.7% |
| BB | 8.4% |
| B | 8.1% |
| CCC | 2.2% |
| CC (o) | 0.0% |
| C | 0.1% |
| Not Rated | 28.4% |

Portfolio facts

| | |
|---|-----------|
| Average Duration (d)(i) | 9.9 |
| Average Life (i)(m) | 15.8 yrs. |
| Average Maturity (i)(m) | 18.8 yrs. |
| Average Credit Quality of Rated Securities (long-term) (a) | BBB+ |
| Average Credit Quality of Rated Securities (short-term) (a) | A-1 |

(a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating agencies.

(d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value.

(i) For purposes of this presentation, the bond component includes accrued interest amounts and may be positively or negatively impacted by the equivalent exposure from any derivative holdings, if applicable.

(m) The average maturity shown is calculated using the final stated maturity on the portfolio's holdings without taking into account any holdings which have been pre-refunded or pre-paid to an earlier date or which have a mandatory put date prior to the stated maturity. The average life

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shown takes into account these earlier dates.

(o) Less than 0.1%.

(r) Each security is assigned a rating from Moody's Investors Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned a rating by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in the AAA-rating category. Percentages are based on the total market value of investments as of 4/30/08.

Percentages are based on net assets, including preferred shares, as of 4/30/08, unless otherwise noted.

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

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PORTFOLIO MANAGERS PROFILES

| | |
|--------------------|--|
| Gary Lasman | Investment Officer of MFS; employed in the investment management area of MFS since 2002; Portfolio Manager of the Fund since April 2006. |
| Geoffrey Schechter | Investment Officer of MFS; employed in the investment management area of MFS since 1993. Portfolio Manager of the Fund since July 2004. |

Table of Contents**PERFORMANCE SUMMARY** THROUGH 4/30/08

All results are historical. Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost. More recent returns may be more or less than those shown. Past performance is no guarantee of future results.

Price Summary

Six Months Ended 4/30/08

| | Date | Price |
|-------------------------------|--------------------|--------|
| Net Asset Value | 4/30/08 | \$7.06 |
| | 10/31/07 | \$7.69 |
| New York Stock Exchange Price | 4/30/08 | \$7.49 |
| | 2/12/08 (high) (t) | \$7.58 |
| | 12/27/07 (low) (t) | \$6.71 |
| | 10/31/07 | \$7.31 |

Total Returns vs Benchmarks

Six Months Ended 4/30/08

| | |
|--|---------|
| New York Stock Exchange Price (r) | 5.80% |
| Net Asset Value (r) | (5.20)% |
| Lehman Brothers Municipal Bond Index (f) | 1.47% |

(f) Source: FactSet Research Systems Inc.

(r) Includes reinvestment of dividends and capital gain distributions.

(t) For the period November 1, 2007 through April 30, 2008.

Index Definition

Lehman Brothers Municipal Bond Index a market capitalization-weighted index that measures the performance of the tax-exempt bond market.

It is not possible to invest directly in an index.

Notes to Performance Summary

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation. As a result, the total return that is calculated based on the net asset value and New York Stock Exchange price can be different.

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Performance Summary continued

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

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INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

The fund's investment objective is to seek high current income exempt from federal income tax, but may also consider capital appreciation. The fund's objective may be changed without shareholder approval.

Principal Investment Strategies

The fund invests, under normal market conditions, at least 80% of its net assets, including assets attributable to preferred shares and borrowings for investment purposes, in municipal bonds (debt securities issued by or on behalf of states, territories, possessions of the United States, District of Columbia and their political subdivisions, agencies or instrumentalities, the interest on which is exempt from federal income tax). This policy may not be changed without shareholder approval. Interest from the fund's investments may be subject to the federal alternative minimum tax.

MFS may invest 25% or more of the fund's total assets in municipal instruments that finance similar projects, such as those relating to education, healthcare, housing, utilities, water, or sewers.

MFS may invest up to 100% of the fund's assets in lower quality debt instruments.

MFS may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

MFS uses a bottom-up investment approach in buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of instruments and their issuers in light of current market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative analysis of the structure of the instrument and its features may also be considered.

The fund uses leverage through the issuance of preferred shares and investing the proceeds pursuant to its investment strategies.

Principal Risks

The portfolio's yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest

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Investment Objective, Principal Investment Strategies and Risks of the Fund continued

rates fall. Debt securities with longer maturity dates will generally be subject to greater price fluctuations than those with shorter maturities. Municipal instruments can be volatile and significantly affected by adverse tax or court rulings, legislative or political changes and the financial condition of the issuers and/or insurers of municipal instruments. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value. Derivatives can be highly volatile and involve risks in addition to those of the underlying indicators in whose value the derivative is based. Gains or losses from derivatives can be substantially greater than the derivatives' original cost. Lower quality debt securities involve substantially greater risk of default and their value can decline significantly over time. To the extent that investments are purchased with the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. When you sell your shares, they may be worth more or less than the amount you paid for them. Please see the prospectus for further information regarding these and other risk considerations. A copy of the fund's prospectus is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The Fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows Common shareholders to reinvest either all of the distributions paid by the Fund or only the long-term capital gains. Purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a discounted price of either the net asset value or 95% of the market price, whichever is greater. Twice each year you can also buy shares. Investments may be made in any amount of \$100 or more in January and July on the 15th of the month or shortly thereafter.

If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the Fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. The automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

To enroll in or withdraw from the Plan, or if you have any questions, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the Fund) at www.computershare.com, by calling 1-800-637-2304 or by writing to P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the Fund and your account and Social Security numbers. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of two ways: a check for the value of the full and fractional shares, or a certificate for the full shares and a check for the fractional shares.

The following changes in the Plan will take effect on November 1, 2008:

If shares are registered in your own name, new shareholders will automatically participate in the Plan unless you have indicated that you do not wish to participate.

You can buy shares of the fund through the Plan Agent on a quarterly basis in January, April, July and October. Contact the Plan Agent for further information.

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Dividend Reinvestment and Cash Purchase Plan continued

If you withdraw from the Plan you will have three options with regard to shares held in the Plan:

Your full non-certificated shares will be held by the Plan Agent in your account in book-entry form and a check will be issued for the value of any fractional shares, less any applicable fees and brokerage charges.

The Plan Agent will sell all full and fractional shares and send the proceeds via check to your address of record. A service fee and a brokerage charge will be deducted from the proceeds.

If you opt to sell your shares through an investment professional, you may request your investment professional to transfer shares electronically from your Plan account to your brokerage firm account.

The Plan may be amended or terminated on 30 days written notice to Plan participants.

Table of Contents**PORTFOLIO OF INVESTMENTS**

4/30/08 (unaudited)

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

Municipal Bonds - 146.5%

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Airport & Port Revenue - 5.6% | | |
| Branson, MO, Regional Airport Transportation Development District Airport Rev., B, 6%, 2025 | \$ 325,000 | \$ 296,114 |
| Branson, MO, Regional Airport Transportation Development District Airport Rev., B, 6%, 2037 | 100,000 | 88,523 |
| Branson, MO, Regional Airport Transportation Development District Airport Rev., B, 6%, 2037 | 675,000 | 587,168 |
| Chicago, IL, O Hare International Airport Rev., FSA, 5.75%, 2022 (u) | 3,000,000 | 3,050,340 |
| Oklahoma City, OK, Airport Trust Rev., FSA, 5.75%, 2016 | 3,125,000 | 3,238,655 |
| Port Authority NY & NJ, Special Obligation Rev. (JFK International), MBIA, 5.75%, 2022 | 7,000,000 | 7,153,439 |
| Seattle, WA, Airport Trust Rev., FGIC, 5.625%, 2018 (f) | 1,500,000 | 1,534,604 |
| | | \$ 15,948,843 |
| General Obligations - General Purpose - 0.6% | | |
| Kane Kendall County, IL, Capital Appreciation, E, FGIC, 0%, 2023 | \$ 1,945,000 | \$ 846,580 |
| Kane Kendall County, IL, Capital Appreciation, E, FGIC, 0%, 2025 | 1,915,000 | 732,755 |
| | | \$ 1,579,335 |
| General Obligations - Schools - 0.4% | | |
| DeSoto, TX, Independent School District, School Building, PSF, 0%, 2031 | \$ 555,000 | \$ 151,370 |
| DeSoto, TX, Independent School District, School Building, PSF, 0%, 2034 | 415,000 | 95,005 |
| DeSoto, TX, Independent School District, School Building, PSF, 0%, 2036 | 555,000 | 112,947 |
| Royse City, TX, Independent School District, School Building, PSF, 0%, 2027 | 955,000 | 334,287 |
| Royse City, TX, Independent School District, School Building, PSF, 0%, 2029 | 965,000 | 297,952 |
| Santa Clarita Community College District, CA, Election 2006, MBIA, 0%, 2030 | 595,000 | 177,255 |
| | | \$ 1,168,816 |
| Healthcare Revenue - Hospitals - 44.0% | | |
| Alexander City, AL, Special Care Facilities Financing Authority Medical Facilities Rev., A (Russell Hospital Corp.), 5.75%, 2036 | \$ 600,000 | \$ 564,791 |
| Allegheny County, PA, Hospital Development Authority Rev. (South Hills Health Systems), B, 6.75%, 2010 (c) | 500,000 | 541,284 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|---|--------------|--------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), 9.25%, 2010 (c) | \$ 2,000,000 | \$ 2,355,359 |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5%, 2028 | 1,905,000 | 1,570,481 |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5.375%, 2040 | 1,055,000 | 866,049 |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), B, 9.25%, 2010 (c) | 1,000,000 | 1,177,679 |
| Arkansas Development Finance Authority Rev. (Washington Regional Medical Center), 7.25%, 2010 (c) | 500,000 | 539,514 |
| Athens County, OH, Hospital Facilities Rev. (O Bleness Memorial Hospital), A, 7.125%, 2033 | 1,500,000 | 1,524,854 |
| Brookhaven, NY, Industrial Development Agency Rev. (Memorial Hospital Medical Center, Inc.), A, ETM, 7.75%, 2010 (c) | 445,000 | 477,462 |
| California Statewide Communities Development Authority Rev. (Childrens Hospital), 5%, 2047 | 550,000 | 447,057 |
| California Statewide Communities Development Authority Rev. (Sutter Health), B, 5.25%, 2048 | 2,300,000 | 2,258,416 |
| California Statewide Communities Development Authority Rev. (Valleycare Health Systems), A, 5%, 2022 | 205,000 | 182,694 |
| California Statewide Communities Development Authority Rev. (Valleycare Health Systems), A, 5.125%, 2031 | 100,000 | 83,321 |
| California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047 | 1,210,000 | 1,265,793 |
| California Valley Health Systems, COP, 6.875%, 2023 (d) | 700,000 | 483,000 |
| Cass County, MO, Hospital Rev., 5.625%, 2038 | 340,000 | 312,225 |
| Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women s Christian Assn.), A, 6.35%, 2017 | 135,000 | 134,330 |
| Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women s Christian Assn.), A, 6.4%, 2029 | 955,000 | 913,152 |
| Chemung County, NY, Civic Facilities Rev. (St. Joseph s Hospital-Elmira), A, 6%, 2013 | 325,000 | 326,079 |
| Chemung County, NY, Civic Facilities Rev. (St. Joseph s Hospital-Elmira), B, 6.35%, 2013 | 105,000 | 106,392 |
| Chester County, PA, Health & Educational Facilities Rev. (Chester County Hospital), 6.75%, 2021 | 1,625,000 | 1,688,521 |
| Citrus County, FL, Hospital Development Authority Rev. (Citrus Memorial Hospital), 6.25%, 2023 | 895,000 | 906,098 |
| Clinton County, MO, Industrial Development Agency, Health Facilities Rev. (Cameron Regional Medical Center), 5%, 2032 | 275,000 | 219,027 |
| Coffee County, GA, Hospital Authority Rev. (Coffee Regional Medical Center, Inc.), 5%, 2026 | 40,000 | 34,392 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Colorado Health Facilities Authority Rev. (Parkview Medical Center), 6.6%, 2011 (c) | \$ 1,000,000 | \$ 1,118,690 |
| Colorado Health Facilities Authority Rev. (Portercare Adventist Health Systems), 6.625%, 2011 (c) | 675,000 | 764,100 |
| Crittenden County, AR, Hospital Rev., 7%, 2020 | 1,030,000 | 1,137,079 |
| Cuyahoga County, OH, Hospital Facilities Rev. (Canton, Inc.), 7.5%, 2030 | 1,330,000 | 1,380,513 |
| Delaware Health Facilities Authority Rev. (Nanticoke Memorial Hospital), 5.625%, 2032 | 1,250,000 | 1,130,600 |
| Denver, CO, Health & Hospital Authority Rev., A, 6%, 2011 (c) | 250,000 | 276,293 |
| District Columbia Hospital Rev. (Childrens Hospital Obligations Group), FSA, 5.25%, 2045 | 1,035,000 | 1,034,917 |
| Fruita, CO, Rev. (Family Health West Project), 8%, 2043 | 1,310,000 | 1,310,760 |
| Garden City, MI, Hospital Finance Authority Rev. (Garden City Hospital), A, 4.875%, 2027 | 1,275,000 | 1,013,383 |
| Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.2%, 2025 | 250,000 | 243,575 |
| Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.5%, 2031 | 295,000 | 282,516 |
| Genesee County, NY, Industrial Development Agency Civic Facility Rev. (United Memorial Medical Center), 5%, 2027 | 170,000 | 143,473 |
| Glendale, AZ, Industrial Development Authority (John C. Lincoln Health), 5%, 2042 | 150,000 | 129,981 |
| Grand Forks, ND, Health Care Authority Rev. (Altru Health Systems Obligated Group), 7.125%, 2010 (c) | 755,000 | 839,477 |
| Gulfport, MS, Hospital Facilities Rev. (Memorial Hospital), 5.75%, 2031 | 1,000,000 | 1,006,210 |
| Highlands County, FL, Health Facilities Authority Rev. (Adventist/Sunbelt Hospital), 6%, 2011 (c) | 900,000 | 1,000,080 |
| Houston County, AL, Health Care Authority Rev., AMBAC, 6.25%, 2009 (c) | 2,000,000 | 2,129,400 |
| Huntsville, AL, Health Care Authority Rev., 5.625%, 2011 (c) | 875,000 | 953,129 |
| Illinois Finance Authority Rev. (Childrens Memorial Hospital), A, ASSD GTY, 5.25%, 2047 | 1,140,000 | 1,115,775 |
| Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031 | 410,000 | 333,162 |
| Indiana Health & Educational Facilities Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037 | 2,220,000 | 1,929,713 |
| Indiana Health & Educational Facilities Authority, Hospital Rev. (Community Foundation of Northwest Indiana), A, 6.375%, 2011 (c) | 3,025,000 | 3,382,101 |
| Indiana Health & Educational Facilities Authority, Hospital Rev. (Community Foundation of Northwest Indiana), Unrefunded Balance, A, 6.375%, 2031 | 965,000 | 961,980 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Indiana Health & Educational Facilities Authority, Hospital Rev. (Riverview Hospital), 6.125%, 2031 | \$ 1,000,000 | \$ 1,017,820 |
| Indiana Health & Educational Facilities Authority, Hospital Rev. (St. Francis), FSA, 5.25%, 2041 | 225,000 | 227,615 |
| Jefferson County, IA, Hospital Authority Rev. (Jefferson County Hospital), C, 5.8%, 2032 | 895,000 | 835,456 |
| Johnson City, TN, Health, Educational Facilities Board & Hospital Rev. (Mountain States Health), A, 5.5%, 2036 | 660,000 | 610,309 |
| Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.5%, 2029 | 440,000 | 418,532 |
| Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.75%, 2035 | 475,000 | 459,838 |
| Kentucky Economic Development Finance Authority (Norton Healthcare), A, 6.5%, 2010 (c) | 1,965,000 | 2,163,426 |
| Kentucky Economic Development Finance Authority, Unrefunded (Norton Healthcare), A, 6.5%, 2020 | 3,035,000 | 3,133,789 |
| Knox County, TN, Health, Educational, Hospital & Housing Facilities Board Rev. (Baptist Health Systems), 6.5%, 2031 | 1,725,000 | 1,787,342 |
| Lauderdale County & Florence, AL, Health Care Authority Rev. (Coffee Health Group), MBIA, 5.625%, 2021 | 3,000,000 | 3,145,080 |
| Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034 | 1,525,000 | 1,417,533 |
| Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2032 | 110,000 | 100,988 |
| Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037 | 110,000 | 99,576 |
| Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.75%, 2025 | 1,105,000 | 1,029,948 |
| Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.875%, 2034 | 935,000 | 847,372 |
| Madison County, ID Hospital Rev., COP, 5.25%, 2026 | 220,000 | 195,958 |
| Madison County, ID, Hospital Rev., COP, 5.25%, 2037 | 310,000 | 258,438 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Medstar Health), 5.5%, 2033 | 380,000 | 372,343 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Mercy Medical Center), A, 5.5%, 2042 | 1,070,000 | 982,463 |
| Maryland Health & Higher Educational Facilities Authority Rev. (North Arundel Hospital), 6.5%, 2010 (c) | 1,500,000 | 1,641,960 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 5.75%, 2038 | 140,000 | 133,307 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 6%, 2043 | 285,000 | 278,833 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Massachusetts Health & Educational Facilities Authority Rev. (Berkshire Health Systems), E , 6.25%, 2031 | \$ 1,900,000 | \$ 1,897,549 |
| Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), A , 5.7%, 2015 | 500,000 | 506,970 |
| Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), B , 6.5%, 2012 | 600,000 | 627,888 |
| Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), D , 5.25%, 2018 | 1,400,000 | 1,389,962 |
| Massachusetts Health & Educational Facilities Authority Rev. (Northern Berkshire Health), B , 6.375%, 2034 | 640,000 | 638,720 |
| Massachusetts Health & Educational Facilities Authority Rev. (Saints Memorial Medical Center), A , 6%, 2023 | 445,000 | 431,076 |
| Meeker County, MN, Gross Rev., Hospital Facilities (Memorial Hospital), 5.75%, 2027 | 180,000 | 169,745 |
| Meeker County, MN, Gross Rev., Hospital Facilities (Memorial Hospital), 5.75%, 2037 | 385,000 | 349,642 |
| Miami Beach, FL, Health Facilities Authority Rev. (Mount Sinai Medical Center), 6.75%, 2029 | 810,000 | 801,827 |
| Miami Beach, FL, Health Facilities Authority Rev. (Mount Sinai Medical Center), A , 6.7%, 2019 | 995,000 | 1,014,353 |
| Monroe County, MI, Hospital Finance Authority, Hospital Rev. (Mercy Memorial Hospital Corp.), 5.5%, 2035 | 1,020,000 | 857,942 |
| Monroe County, NY, Industrial Development Agency, Civic Facilities Rev. (Highland Hospital of Rochester), 5%, 2025 | 65,000 | 62,525 |
| Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2031 | 225,000 | 199,060 |
| Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2036 | 1,135,000 | 986,065 |
| Mount Lebanon, PA, Hospital Authority Rev. (St. Clair Memorial Hospital), 5.625%, 2032 | 435,000 | 441,473 |
| Nassau County, NY, Industrial Development Agency, Civic Facilities Rev. (North Shore Health System), 5.625%, 2010 | 390,000 | 391,338 |
| Nassau County, NY, Industrial Development Agency, Civic Facilities Rev. (North Shore Health System), 5.875%, 2011 | 340,000 | 348,174 |
| Neosho County, KS, Hospital Authority Rev., A , 5.15%, 2031 | 230,000 | 194,902 |
| New Hampshire Health & Education Facilities Authority Rev. (Covenant Health System), 6.5%, 2012 (c) | 440,000 | 495,726 |
| New Hampshire Health & Education Facilities Authority Rev. (Covenant Health System), 6.5%, 2017 | 325,000 | 348,855 |
| New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2012 (c) | 880,000 | 993,687 |
| New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2032 | 120,000 | 121,242 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter s University Hospital), 5.75%, 2037 | \$ 1,010,000 | \$ 971,307 |
| New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter s University Hospital), A , 6.875%, 2030 | 3,000,000 | 3,054,450 |
| New Mexico State Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5%, 2017 | 100,000 | 92,619 |
| New Mexico State Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5.25%, 2026 | 440,000 | 378,255 |
| New York Dormitory Authority Rev. (NYU Hospital Center), B , 5.625%, 2037 | 560,000 | 528,259 |
| New York Dormitory Authority Rev. (NYU Hospitals Center), B , 5.25%, 2024 | 450,000 | 427,401 |
| New York, NY, Industrial Development Agency, Civic Facilities Rev. (Staten Island University Hospital), A , 6.375%, 2031 | 485,000 | 464,887 |
| Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036 | 1,395,000 | 1,303,725 |
| North Texas Health Facilities Development Corp. Rev. (United Regional Health Care System, Inc.), 6%, 2013 (c) | 1,000,000 | 1,135,970 |
| Ohio County, WV, County Commission Health System Rev. (Ohio Valley Medical Center), 5.75%, 2013 | 850,000 | 821,687 |
| Oklahoma Development Finance Authority Rev. (Comanche County Hospital), B , 6.6%, 2031 | 1,665,000 | 1,709,589 |
| Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Hospital), A , 5.5%, 2030 | 590,000 | 541,886 |
| Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 6.5%, 2012 (c) | 505,000 | 574,998 |
| Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 6.375%, 2012 (c) | 1,560,000 | 1,768,463 |
| Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 6.375%, 2021 | 245,000 | 261,888 |
| Royston, GA, Hospital Authority Rev. (Ty Cobb Healthcare Systems, Inc.), 6.375%, 2014 | 955,000 | 961,790 |
| Salida, CO, Hospital District Rev., 5.25%, 2036 | 1,675,000 | 1,362,730 |
| Salt Lake City, UT, Hospital Authority Rev. (Intermountain Health Care), INFLOS, ETM, AMBAC, 9.823%, 2020 (c)(p) | 600,000 | 602,292 |
| Shelby County, TN, Educational & Hospital Facilities Board Hospital Rev., Refunded Balance (Methodist Healthcare), 6.375%, 2012 (c) | 625,000 | 707,981 |
| Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.25%, 2012 (c) | 185,000 | 208,634 |
| Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.25%, 2012 (c) | 315,000 | 355,241 |
| Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.375%, 2012 (c) | 375,000 | 424,789 |

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Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Skagit County, WA, Public Hospital District No. 001, 5.75%, 2032 | \$ 165,000 | \$ 154,504 |
| South Carolina Jobs & Economic Development Authority (Bon Secours-St. Francis Medical Center, Inc.), 5.625%, 2012 (c) | 150,000 | 166,085 |
| South Carolina Jobs & Economic Development Authority (Bon Secours-St. Francis Medical Center, Inc.), 5.625%, 2030 | 560,000 | 564,990 |
| South Carolina Jobs & Economic Development Authority, Hospital Facilities Rev. (Palmetto Health Alliance), 6.25%, 2031 | 835,000 | 843,049 |
| South Dakota Health & Education Facilities Authority Rev. (Prairie Lakes Health Care System), 5.625%, 2032 | 670,000 | 670,389 |
| Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.5%, 2020 | 60,000 | 59,414 |
| Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.625%, 2029 | 870,000 | 818,070 |
| Springfield, TN, Health & Educational Facilities Rev. (Northcrest Medical Center), 5.25%, 2018 | 1,400,000 | 1,367,408 |
| St. Paul, MN, Housing & Redevelopment Hospital (Healthpartners Obligations Group), 5.25%, 2036 | 1,085,000 | 922,131 |
| Steubenville, OH, Hospital Authority Rev. (Trinity Health Center), 6.5%, 2010 (c) | 1,300,000 | 1,422,226 |
| Sullivan County, TN, Health Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 2036 | 1,115,000 | 985,950 |
| Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare), 6.25%, 2020 | 3,085,000 | 3,130,041 |
| Texas Metro Health Facilities Development Corp., Metro Health Facilities Development Rev. (Wilson N. Jones Memorial Hospital), 7.2%, 2021 | 700,000 | 707,112 |
| Texas Metro Health Facilities Development Corp., Metro Health Facilities Development Rev. (Wilson N. Jones Memorial Hospital), 7.25%, 2031 | 1,000,000 | 1,008,470 |
| Tom Green County, TX, Health Facilities Rev. (Shannon Health System), 6.75%, 2021 | 1,250,000 | 1,298,313 |
| Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 2032 | 985,000 | 873,547 |
| Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.375%, 2037 | 810,000 | 720,017 |
| Upper Illinois River Valley Development, Health Facilities Rev. (Morris Hospital), 6.625%, 2031 | 600,000 | 615,552 |
| Valley, AL, Special Care Facilities, Financing Authority Rev. (Lanier Memorial Hospital), 5.6%, 2016 | 600,000 | 600,420 |
| Vigo County Hospital Authority Rev. (Union Hospital), 5.75%, 2042 | 220,000 | 190,487 |
| Vigo County, IN, Hospital Authority Rev. (Union Hospital), 5.8%, 2047 | 1,035,000 | 893,660 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|--|--------------|----------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Wapello County, IA, Hospital Authority Rev. (Ottumwa Regional Health Center), 6.375%, 2012 (c) | \$ 1,500,000 | \$ 1,702,770 |
| Washington Health Care Facilities Authority Rev. (Mason Medical), A, 6.25%, 2042 | 1,400,000 | 1,282,526 |
| Weirton, WV, Municipal Hospital Building, Commission Rev. (Weirton Hospital Medical Center), 6.375%, 2031 | 1,115,000 | 1,115,457 |
| Weslaco, TX, Health Facilities Rev. (Knapp Medical Center), 6.25%, 2032 | 1,000,000 | 1,008,500 |
| West Contra Costa, CA, Healthcare District, AMBAC, 5.5%, 2029 | 195,000 | 187,218 |
| West Plains, MO, Industrial Development Authority Rev. (Ozarks Medical Center), 6.75%, 2024 | 170,000 | 170,306 |
| West Shore, PA, Hospital Authority Rev. (Holy Spirit Hospital), 6.2%, 2026 | 1,250,000 | 1,260,825 |
| Wichita, KS, Hospital Authority Rev. (Via Christi Health System), 6.25%, 2020 | 1,500,000 | 1,603,620 |
| Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.875%, 2030 | 1,000,000 | 1,026,180 |
| Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034 | 1,135,000 | 979,925 |
| Yonkers, NY, Industrial Development Agency, Civic Facilities Rev. (St. John s Riverside Hospital), 6.8%, 2016 | 615,000 | 626,697 |
| Yonkers, NY, Industrial Development Agency, Civic Facilities Rev. (St. Joseph s Hospital), C, 6.2%, 2020 | 750,000 | 709,215 |
| | | \$ 125,365,439 |
| Healthcare Revenue - Long Term Care - 15.9% | | |
| Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement), A, 7%, 2033 | \$ 345,000 | \$ 348,761 |
| Arizona Health Facilities Authority Rev. (The Terraces Project), 7.75%, 2013 (c) | 750,000 | 930,075 |
| Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.125%, 2016 (d) | 1,085,000 | 737,800 |
| Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.5%, 2026 (d) | 2,405,000 | 1,635,400 |
| Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2027 | 170,000 | 153,430 |
| Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2037 | 225,000 | 194,843 |
| Bucks County, PA, Industrial Development Authority, Retirement Community Rev. (Ann s Choice, Inc.), 6.125%, 2025 | 430,000 | 409,085 |
| Cambria County, PA, Industrial Development Authority Rev. (Beverly Enterprises, Inc.) ETM, 10%, 2012 (c) | 320,000 | 369,830 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|------------|------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Long Term Care - continued | | |
| Chartiers Valley, PA, Industrial & Commercial Development Authority (Asbury Health Center Project), 5.75%, 2022 | \$ 150,000 | \$ 143,024 |
| Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032 | 575,000 | 580,693 |
| Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 2037 | 755,000 | 657,998 |
| Colorado Health Facilities Authority Rev. (Christian Living Communities Project), A, 5.75%, 2037 | 395,000 | 351,542 |
| Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), B, 6.125%, 2033 | 1,000,000 | 982,830 |
| Colorado Health Facilities Authority Rev. (Evangelical), 6.9%, 2010 (c) | 1,830,000 | 2,066,143 |
| Colorado Health Facilities Authority Rev. (Evangelical), 6.9%, 2025 | 1,170,000 | 1,250,040 |
| Cumberland County, PA, Municipal Authority Rev. (Wesley), A, 7.25%, 2013 (c) | 720,000 | 851,371 |
| Cumberland County, PA, Municipal Authority Rev. (Wesley), A, 7.25%, 2013 (c) | 280,000 | 331,089 |
| Duluth, MN, Housing & Redevelopment Authority (Benedictine Health Center), 5.875%, 2033 | 165,000 | 150,092 |
| Franklin County, OH, Healthcare Facilities Rev. (Ohio Presbyterian), 7.125%, 2011 (c) | 1,000,000 | 1,139,510 |
| Fulton County, GA, Residential Care Facilities (Canterbury Court), A, 6.125%, 2034 | 330,000 | 299,709 |
| Fulton County, GA, Residential Care Facilities, First Mortgage (Lenbrook Square Foundation, Inc.), A, 5.125%, 2042 | 1,750,000 | 1,313,270 |
| Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 2027 | 1,000,000 | 844,730 |
| Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 2037 | 215,000 | 170,680 |
| Greenville County, SC, Hospital Rev. (Chestnut Hill), A, 8%, 2015 | 1,835,000 | 1,764,297 |
| Hawaii Department of Budget & Finance, Special Purpose Rev. (Kahala Nui Senior Living Community), 8%, 2033 | 500,000 | 535,350 |
| Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 2028 | 590,000 | 516,114 |
| Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 2043 | 540,000 | 445,052 |
| Illinois Finance Authority Rev. (Clare at Water Tower), A, 6%, 2025 | 490,000 | 457,817 |
| Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 5.5%, 2037 | 1,000,000 | 862,050 |
| Illinois Finance Authority Rev. (Friendship Village), A, 5.375%, 2025 | 1,270,000 | 1,079,106 |
| Illinois Finance Authority Rev. (Landing at Plymouth Place), A, 6%, 2037 | 490,000 | 433,332 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Long Term Care - continued | | |
| Illinois Finance Authority Rev. (Montgomery Place), A , 5.75%, 2038 | \$ 520,000 | \$ 452,847 |
| Illinois Finance Authority Rev., Bond Anticipation Notes (Tallgrass), 13%, 2012 | 210,000 | 208,043 |
| Iowa Finance Authority Senior Housing Authority Rev. (Bethany Life Communities), A , 5.55%, 2041 | 230,000 | 189,895 |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), 9.25%, 2011 (c) | 1,130,000 | 1,353,367 |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), A , 5.5%, 2025 | 800,000 | 720,984 |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B , 5.75%, 2018 | 895,000 | 873,439 |
| James City County, VA, Economic Development (Virginia United Methodist Homes, Inc.), A , 5.4%, 2027 | 585,000 | 513,279 |
| James City County, VA, Economic Development (Virginia United Methodist Homes, Inc.), A , 5.5%, 2037 | 940,000 | 787,842 |
| Lancaster County, PA, Hospital Authority Rev. (Brethren), 6.5%, 2040 | 615,000 | 606,445 |
| Lenexa, KS, Health Care Facilities Rev. (Lakeview Village), 5.375%, 2027 | 420,000 | 364,287 |
| Lenexa, KS, Health Care Facilities Rev. (Lakeview Village), 5.5%, 2039 | 720,000 | 602,834 |
| Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), C , 6.875%, 2012 (c) | 500,000 | 574,955 |
| Maine Health & Higher Educational Facilities Rev. (Piper Shores), 7.5%, 2009 (c) | 680,000 | 701,712 |
| Massachusetts Development Finance Agency Rev. (Adventcare), A , 6.75%, 2037 | 1,270,000 | 1,142,314 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A , 5.5%, 2027 | 340,000 | 299,948 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A , 5.75%, 2035 | 85,000 | 74,145 |
| Millbrae, CA, Residential Facilities Rev. (Magnolia of Millbrae), A , 7.375%, 2027 | 1,815,000 | 1,832,188 |
| Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 2036 | 1,195,000 | 1,137,449 |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028 | 250,000 | 231,783 |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035 | 510,000 | 466,834 |
| New Jersey Economic Development Authority Rev. (Lions Gate), A , 5.875%, 2037 | 530,000 | 463,665 |
| New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2036 | 715,000 | 593,257 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Long Term Care - continued | | |
| New Jersey Health Care Facilities Financing Authority Rev. (Cherry Hill), 8%, 2027 | \$ 1,000,000 | \$ 1,005,060 |
| Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), A, 6%, 2025 | 125,000 | 117,716 |
| Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), A, 6.125%, 2035 | 110,000 | 101,335 |
| Orange County, FL, Health Facilities Authority Rev. (Orlando Lutheran Tower), 5.5%, 2038 | 320,000 | 266,230 |
| Rochester, MN, Housing & Healthcare Rev. (Madonna Towers of Rochester, Inc.), 5.875%, 2028 | 245,000 | 236,107 |
| Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 2037 | 490,000 | 417,960 |
| Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 2045 | 105,000 | 86,962 |
| Scott County, IA, Rev. (Ridgecrest Village), 5.25%, 2027 | 350,000 | 298,512 |
| Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A, 7.25%, 2034 | 820,000 | 777,557 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2027 | 515,000 | 478,152 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2042 | 470,000 | 414,023 |
| South Carolina Jobs & Economic Development Authority Rev., First Mortgage (Lutheran Homes of South Carolina), 5.5%, 2028 | 230,000 | 197,356 |
| South Carolina Jobs & Economic Development Authority Rev., First Mortgage (Lutheran Homes of South Carolina), 5.625%, 2042 | 150,000 | 123,212 |
| Stark County, ND, Healthcare Housing Rev. (Benedictine Living Communities, Inc.), 6.75%, 2033 | 325,000 | 309,634 |
| Sterling, IL (Hoosier Care), 7.125%, 2034 | 690,000 | 661,262 |
| Suffolk County, NY, Industrial Development Agency (Medford Hamlet Assisted Living), 6.375%, 2039 | 500,000 | 465,455 |
| Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.5%, 2025 | 460,000 | 412,284 |
| Ulster County, NY, Industrial Development Agency (Woodland Pond), A, 6%, 2037 | 1,075,000 | 983,926 |
| Washington Housing Finance Commission Non-profit Rev. (Skyline at First Hill), A, 5.625%, 2027 | 215,000 | 189,034 |
| Washington Housing Finance Commission Non-profit Rev. (Skyline at First Hill), A, 5.625%, 2038 | 1,120,000 | 941,965 |
| Wisconsin Health & Educational Facilities Board Rev. (All Saints Assisted Living Project), 5.9%, 2027 | 175,000 | 163,321 |
| Wisconsin Health & Educational Facilities Board Rev. (All Saints Assisted Living Project), 6%, 2037 | 340,000 | 310,376 |
| | | \$ 45,154,014 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Human Services - 3.4% | | |
| Alaska Industrial Development & Export Authority Community Provider Rev. (Boys & Girls Home of Alaska, Inc.), 5.875%, 2027 | \$ 210,000 | \$ 190,823 |
| Alaska Industrial Development & Export Authority Community Provider Rev. (Boys & Girls Home of Alaska, Inc.), 6%, 2036 | 325,000 | 286,137 |
| Colorado Educational & Cultural Facilities Authority (Cerebral Palsy Project), A, 6.25%, 2036 | 500,000 | 469,330 |
| Iowa Finance Authority, Community Provider (Boys & Girls Home), 6.25%, 2008 (c) | 500,000 | 512,020 |
| Lehigh County, PA, General Purpose Authority (Kidspeace Corp.), 6%, 2023 | 3,000,000 | 2,695,500 |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), A, 7%, 2036 | 500,000 | 485,640 |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), C, 7%, 2036 | 375,000 | 325,474 |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westside Rehab Center Project), A, 6.85%, 2036 | 1,100,000 | 1,095,809 |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westside Rehab Center Project), B, 6.5%, 2013 | 115,000 | 116,127 |
| New York, NY, Industrial Development Agency, Civic Facility Rev. (A Very Special Place), A, 5.75%, 2029 | 1,000,000 | 868,450 |
| New York, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 2017 | 1,030,000 | 1,029,186 |
| Orange County, FL, Health Facilities Authority Rev. (GF/Orlando Healthcare Facilities), 8.75%, 2011 | 365,000 | 377,195 |
| Orange County, FL, Health Facilities Authority Rev. (GF/Orlando Healthcare Facilities), 9%, 2031 | 1,000,000 | 1,083,510 |
| Osceola County, FL, Industrial Development Authority Rev. (Community Provider), 7.75%, 2017 | 292,000 | 292,368 |
| | | \$ 9,827,569 |
| Industrial Revenue - Airlines - 8.0% | | |
| Alliance Airport Authority, TX (American Airlines, Inc.), 5.25%, 2029 | \$ 1,240,000 | \$ 725,338 |
| Chicago, IL, O'Hare International Airport Special Facilities Rev. (American Airlines, Inc.), 5.5%, 2030 | 2,390,000 | 1,448,961 |
| Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 5.5%, 2030 | 1,425,000 | 856,026 |
| Denver, CO, City & County Airport Rev. (United Airlines), 5.25%, 2032 | 3,320,000 | 2,421,907 |
| Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 2032 | 925,000 | 730,260 |
| Houston, TX, Airport Systems Rev., Special Facilities (Continental, Inc.), E, 6.75%, 2029 | 1,810,000 | 1,612,674 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Municipal Bonds - continued | | |
| Industrial Revenue - Airlines - continued | | |
| Los Angeles, CA, Regional Airport Lease Rev. (AMR Corp.), C , 7.5%, 2024 | \$ 850,000 | \$ 809,039 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029 | 580,000 | 485,060 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 7.2%, 2030 | 1,595,000 | 1,478,278 |
| New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.625%, 2025 | 9,040,000 | 8,773,410 |
| New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 2031 | 430,000 | 421,314 |
| New York, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 7.25%, 2008 | 100,000 | 99,999 |
| New York, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 8%, 2012 | 300,000 | 299,322 |
| Tulsa, OK, Municipal Airport Trust Rev. (AMR Corp.), B , 6%, 2035 (a) | 2,500,000 | 2,496,200 |
| | | \$ 22,657,788 |
| Industrial Revenue - Chemicals - 1.0% | | |
| Louisiana, Environmental Facilities & Community Development Authority Rev. (Westlake Chemical), 6.75%, 2032 | \$ 1,000,000 | \$ 980,870 |
| Red River Authority, TX, Pollution Control Rev. (Celanese Project) B , 6.7%, 2030 | 1,920,000 | 1,781,683 |
| | | \$ 2,762,553 |
| Industrial Revenue - Environmental Services - 2.7% | | |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Browning Ferris, Inc.), A , 5.8%, 2016 | \$ 1,000,000 | \$ 932,090 |
| California Statewide Communities Development Authority, Solid Waste Facilities Rev. (Republic Services, Inc.), A , 4.95%, 2012 | 1,000,000 | 972,090 |
| Cobb County, GA, Development Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), A , 5%, 2033 | 220,000 | 178,842 |
| Director of the State of Nevada Department of Business & Industry Rev. (Republic Services, Inc.), 5.625%, 2026 (a) | 750,000 | 705,173 |
| Gloucester County, NJ, Solid Waste Resource Recovery Rev. (Waste Management, Inc.), 6.85%, 2029 (a) | 850,000 | 875,135 |
| Gulf Coast Waste Disposal Authority (Waste Management, Inc.), 5.2%, 2028 | 440,000 | 373,881 |
| Henrico County, VA, Industrial Development Authority Rev. (Browning Ferris, Inc.), 5.45%, 2014 | 1,750,000 | 1,649,813 |
| Mission, TX, Economic Development Corp., Solid Waste Disposal Rev. (Allied Waste N.A., Inc.), A , 5.2%, 2018 | 440,000 | 384,344 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|--------------|---------------|
| Municipal Bonds - continued | | |
| Industrial Revenue - Environmental Services - continued | | |
| New Morgan, PA, Industrial Development Authority, Solid Waste Disposal Rev. (New Morgan Landfill Co., Inc./Browning Ferris, Inc.), 6.5%, 2019 | \$ 1,000,000 | \$ 957,080 |
| Yavapai County, AZ, Industrial Development Authority Rev. (Waste Management, Inc.), 4.9%, 2028 | 885,000 | 705,911 |
| | | \$ 7,734,359 |
| Industrial Revenue - Metals - 0.2% | | |
| Mobile County, AL, Industrial Development Authority Rev. (Ipsco, Inc.), 6.875%, 2030 (a) | \$ 650,000 | \$ 668,954 |
| Industrial Revenue - Other - 4.8% | | |
| Aztalan, WI, Exempt Facility Rev. (Renew Energy LLC Project), 7.5%, 2018 | \$ 840,000 | \$ 767,878 |
| Baker, FL, Correctional Development Corp. (Baker County Detention Center), 7.5%, 2030 | 440,000 | 434,218 |
| Gulf Coast, TX, Industrial Development Authority Rev. (Microgy Holdings LLC Project), 7%, 2036 | 620,000 | 566,122 |
| Gulf Coast, TX, Industrial Development Authority Rev. (Valero Energy Corp.), 5.6%, 2031 | 1,750,000 | 1,628,883 |
| Gulf Coast, TX, Waste Disposal Rev. (Valero Energy Corp.), 6.65%, 2032 | 1,000,000 | 1,016,360 |
| New Jersey Economic Development Authority Rev. (Gloucester Marine), C, 6.5%, 2015 | 700,000 | 717,675 |
| New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 2037 | 430,000 | 424,384 |
| New York, NY, City Industrial Development Agency Rev., Liberty Bonds (IAC/InterActiveCorp), 5%, 2035 | 620,000 | 539,400 |
| Park Creek Metropolitan District, CO, Rev. (Custodial Receipts), CR-1, 7.875%, 2032 (a)(n) | 1,270,000 | 1,346,022 |
| Park Creek Metropolitan District, CO, Rev. (Custodial Receipts), CR-2, 7.875%, 2032 (a)(n) | 580,000 | 614,719 |
| Pennsylvania Economic Development Financing Authority, Finance Authority Facilities Rev. (Amtrak), A, 6.25%, 2031 | 2,000,000 | 2,018,200 |
| Philadelphia, PA, Industrial Development Authority Rev. (Host Marriott LP), 7.75%, 2017 | 3,255,000 | 3,257,962 |
| Tooele County, UT, Hazardous Waste Treatment Rev. (Union Pacific Corp.), 5.7%, 2026 | 385,000 | 362,709 |
| | | \$ 13,694,532 |
| Industrial Revenue - Paper - 5.4% | | |
| Bedford County, VA, Industrial Development Authority Rev. (Nekoosa Packaging), A, 6.55%, 2025 | \$ 1,000,000 | \$ 924,480 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|------------|---------------|
| Municipal Bonds - continued | | |
| Industrial Revenue - Paper - continued | | |
| Butler, AL, Industrial Development Board, Solid Waste Disposal Rev. (Georgia Pacific Corp.), 5.75%, 2028 | \$ 155,000 | \$ 127,333 |
| Cass County, TX, Industrial Development Corp. (International Paper Co.), A , 4.625%, 2027 | 2,150,000 | 1,656,511 |
| Delta County, MI, Economic Development Corp., Environmental Improvement Rev. (Mead Westvaco Escanaba), A , 6.25%, 2012 (c) | 1,000,000 | 1,117,270 |
| Delta County, MI, Economic Development Corp., Environmental Improvement Rev. (Mead Westvaco Escanaba), B , 6.45%, 2012 (c) | 500,000 | 552,535 |
| Effingham County, GA, Development Authority, Solid Waste Disposal Rev. (Fort James), 5.625%, 2018 | 850,000 | 760,266 |
| Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A , 4.75%, 2030 | 525,000 | 410,256 |
| Hodge, LA, Utilities Rev. (Stone Container Corp.), 7.45%, 2024 | 3,335,000 | 3,303,985 |
| Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 2022 | 2,000,000 | 2,141,480 |
| Navajo County, AZ, Industrial Development Authority Rev. (Stone Container Corp.), 7.2%, 2027 | 880,000 | 838,834 |
| Onondaga County, NY, Industrial Development Authority Rev., Solid Waste Disposal Rev. (Solvay Paperboard LLC), 6.8%, 2014 | 800,000 | 811,600 |
| Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A , 6.125%, 2034 | 640,000 | 617,114 |
| West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 2019 | 1,870,000 | 1,538,935 |
| West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), A , 6.375%, 2019 | 700,000 | 573,629 |
| | | \$ 15,374,228 |
| Miscellaneous Revenue - Entertainment & Tourism - 0.9% | | |
| Mashantucket Western Pequot Tribe, CT, A , 5.5%, 2036 (n) | \$ 500,000 | \$ 433,865 |
| Mississippi Development Bank, Special Obligation (Diamond Lakes Utilities), 6.25%, 2017 | 900,000 | 905,949 |
| New York Liberty Development Corp. Rev. (National Sports Museum), A , 6.125%, 2019 | 420,000 | 417,892 |
| Seminole Tribe, FL, Special Obligation, A , 5.25%, 2027 (n) | 515,000 | 464,484 |
| Seneca Nation Indians, NY, Capital Improvements Authority, Special Obligation, 5%, 2023 (n) | 275,000 | 242,292 |
| | | \$ 2,464,482 |
| Miscellaneous Revenue - Other - 3.7% | | |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), XLCA, 5.25%, 2024 | \$ 220,000 | \$ 211,803 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A , 6.6%, 2011 (c) | 400,000 | 436,152 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|---------------|
| Municipal Bonds - continued | | |
| Miscellaneous Revenue - Other - continued | | |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A , 6.7%, 2011 (c) | \$ 600,000 | \$ 655,746 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), B , 5.75%, 2034 | 775,000 | 656,975 |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Cleveland City), B , 4.5%, 2030 | 870,000 | 739,935 |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Fairmount), B , 5.125%, 2025 | 180,000 | 170,770 |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Myers University), E , 5.6%, 2025 | 135,000 | 133,105 |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Perrysburg Project), 4.8%, 2035 | 225,000 | 191,565 |
| Columbus, OH, Franklin County Finance Authority Development Rev., 6%, 2035 (a) | 830,000 | 807,291 |
| Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 2024 | 1,130,000 | 1,179,912 |
| Hardeman County, TN, Correctional Facilities Rev., 7.75%, 2017 | 1,970,000 | 1,997,619 |
| Madison County, FL, Rev. (Twin Oaks Project), A , 6%, 2025 | 545,000 | 527,724 |
| Riversouth, OH, Authority Rev. (Lazarus Building) A , 5.75%, 2027 | 1,125,000 | 1,057,095 |
| Southwestern Illinois Development Authority Rev., Solid Waste Disposal Rev., 5.9%, 2014 | 275,000 | 275,421 |
| Summit County, OH, Port Authority Building Rev. (Seville Project), A , 5.1%, 2025 | 185,000 | 175,378 |
| Summit County, OH, Port Authority Building Rev. (Twinsburg Township), D , 5.125%, 2025 | 160,000 | 151,213 |
| Summit County, OH, Port Authority Building Rev. (Workforce Policy Board), F , 4.875%, 2025 | 915,000 | 840,245 |
| Toledo Lucas County, OH, Port Authority Development Rev. (Northwest Ohio Bond Fund), B , 4.8%, 2035 | 265,000 | 225,621 |
| Toledo Lucas County, OH, Port Authority Development Rev. (Northwest Ohio Bond Fund), C , 5.125%, 2025 | 90,000 | 82,616 |
| | | \$ 10,516,186 |
| Multi-Family Housing Revenue - 4.7% | | |
| Bay County, FL, Housing Finance Authority, Multi-Family Rev. (Andrews Place II Apartments), FSA, 5%, 2035 | \$ 210,000 | \$ 190,468 |
| Bay County, FL, Housing Finance Authority, Multi-Family Rev. (Andrews Place II Apartments), FSA, 5.1%, 2046 | 390,000 | 352,564 |
| Charter Mac Equity Issuer Trust, FHLMC, 7.1%, 2009 (a)(n) | 1,000,000 | 1,038,760 |
| Charter Mac Equity Issuer Trust, FHLMC, 6%, 2019 (n) | 2,000,000 | 2,141,260 |
| GMAC Municipal Mortgage Trust, B-1 , 5.6%, 2039 (a)(n) | 1,000,000 | 967,930 |
| GMAC Municipal Mortgage Trust, C-1 , 5.7%, 2040 (a)(n) | 500,000 | 479,530 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|---------------|
| Municipal Bonds - continued | | |
| Multi-Family Housing Revenue - continued | | |
| Indianapolis, IN, Multi-Family Rev. (Cambridge Station Apartments II), FNMA, 5.25%, 2039 (a) | \$ 465,000 | \$ 431,013 |
| Metropolitan Government of Nashville & Davidson County, TN, Health, Educational & Housing Facilities Board Rev. (Berkshire Place), GNMA, 6%, 2023 | 500,000 | 511,415 |
| Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 2037 | 1,095,000 | 1,038,772 |
| MuniMae TE Bond Subsidiary LLC, 6.875%, 2009 (a)(n) | 2,000,000 | 2,063,780 |
| MuniMae TE Bond Subsidiary LLC, 5.4%, 2049 (n) | 1,000,000 | 1,009,100 |
| North Charleston, SC, Housing Authority Rev. (Horizon Village), A, FHA, 5.15%, 2048 | 445,000 | 403,393 |
| San Bernardino County, CA (Equity Residential/Redlands), A, 5.2%, 2029 (a) | 2,000,000 | 2,054,980 |
| Seattle, WA, Housing Authority Rev., Capped Fund Program (High Rise Rehab), I, FSA, 5%, 2025 | 670,000 | 642,101 |
| | | \$ 13,325,066 |
| Sales & Excise Tax Revenue - 0.1% | | |
| Desloge, MO, Tax Increment Rev. (U.S. Highway 67 Street Redevelopment), 5.2%, 2020 | \$ 350,000 | \$ 339,689 |
| Single Family Housing - Local - 1.7% | | |
| Cook County, IL, Single Family Mortgage Rev., A, 0%, 2015 | \$ 15,000 | \$ 4,005 |
| Corpus Christi, TX, Housing Finance Authority Rev., B, 0%, 2011 | 1,430,000 | 707,836 |
| Dallas, TX, Housing Finance Corp., Single Family Mortgage Rev., MBIA, 0%, 2016 | 1,835,000 | 772,462 |
| Jefferson Parish, LA, Single Family Mortgage Rev., GNMA, 6.3%, 2032 | 475,000 | 480,634 |
| Jefferson Parish, LA, Single Family Mortgage Rev., B-1, GNMA, 6.625%, 2023 | 185,000 | 191,351 |
| Jefferson Parish, LA, Single Family Mortgage Rev., B-1, GNMA, 6.75%, 2030 | 270,000 | 274,409 |
| Jefferson Parish, LA, Single Family Mortgage Rev., D, GNMA, 5%, 2038 | 570,000 | 530,664 |
| Nortex, TX, Housing Finance Corp., Single Family Mortgage Rev., B, 5.5%, 2038 | 140,000 | 130,543 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A, GNMA, 6.45%, 2029 | 290,000 | 289,899 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A, GNMA, 5.9%, 2035 | 295,000 | 307,222 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A, GNMA, 6.25%, 2035 | 130,000 | 134,402 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A-1, GNMA, 5.75%, 2037 | 275,000 | 278,792 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Single Family Housing - Local - continued | | |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A-2, GNMA, 5.75%, 2037 | \$ 500,000 | \$ 510,925 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A-5, GNMA, 5.9%, 2037 | 190,000 | 194,625 |
| | | \$ 4,807,769 |
| Single Family Housing - State - 1.4% | | |
| Colorado Housing & Finance Authority Rev., A-2, AMBAC, 6.6%, 2028 | \$ 265,000 | \$ 266,619 |
| Colorado Housing & Finance Authority Rev., C-2, 5.9%, 2023 | 140,000 | 142,624 |
| Colorado Housing & Finance Authority Rev., C-2, FHA, 6.6%, 2032 | 150,000 | 155,049 |
| Colorado Housing & Finance Authority Rev., C-3, FHA, 6.375%, 2033 | 65,000 | 66,820 |
| Colorado Housing & Finance Authority Rev., D-2, 6.9%, 2029 | 290,000 | 296,740 |
| Georgia Housing & Finance Authority Rev., 5.65%, 2021 | 120,000 | 121,489 |
| Louisiana Housing Finance Agency, Single Family Mortgage Rev., GNMA, 6.4%, 2032 | 10,000 | 10,082 |
| Missouri Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.35%, 2032 | 225,000 | 228,996 |
| Missouri Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.85%, 2032 | 120,000 | 123,570 |
| Nebraska Investment Finance Authority Single Family Mortgage Rev., 0%, 2015 | 3,275,000 | 1,693,765 |
| Nebraska Investment Finance Authority, C, GNMA, 6.25%, 2021 | 20,000 | 20,176 |
| New Hampshire Housing Finance Authority Rev., B, 5.875%, 2030 | 65,000 | 65,821 |
| Texas Affordable Housing Corp. (Single Family Mortgage), B, GNMA, 5.25%, 2039 | 740,000 | 696,695 |
| | | \$ 3,888,446 |
| Solid Waste Revenue - 1.2% | | |
| Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 6.7%, 2014 | \$ 610,000 | \$ 637,981 |
| Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 5.6%, 2019 | 2,850,000 | 2,816,456 |
| | | \$ 3,454,437 |
| State & Agency - Other - 0.4% | | |
| Commonwealth of Puerto Rico (Mepsi Campus), A, 6.25%, 2024 | \$ 200,000 | \$ 194,594 |
| Commonwealth of Puerto Rico (Mepsi Campus), A, 6.5%, 2037 | 900,000 | 855,927 |
| | | \$ 1,050,521 |
| State & Local Appropriation - 1.0% | | |
| Chicago, IL, Public Building Commission Rev., FGIC, 5.25%, 2016 | \$ 2,600,000 | \$ 2,800,564 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Student Loan Revenue - 0.2% | | |
| Access to Loans for Learning, California Student Loan Rev., 7.95%, 2030 | \$ 650,000 | \$ 655,356 |
| Tax - Other - 2.0% | | |
| Black Hawk, CO, Device Tax Rev., 5%, 2010 | \$ 80,000 | \$ 80,785 |
| Black Hawk, CO, Device Tax Rev., 5%, 2013 | 55,000 | 54,839 |
| Black Hawk, CO, Device Tax Rev., 5%, 2015 | 170,000 | 166,122 |
| Dade County, FL, Special Obligations Rev., Capital Appreciation Bond, B, AMBAC, 0%, 2008 (c) | 15,080,000 | 3,349,117 |
| New Jersey Economic Development Authority Rev. (Cigarette Tax), 5.5%, 2024 | 340,000 | 332,795 |
| New Jersey Economic Development Authority Rev. (Cigarette Tax), 5.75%, 2029 | 615,000 | 602,257 |
| New Jersey Economic Development Authority Rev. (Cigarette Tax), 5.5%, 2031 | 270,000 | 254,815 |
| New Jersey Economic Development Authority Rev. (Cigarette Tax), 5.75%, 2034 | 410,000 | 398,659 |
| Virgin Islands Public Finance Authority Rev., E, 5.875%, 2018 | 500,000 | 507,415 |
| | | \$ 5,746,804 |
| Tax Assessment - 8.7% | | |
| Arborwood Community Development District, FL, Capital Improvement Rev., 5.25%, 2016 | \$ 465,000 | \$ 412,962 |
| Arborwood Community Development District, FL, Capital Improvement Rev. (Master Infrastructure Projects), A, 5.35%, 2036 | 620,000 | 487,618 |
| Arborwood Community Development District, FL, Special Assessment (Master Infrastructure Projects), B, 5.1%, 2014 | 230,000 | 207,869 |
| Atlanta, GA, Tax Allocation (Eastside Project), B, 5.6%, 2030 | 815,000 | 722,555 |
| Atlanta, GA, Tax Allocation (Princeton Lakes Project), 5.5%, 2031 | 550,000 | 496,018 |
| Belmont Community Development District, FL, Capital Improvement Rev., B, 5.125%, 2014 | 970,000 | 866,171 |
| Concord Station Community Development District, FL, Special Assessment, 5%, 2015 | 235,000 | 207,571 |
| Concorde Estates Community Development District, FL, Special Assessment, B, 5%, 2011 | 495,000 | 481,501 |
| Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 2036 | 305,000 | 260,467 |
| Durbin Crossing Community Development District, FL, Special Assessment, B-1, 4.875%, 2010 | 410,000 | 390,140 |
| East Homestead Community Development District, FL, Special Assessment, B, 5%, 2011 | 165,000 | 155,602 |

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Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|--|------------|------------|
| Municipal Bonds - continued | | |
| Tax Assessment - continued | | |
| Enclave at Black Point Marina Community Development District, FL, B, 5.2%, 2014 | \$ 215,000 | \$ 194,472 |
| Fishhawk Community Development District, FL, 5.125%, 2009 | 345,000 | 342,899 |
| Grand Bay at Doral Community Development, FL, A, 6%, 2039 | 170,000 | 145,013 |
| Grand Bay at Doral Community Development, FL, B, 6%, 2017 | 995,000 | 920,057 |
| Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038 | 590,000 | 531,820 |
| Homestead 50 Community Development District, FL, A, 6%, 2037 | 680,000 | 580,516 |
| Homestead 50 Community Development District, FL, B, 5.9%, 2013 | 310,000 | 294,221 |
| Katy, TX, Development Authority Rev., B, 5.8%, 2011 | 655,000 | 655,439 |
| Katy, TX, Development Authority Rev., B, 6%, 2018 | 925,000 | 901,792 |
| Killarney Community Development District, FL, Special Assessment, B, 5.125%, 2009 | 170,000 | 167,906 |
| Lakes by the Bay South Community Development District, FL, Rev., B, 5.3%, 2009 | 600,000 | 596,076 |
| Lancaster County, SC, Assessment Rev. (Sun City Carolina Lakes), 5.45%, 2037 | 110,000 | 86,869 |
| Legends Bay Community Development District, FL, A, 5.5%, 2014 | 420,000 | 387,479 |
| Legends Bay Community Development District, FL, A, 5.875%, 2038 | 380,000 | 321,700 |
| Magnolia Park Community Development District, FL, Special Assessment Rev., A, 6.15%, 2039 | 1,165,000 | 1,020,528 |
| Main Street Community Development District, FL, A, 6.8%, 2038 | 565,000 | 562,842 |
| Main Street Community Development District, FL, B, 6.9%, 2017 | 420,000 | 418,610 |
| Markham, IL, Tax Increment Rev., 9%, 2012 | 750,000 | 753,743 |
| Middle Village Community Development District, FL, Special Assessment, B, 5%, 2009 | 145,000 | 143,456 |
| Naturewalk Community Development District, FL, Capital Improvement Rev., B, 5.3%, 2016 | 650,000 | 573,781 |
| New Port Tampa Bay Community Development District, FL, Special Assessment, B, 5.3%, 2012 | 440,000 | 313,584 |
| North Springs Improvement District, FL, Special Assessment (Parkland Golf Country Club), B-1, 5.125%, 2015 | 410,000 | 358,381 |
| North Springs Improvement District, FL, Special Assessment (Parkland Golf Country Club), B-2, 5.125%, 2015 | 160,000 | 137,426 |
| Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 2034 | 235,000 | 235,973 |
| Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), A, 5.9%, 2035 | 240,000 | 188,726 |
| Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), B, 5.375%, 2014 | 260,000 | 232,690 |
| OTC Community Development District, FL, Special Assessment, A, 5.3%, 2038 | 1,000,000 | 783,870 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Tax Assessment - continued | | |
| Overland Park, KS, Special Assessment (Tallgrass Creek), 4.85%, 2016 | \$ 170,000 | \$ 159,764 |
| Overland Park, KS, Special Assessment (Tallgrass Creek), 5.125%, 2028 | 350,000 | 303,198 |
| Panther Trace II, Community Development District, FL, Special Assessment, 5.125%, 2013 | 355,000 | 328,439 |
| Panther Trace II, Community Development District, FL, Special Assessment, B , 5%, 2010 | 405,000 | 389,987 |
| Parker Road Community Development District, FL, A , 5.6%, 2038 | 340,000 | 276,318 |
| Parkway Center, Community Development District, FL, Special Assessment, B , 5.625%, 2014 | 1,085,000 | 1,008,008 |
| Paseo, FL, Community Development District, B , 4.875%, 2010 | 435,000 | 417,178 |
| Preserve at Wilderness Lake, FL, Community Development District, Capital Improvement, B , 5%, 2009 | 30,000 | 29,766 |
| Prince George s County, MD, Special Obligation (National Harbor Project), 5.2%, 2034 | 245,000 | 208,983 |
| Riverwood Estates Community Development District, FL, Special Assessment, B , 5%, 2013 | 870,000 | 792,239 |
| Sterling Hill Community Development District, FL, Special Assessment, 5.5%, 2010 | 210,000 | 207,652 |
| Stone Ridge, CO, Metropolitan District No. 2, 7.25%, 2031 | 800,000 | 738,320 |
| Tolomato Community Development District, FL, Special Assessment Rev., 6.65%, 2040 | 1,070,000 | 1,019,796 |
| Tuscany Reserve Community Development District, FL, Special Assessment, B , 5.25%, 2016 | 790,000 | 685,033 |
| Villa Vizcaya Community Development District, FL, A , 5.55%, 2039 | 210,000 | 167,032 |
| Villasol Community Development District, FL, Special Assessment Rev., B , 5.375%, 2008 | 160,000 | 160,000 |
| Watergrass Community Development District, FL, A , 5.375%, 2039 | 420,000 | 330,128 |
| Watergrass Community Development District, FL, Special Assessment, B , 4.875%, 2010 | 770,000 | 735,389 |
| Wentworth Estates Community Development District, FL, Special Assessment, B , 5.125%, 2012 | 345,000 | 318,197 |
| | | \$ 24,813,770 |
| Tobacco - 9.1% | | |
| Badger, WI, Tobacco Asset Securitization Corp., 6.125%, 2027 | \$ 3,640,000 | \$ 3,625,112 |
| Buckeye Tobacco Settlement Financing Authority, 6%, 2042 | 220,000 | 201,901 |
| Buckeye, OH, Tobacco Settlement Rev., Asset Backed, A-2 , 5.875%, 2030 | 6,065,000 | 5,703,890 |
| Buckeye, OH, Tobacco Settlement Rev., Asset Backed, A-2 , 5.875%, 2047 | 1,905,000 | 1,678,705 |
| Buckeye, OH, Tobacco Settlement Rev., Asset Backed, A-2 , 6.5%, 2047 | 1,420,000 | 1,380,879 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Municipal Bonds - continued | | |
| Tobacco - continued | | |
| California County, CA, Tobacco Securitization Agency, Capital Appreciation Asset Backed (Gold Country), 0%, 2033 | \$ 1,285,000 | \$ 228,948 |
| California County, CA, Tobacco Securitization Corp., Tobacco Settlement, L.A. County, A, 0% to 2010, 5.65% to 2041 | 485,000 | 342,337 |
| California Statewide Financing Authority, Tobacco Settlement, 5.625%, 2029 | 1,630,000 | 1,576,292 |
| Children s Trust Fund, Tobacco Settlement Rev., Puerto Rico, A, 0%, 2050 | 4,000,000 | 200,520 |
| Children s Trust Fund, Tobacco Settlement Rev., Puerto Rico, B, 0%, 2055 | 4,000,000 | 125,400 |
| District of Columbia, Tobacco Settlement, 6.25%, 2024 | 990,000 | 995,722 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A, 5%, 2008 (c) | 85,000 | 85,175 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-4, 7.8%, 2013 (c) | 1,000,000 | 1,205,960 |
| Inland Empire, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, C-1, 0%, 2036 | 3,270,000 | 455,053 |
| Iowa Tobacco Settlement Authority, Tobacco Settlement Rev., Asset Backed, B, 5.6%, 2034 | 1,635,000 | 1,482,683 |
| Louisiana Tobacco Settlement Authority Rev., 5.5%, 2030 | 1,435,000 | 1,380,025 |
| Michigan Tobacco Settlement Finance Authority Rev., Asset Backed, A, 6%, 2048 | 1,125,000 | 1,024,459 |
| New Jersey Tobacco Settlement Financing Corp., 5.75%, 2012 (c) | 765,000 | 822,941 |
| New Jersey Tobacco Settlement Financing Corp., 7%, 2013 (c) | 15,000 | 17,649 |
| Rhode Island Tobacco Settlement Financing Corp., A, 0%, 2052 | 11,115,000 | 406,476 |
| Silicon Valley Tobacco Securitization Authority, CA, Tobacco Settlement Rev. (Turbo-Santa Clara), A, 0%, 2036 | 2,115,000 | 283,029 |
| Silicon Valley Tobacco Securitization Authority, CA, Tobacco Settlement Rev. (Turbo-Santa Clara), A, 0%, 2041 | 1,560,000 | 143,348 |
| South Carolina Tobacco Settlement Authority Rev., B, 6%, 2022 | 1,260,000 | 1,271,831 |
| South Carolina Tobacco Settlement Authority Rev., B, 6.375%, 2028 | 1,075,000 | 1,082,149 |
| Washington Tobacco Settlement Authority, 6.5%, 2026 | 150,000 | 153,371 |
| | | \$ 25,873,855 |
| Toll Roads - 1.6% | | |
| E-470 Public Highway Authority, Colorado Rev., Capital Appreciation, B, MBIA, 0%, 2027 | \$ 4,115,000 | \$ 1,394,368 |
| Niagara Falls, NY, Bridge Commission Toll Rev., FGIC, 5.25%, 2015 | 3,000,000 | 3,208,020 |
| | | \$ 4,602,388 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Transportation - Special Tax - 1.4% | | |
| Telluride, CO, Real Estate Transfer Assessment Rev. (Gondola Transit Co.), ETM, 11.5%, 2012 (c) | \$ 2,900,000 | \$ 3,669,892 |
| Utah Transit Authority Sales Tax Rev., A, MBIA, 0%, 2028 | 950,000 | 319,029 |
| | | \$ 3,988,921 |
| Universities - Colleges - 2.7% | | |
| California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.5%, 2038 | \$ 420,000 | \$ 390,214 |
| Foothill-DE Anza Community College District, CA, Capital Appreciation, B, AMBAC, 0%, 2034 | 785,000 | 185,229 |
| Harrisburg, PA, University of Science, A, 5.4%, 2016 | 235,000 | 230,664 |
| Houston, TX, Community College Systems, MBIA, 7.875%, 2025 | 2,500,000 | 2,864,750 |
| Illinois Educational Facilities Authority Rev. (Augustana College), A, 5.625%, 2022 | 400,000 | 411,984 |
| Louisiana State University (Health Sciences Center Project), MBIA, 6.375%, 2031 | 2,500,000 | 2,657,775 |
| Savannah, GA, Economic Development Authority Rev. (College of Art & Design, Inc.), 6.5%, 2009 (c) | 625,000 | 671,369 |
| University of Arkansas, University Construction Rev. (UAMS Campus), B, MBIA, 5%, 2034 | 300,000 | 305,655 |
| | | \$ 7,717,640 |
| Universities - Dormitories - 0.2% | | |
| California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.4%, 2027 | \$ 370,000 | \$ 350,786 |
| California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033 | 380,000 | 346,085 |
| | | \$ 696,871 |
| Universities - Secondary Schools - 2.7% | | |
| California Statewide Communities Development Authority Rev. (Escondido Charter High School), 7.5%, 2011 (c) | \$ 545,000 | \$ 615,610 |
| California Statewide Communities Development Authority Rev. (Escondido Charter High School), 7.5%, 2011 (c) | 1,000,000 | 1,166,870 |
| Colorado Housing Finance Development Rev. (Evergreen Country Day School), 5.875%, 2037 | 770,000 | 689,997 |
| Deerfield, IL, Educational Facilities Authority Rev. (Chicagoland Jewish High School Project), 6%, 2041 | 815,000 | 763,036 |
| Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), A, 5.25%, 2027 | 430,000 | 368,691 |
| Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), A, 5.375%, 2037 | 945,000 | 781,326 |

Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Universities - Secondary Schools - continued | | |
| Maryland Health & Higher Educational Facilities Authority Rev. (Washington Christian Academy), 5.5%, 2038 | \$ 140,000 | \$ 116,168 |
| Maryland Industrial Development Financing Authority, Economic Development Authority Rev. (Our Lady of Good Council), A, 6%, 2035 | 150,000 | 143,112 |
| Michigan Municipal Bond Authority Rev. (YMCA Service Learning Academy), 7.625%, 2021 | 1,000,000 | 1,032,930 |
| Pima County, AZ, Industrial Development Authority Education Rev. (Arizona Charter Schools), C, 6.75%, 2031 | 495,000 | 502,356 |
| Utah County, UT, Charter School Rev. (Lakeview Academy), A, 5.625%, 2037 | 500,000 | 440,680 |
| Utah County, UT, Charter School Rev. (Renaissance Academy), A, 5.625%, 2037 | 285,000 | 250,187 |
| Utah County, UT, Charter School Rev. (Ronald Wilson Reagan Academy), A, 6%, 2038 | 795,000 | 729,230 |
| | | \$ 7,600,193 |
| Utilities - Cogeneration - 0.8% | | |
| Alaska Industrial Development Export Authority, Power Rev., Upper Lynn Canal Regional Power, 5.8%, 2018 | \$ 830,000 | \$ 809,590 |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Colver), G, 5.125%, 2015 | 350,000 | 336,914 |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), 6.4%, 2009 | 150,000 | 150,171 |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), A, 6.5%, 2013 | 1,000,000 | 1,000,650 |
| | | \$ 2,297,325 |
| Utilities - Investor Owned - 6.6% | | |
| Brazos River Authority, TX, Authority Texas Rev. (Reliant Energy, Inc.), A, 5.375%, 2019 | \$ 500,000 | \$ 456,505 |
| Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C, 5.75%, 2036 (a) | 2,205,000 | 2,074,310 |
| Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), D, 5.4%, 2029 (a) | 85,000 | 75,370 |
| Brazos River Authority, TX, Pollution Control Rev. (TXU Energy Co., LLC), 5%, 2041 | 835,000 | 541,589 |
| Connecticut Development Authority, Pollution Control Rev. (Connecticut Light & Power Co.), 5.95%, 2028 | 2,270,000 | 2,269,773 |
| Farmington, NM, Pollution Control Rev. (Public Service New Mexico), A, 6.3%, 2016 | 2,195,000 | 2,202,441 |
| Farmington, NM, Pollution Control Rev. (Public Service New Mexico), C, 5.8%, 2022 | 2,105,000 | 2,050,060 |

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Table of Contents*Portfolio of Investments (unaudited) continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-----------------------|
| Municipal Bonds - continued | | |
| Utilities - Investor Owned - continued | | |
| Matagorda County, TX (CenterPoint Energy), 5.6%, 2027 | \$ 1,500,000 | \$ 1,317,540 |
| Matagorda County, TX, Pollution Control Rev. (Reliant Energy), 5.95%, 2030 | 1,655,000 | 1,480,100 |
| Mecklenburg County, VA, Industrial Development Authority Rev. (UAE Mecklenburg LP), 6.5%, 2017 | 800,000 | 851,520 |
| New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), 6%, 2021 | 1,000,000 | 1,020,970 |
| Red River, TX, Authority Pollution Control (AEP Texas Central Co.), MBIA, 4.45%, 2020 | 815,000 | 797,836 |
| Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.2%, 2028 | 340,000 | 251,216 |
| Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.75%, 2030 (a) | 290,000 | 272,812 |
| West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2015 | 1,500,000 | 1,500,420 |
| West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2016 | 1,000,000 | 1,004,560 |
| Yuma County, AZ, Industrial Development Authority (Far West Water & Sewer, Inc.), 6.375%, 2037 | 735,000 | 683,072 |
| | | \$ 18,850,094 |
| Utilities - Municipal Owned - 2.6% | | |
| North Carolina Eastern Municipal Power Agency, Power Systems Rev., A, 5.55%, 2014 | \$ 2,150,000 | \$ 2,212,264 |
| North Carolina Municipal Power Agency, Catawba Electric Rev., B, 6.5%, 2020 | 2,000,000 | 2,099,580 |
| Seattle, WA, Municipal Light & Power Rev., 5.625%, 2017 | 3,000,000 | 3,158,460 |
| | | \$ 7,470,304 |
| Utilities - Other - 0.5% | | |
| Main Street Natural Gas, Inc., GA, Gas Project Revenue, A, 5.5%, 2026 | \$ 285,000 | \$ 267,512 |
| Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2037 | 1,280,000 | 1,145,011 |
| | | \$ 1,412,523 |
| Water & Sewer Utility Revenue - 0.3% | | |
| Magnolia, TX, Water & Sewer System Rev., 5.15%, 2031 | \$ 205,000 | \$ 196,644 |
| Mississippi Development Bank Special Obligations, Grenada, MS, Water & Sewer Systems Project, N, FSA, 5%, 2030 | 710,000 | 727,438 |
| | | \$ 924,082 |
| Total Municipal Bonds (Identified Cost, \$424,204,434) | | \$ 417,233,716 |

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Portfolio of Investments (unaudited) continued

| Floating Rate Demand Notes - 2.1% | | |
|--|------------|-----------------------|
| Issuer | Shares/Par | Value (\$) |
| East Baton Rouge, LA, Pollution Control Rev. (Exxon Mobil Corp.), 2.28%, due 5/01/08 | \$ 100,000 | \$ 100,000 |
| Jacksonville, FL, Pollution Control Rev. (Florida Power & Light Co.), 2.45%, due 5/01/08 | 2,000,000 | 2,000,000 |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), 2.28%, due 5/01/08 | 500,000 | 500,000 |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), A, 2.48%, due 5/01/08 | 400,000 | 400,000 |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), C, 2.48%, due 5/01/08 | 2,995,000 | 2,995,000 |
| Mt. Vernon Industrial Pollution Control Rev. (General Electric Co.), 2.52%, due 5/01/08 | 100,000 | 100,000 |
| Total Floating Rate Demand Notes, at Identified Cost | | \$ 6,095,000 |
| Total Investments (Identified Cost, \$430,299,434) (k) | | \$ 423,328,716 |
| Other Assets, Less Liabilities - 0.5% | | 1,532,399 |
| Preferred shares (issued by the fund) - (49.1)% | | \$(140,000,000) |
| Net Assets applicable to common shares - 100.0% | | \$ 284,861,115 |

(a) Mandatory tender date is earlier than stated maturity date.

(c) Refunded bond.

(d) Non-income producing security - in default.

(f) All or a portion of the security has been segregated as collateral for an open futures contract.

(k) As of April 30, 2008, the fund held securities fair valued in accordance with the policies adopted by the Board of Trustees, aggregating \$417,233,716 and 98.56% of market value. All of these security values were provided by an independent pricing service using an evaluated bid.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$10,801,742, representing 3.8% of net assets, applicable to common shares.

(p) Primary inverse floater.

(u) Underlying security deposited into special purpose trust (the trust) by investment banker upon creation of self-deposited inverse floaters.
Futures contracts outstanding at 4/30/08

| Description | Contracts | Value | Expiration Date | Unrealized Appreciation/ (Depreciation) |
|----------------------------------|-----------|--------------|-----------------|---|
| U.S. Treasury Note 10 yr (Short) | 130 | \$15,055,625 | Jun-08 | \$(200,186) |
| U.S. Treasury Bond 30 yr (Short) | 72 | 8,416,125 | Jun-08 | (145,939) |
| | | | | \$(346,125) |

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Portfolio of Investments (unaudited) continued

Swap Agreements at 4/30/08

Interest Rate Swaps

| Expiration | Notional Amount | Counterparty | Cash Flows to Receive | Cash Flows to Pay | Value |
|-------------------|------------------------|--------------------------------|------------------------------|--------------------------|---------------|
| 5/14/18 | USD 22,500,000 | Merrill Lynch Capital Services | 7-day BMA | 3.865% (fixed rate) | \$(1,078,285) |

At April 30, 2008, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

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

- BMA Bond Market Assn.
- COP Certificate of Participation
- ETM Escrowed to Maturity

Insurers

| | |
|----------|------------------------------------|
| AMBAC | AMBAC Indemnity Corp. |
| ASSD GTY | Assured Guaranty Insurance Co. |
| FGIC | Financial Guaranty Insurance Co. |
| FHA | Federal Housing Administration |
| FHLMC | Federal Home Loan Mortgage Corp. |
| FNMA | Federal National Mortgage Assn. |
| FSA | Financial Security Assurance Inc. |
| GNMA | Government National Mortgage Assn. |
| MBIA | MBIA Insurance Corp. |
| PSF | Permanent School Fund |
| XLCA | XL Capital Insurance Co. |

Inverse Floaters

| | |
|--------|---------------------------|
| INFLOS | Inverse Floating Security |
|--------|---------------------------|

See Notes to Financial Statements

Table of Contents*Financial Statements***STATEMENT OF ASSETS AND LIABILITIES**

At 4/30/08 (unaudited)

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

| | |
|--|----------------------|
| Assets | |
| Investments, at value (identified cost, \$430,299,434) | \$423,328,716 |
| Cash | 65,526 |
| Receivable for investments sold | 1,313,118 |
| Interest receivable | 8,368,099 |
| Other assets | 27,180 |
| Total assets | \$433,102,639 |
| Liabilities | |
| Distributions payable on common shares | \$237 |
| Distributions payable on preferred shares | 48,708 |
| Payable for daily variation margin on open futures contracts | 111,094 |
| Payable for investments purchased | 5,234,852 |
| Payable to the holder of the floating rate certificate from trust assets | 1,500,000 |
| Swaps, at value | 1,078,285 |
| Payable to affiliates | |
| Management fee | 18,477 |
| Transfer agent and dividend disbursing costs | 10,457 |
| Administrative services fee | 248 |
| Payable for independent trustees' compensation | 108,886 |
| Payable for interest expense and fees | 14,372 |
| Accrued expenses and other liabilities | 115,908 |
| Total liabilities | \$8,241,524 |
| Preferred shares | |
| Series T and Series TH auction preferred shares (5,600 shares issued and outstanding at \$25,000 per share) at liquidation value | \$140,000,000 |
| Net assets applicable to common shares | \$284,861,115 |
| Net assets consist of | |
| Paid-in capital - common shares | \$316,107,195 |
| Unrealized appreciation (depreciation) on investments | (8,395,128) |
| Accumulated net realized gain (loss) on investments | (25,741,854) |
| Undistributed net investment income | 2,890,902 |
| Net assets applicable to common shares | \$284,861,115 |
| Preferred shares, at value (5,600 shares issued and outstanding at \$25,000 per share) | 140,000,000 |
| Net assets including preferred shares | \$424,861,115 |
| Common shares of beneficial interest outstanding | 40,321,699 |
| Net asset value per common share (net assets of \$284,861,115/40,321,699 shares of beneficial interest outstanding) | \$7.06 |

See Notes to Financial Statements

Table of Contents*Financial Statements***STATEMENT OF OPERATIONS**

Six months ended 4/30/08 (unaudited)

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

| | | |
|---|----------------|----------------|
| Net investment income | | |
| Interest income | | \$13,523,761 |
| Expenses | | |
| Management fee | \$1,708,614 | |
| Transfer agent and dividend disbursing costs | 40,033 | |
| Administrative services fee | 28,120 | |
| Independent trustees' compensation | 24,123 | |
| Stock exchange fee | 17,836 | |
| Preferred shares remarketing agent fee | 174,720 | |
| Custodian fee | 58,429 | |
| Shareholder communications | 17,796 | |
| Auditing fees | 30,129 | |
| Legal fees | 7,982 | |
| Interest expense and fees | 66,470 | |
| Miscellaneous | 63,992 | |
| Total expenses | | \$2,238,244 |
| Fees paid indirectly | (10,723) | |
| Reduction of expenses by investment adviser | (697) | |
| Net expenses | | \$2,226,824 |
| Net investment income | | \$11,296,937 |
| Realized and unrealized gain (loss) on investments | | |
| Realized gain (loss) (identified cost basis) | | |
| Investment transactions | \$(144,531) | |
| Futures contracts | 11,555 | |
| Swap transactions | (1,000,000) | |
| Net realized gain (loss) on investments | | \$(1,132,976) |
| Change in unrealized appreciation (depreciation) | | |
| Investments | \$(22,745,539) | |
| Futures contracts | (346,125) | |
| Swap transactions | (567,353) | |
| Net unrealized gain (loss) on investments | | \$(23,659,017) |
| Net realized and unrealized gain (loss) on investments | | \$(24,791,993) |
| Distributions declared to preferred shareholders | | \$(2,591,052) |
| Change in net assets from operations | | \$(16,086,108) |

See Notes to Financial Statements

Table of Contents*Financial Statements***STATEMENTS OF CHANGES IN NET ASSETS**

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

| | Six months ended 4/30/08 (unaudited) | Year ended 10/31/07 |
|---|---|--------------------------------|
| Change in net assets | | |
| From operations | | |
| Net investment income | \$11,296,937 | \$22,971,136 |
| Net realized gain (loss) on investments | (1,132,976) | 984,302 |
| Net unrealized gain (loss) on investments | (23,659,017) | (15,024,046) |
| Distributions declared to preferred shareholders | (2,591,052) | (5,165,360) |
| Change in net assets from operations | \$(16,086,108) | \$3,766,032 |
| Distributions declared to shareholders | | |
| From net investment income | \$(9,181,797) | \$(18,606,311) |
| Net asset value of shares issued to common shareholders in reinvestment of distributions | \$438,523 | \$1,432,077 |
| Total change in net assets | \$(24,829,382) | \$(13,408,202) |
| Net assets | | |
| At beginning of period | 309,690,497 | 323,098,699 |
| At end of period (including undistributed net investment income of \$2,890,902 and \$3,366,814, respectively) | \$284,861,115 | \$309,690,497 |
| See Notes to Financial Statements | | |

Table of Contents*Financial Statements***FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the fund's financial performance for the semiannual period and the past 5 fiscal years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which 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.

| | Six months ended | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|---------------------|-----------|-----------|-----------|-----------|-----------|
| | 4/30/08 | | | | | |
| | (unaudited) | | | | | |
| Net asset value, beginning of period | \$7.69 | \$8.06 | \$7.92 | \$7.86 | \$7.69 | \$7.61 |
| Income (loss) from investment operations | | | | | | |
| Net investment income (d) | \$0.28 | \$0.57(z) | \$0.58 | \$0.59 | \$0.60 | \$0.61 |
| Net realized and unrealized gain (loss) on investments | (0.62) | (0.35)(z) | 0.17 | 0.10 | 0.16 | 0.04 |
| Distributions declared to preferred shareholders | (0.06) | (0.13) | (0.12) | (0.08) | (0.04) | (0.04) |
| Total from investment operations | \$(0.40) | \$0.09 | \$0.63 | \$0.61 | \$0.72 | \$0.61 |
| Less distributions declared to shareholders | | | | | | |
| From net investment income, common shares | \$(0.23) | \$(0.46) | \$(0.49) | \$(0.55) | \$(0.55) | \$(0.53) |
| Net asset value, end of period | \$7.06 | \$7.69 | \$8.06 | \$7.92 | \$7.86 | \$7.69 |
| Common share market value, end of period | \$7.49 | \$7.31 | \$8.20 | \$8.27 | \$7.83 | \$7.49 |
| Total return at common market value (%) (p) | 5.80(n) | (5.48) | 5.41 | 13.18 | 12.22 | 12.51 |
| Total return at net asset value (%) | (5.20)(n) | 1.17 | 8.24 | 7.92 | 9.72 | 8.53 |
| Ratios (%) (to average net assets applicable to common shares) and Supplemental data: | | | | | | |
| Expenses before expense reductions (f)(p) | 1.52(a) | 1.47 | 1.45 | 1.44 | 1.46 | 1.51 |
| Expenses after expense reductions (f)(p) | 1.52(a) | 1.47 | 1.45 | 1.44 | 1.46 | N/A |
| Expenses after expense reductions and excluding interest expense and fees (f)(l)(p) | 1.48(a) | 1.40 | 1.45 | 1.44 | 1.46 | 1.51 |
| Net investment income (p) | 7.69(a) | 7.23(z) | 7.30 | 7.45 | 7.70 | 7.98 |
| Portfolio turnover | 13 | 24 | 17 | 14 | 9 | 11 |
| Net assets at end of period (000 Omitted) | \$284,861 | \$309,690 | \$323,099 | \$316,196 | \$312,825 | \$305,383 |

Table of Contents*Financial Highlights continued*

| | Six months ended | 2007 | Years ended 10/31 | | | 2003 |
|---|---------------------|----------|-------------------|----------|----------|----------|
| | 4/30/08 | | 2006 | 2005 | 2004 | |
| | (unaudited) | | | | | |
| Supplemental Ratios (%): | | | | | | |
| Ratio of expenses to average net assets including preferred shares and excluding interest expense and fees (f)(p) | 1.00(a) | 0.97 | 1.00 | 0.99 | 1.00 | 1.03 |
| Preferred shares dividends (y) | 1.77(a) | 1.63 | 1.46 | 0.95 | 0.49 | 0.48 |
| Net investment income available to common shares | 5.92(a) | 5.60 | 5.84 | 6.49 | 7.22 | 7.50 |
| Senior Securities: | | | | | | |
| Total preferred shares outstanding | 5,600 | 5,600 | 5,600 | 5,600 | 5,600 | 5,600 |
| Asset coverage per preferred share (k) | \$75,844 | \$80,302 | \$82,696 | \$81,464 | \$80,862 | \$79,533 |
| Involuntary liquidation preference per preferred share (m) | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Average market value per preferred share (m)(x) | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |

(a) Annualized

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

(f) Ratios do not reflect reductions from fees paid indirectly, if applicable.

(k) Calculated by subtracting the fund's total liabilities (not including preferred shares) from the fund's total assets and dividing this number by the number of preferred shares outstanding.

(l) Interest expense and fees relate to payments made to the holder of the floating rate certificate from trust assets.

(m) Amount excludes accrued unpaid distributions to Auction Preferred Shareholders.

(n) Not annualized

(p) Ratio excludes dividend payment on auction preferred shares.

(x) Average market value represents the approximate fair value of the fund's liability.

(y) Ratio is based on average net assets applicable to common shares.

(z) The fund applied a change in estimate for amortization of premium on certain debt securities during the year that resulted in an increase of \$0.04 per share to net investment income, a decrease of \$0.04 per share to net realized and unrealized gain (loss) on investments, and an increase of 0.49% to the net investment income ratio for the year ended October 31, 2007. The change in estimate had no impact on net assets, net asset value per share or total return.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(unaudited)

(1) Business and Organization

MFS Municipal Income Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

(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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The fund can invest up to 100% of its portfolio in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, the security could decline in value, interest from the security could become taxable and the fund may be required to issue Forms 1099-DIV.

Investment Valuations Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as reported by an independent 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. Futures contracts are generally valued at last posted settlement price as reported by an independent pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as reported by an independent pricing service on the market on which such futures contracts are primarily traded. Swaps are generally valued at an evaluated bid as reported by an independent pricing service. Securities and other assets generally valued on the basis of information from an independent pricing service may also be valued at a broker-dealer bid quotation. Values obtained from pricing services can utilize both dealer-supplied valuations and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

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Notes to Financial Statements (unaudited) continued

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 independent pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser may rely on independent 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 investments used to determine the fund's net asset value may differ from quoted or published prices for the same investments.

In September 2006, FASB Statement No. 157, Fair Value Measurements (the Statement) was issued, and is effective for fiscal years beginning after November 15, 2007 and for all interim periods within those fiscal years. This Statement provides a single definition of fair value, a hierarchy for measuring fair value and expanded disclosures about fair value measurements. Management is evaluating the application of the Statement to the fund, and believes the impact will be limited to expanded disclosures resulting from the adoption of this Statement in the fund's financial statements.

Derivative Risk The fund may invest in derivatives for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to gain market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost. Cash that has been segregated on behalf of certain derivative contracts will be

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Notes to Financial Statements (unaudited) continued

reported separately on the Statement of Assets and Liabilities as restricted cash. Derivative instruments include futures contracts and swap agreements.

Futures Contracts The fund may enter into futures contracts for the delayed delivery of securities or currency, or contracts based on financial indices at a fixed price on a future date. In entering such contracts, the fund is required to deposit with the broker either in cash or securities an amount equal to a certain percentage of the contract amount. Subsequent payments are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gains or losses by the fund. Upon entering into such contracts, the fund bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss.

Swap Agreements The fund may enter into swap agreements. A swap is an exchange of cash payments between the fund and another party. Net cash payments are exchanged at specified intervals and are recorded as a realized gain or loss in the Statement of Operations. The value of the swap is adjusted daily and the change in value, including accruals of periodic amounts of interest to be paid or received, is recorded as unrealized appreciation or depreciation in the Statement of Operations. Amounts paid or received at the inception of the swap are reflected as premiums paid or received on the Statement of Assets and Liabilities and are amortized using the effective interest method over the term of the agreement. A liquidation payment received or made upon early termination is recorded as a realized gain or loss in the Statement of Operations. Collateral, in the form of cash or securities, may be required to be held in segregated accounts with the fund's custodian in connection with these agreements. Risk of loss may exceed amounts recognized on the Statement of Assets and Liabilities. These risks include the possible lack of a liquid market, failure of the counterparty to perform under the terms of the agreements, and unfavorable market and interest rate movements of the underlying instrument. All swap agreements entered into by the fund with the same counterparty are generally governed by a single master agreement, which provides for the netting of all amounts owed by the parties under the agreement upon the occurrence of an event of default, thereby reducing the credit risk to which such party is exposed.

The fund holds interest rate swap agreements which involve the periodic exchange of cash flows, such as the exchange of fixed rate interest payments for floating rate interest payments based on a notional principal amount. The interest rates may be based on a specific financial index or the exchange of two distinct floating rate payments. The fund may enter into an interest rate swap in order to manage its exposure to interest rate fluctuations.

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Notes to Financial Statements (unaudited) continued

Inverse Floaters The fund invests in municipal inverse floating rate securities which are structured by the issuer (known as primary market inverse floating rate securities) or by an investment banker utilizing municipal bonds which have already been issued (known as secondary market inverse floating rate securities) to have variable rates of interest which typically move in the opposite direction of short term interest rates. A secondary market inverse floating rate security is created when an investment banker transfers a fixed rate municipal bond to a special purpose trust, and causes the trust to (a) issue floating rate certificates to third parties, in an amount equal to a fraction of the par amount of the deposited bonds (these certificates usually pay tax-exempt interest at short-term interest rates that typically reset weekly; and the certificate holders typically, on seven days notice, have the option to tender their certificates to the investment banker or another party for redemption at par plus accrued interest), and (b) issue inverse floating rate certificates (sometimes referred to as inverse floaters). If the holder of the inverse floater transfers the municipal bonds to an investment banker for the purpose of depositing the municipal bonds into the special purpose trust, the inverse floating rate certificates that are issued by the trust are referred to as self-deposited inverse floaters. If the bonds held by the trust are purchased by the investment banker for deposit into the trust from someone other than the purchasers of the inverse floaters, the inverse floating rate certificates that are issued by the trust are referred to as externally deposited inverse floaters. Such self-deposited inverse floaters held by the fund are accounted for as secured borrowings, with the municipal bonds reflected in the investments of the fund and amounts owed to the holder of the floating rate certificate under the provisions of the trust, which amounts are paid solely from the assets of the trust, reflected as liabilities of the fund in the Statement of Assets and Liabilities under the caption, Payable to the holder of the floating rate certificate from trust assets. At April 30, 2008, the fund's payable to the holder of the floating rate certificate from trust assets was \$1,500,000. The weighted average interest rate on the floating rate certificates issued by the trust was 2.48%. Interest expense and fees relate to payments made to the holder of the floating rate certificate from trust assets in connection with self-deposited inverse floater transactions. Interest expense and fees are recorded as incurred. For the six months ended April 30, 2008, interest expense and fees in connection with self-deposited inverse floaters was \$66,470. Primary and externally deposited inverse floaters held by the fund are not accounted for as secured borrowings.

In March 2008, FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities (the Standard) was issued, and is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. This Standard provides enhanced

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Notes to Financial Statements (unaudited) continued

disclosures about the fund's use of and accounting for derivative instruments and the effect of derivative instruments on the fund's results of operations and financial position. Management is evaluating the application of the Standard to the fund, and has not at this time determined the impact, if any, resulting from the adoption of this Standard on the fund's financial statements.

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

Investment Transactions and Income Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. 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. Legal fees and other related expenses incurred to preserve and protect the value of a security owned are added to the cost of the security; other legal fees are expensed. Capital infusions made directly to the security issuer, which are generally non-recurring, incurred to protect or enhance the value of high-yield debt securities, are reported as additions to the cost basis of the security. Costs that are incurred to negotiate the terms or conditions of capital infusions or that are expected to result in a plan of reorganization are reported as realized losses. Ongoing costs incurred to protect or enhance an investment, or costs incurred to pursue other claims or legal actions, are expensed.

Fees Paid Indirectly The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the six months ended April 30, 2008, is shown as a reduction of total expenses on 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 and tax-exempt income, including realized capital gains. As a result, no provision for federal income tax is required. The fund adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (the Interpretation) on the first

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Notes to Financial Statements (unaudited) continued

day of the fund's fiscal year. The Interpretation prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. There was no impact resulting from the adoption of this Interpretation on the fund's financial statements. The fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service. It is the fund's policy to record interest and penalty charges on underpaid taxes associated with its tax positions as interest expense and miscellaneous expense, respectively. No such charges were recorded in the current financial statements.

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

Book/tax differences primarily relate to amortization and accretion of debt securities and secured borrowings.

The tax character of distributions made during the current period will be determined at fiscal year end. The tax character of distributions declared to shareholders is as follows:

| | |
|--|---------------------|
| | 10/31/07 |
| Ordinary income (including any short-term capital gains) | \$113,468 |
| Tax-exempt income | 23,658,203 |
| | \$23,771,671 |

Table of Contents*Notes to Financial Statements (unaudited) continued*

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

| As of 4/30/08 | |
|--|---------------|
| Cost of investments | \$427,540,588 |
| Gross appreciation | 13,108,752 |
| Gross depreciation | (18,820,624) |
| Net unrealized appreciation (depreciation) | \$(5,711,872) |
| As of 10/31/07 | |
| Undistributed ordinary income | \$162,969 |
| Undistributed tax-exempt income | 3,449,678 |
| Capital loss carryforwards | (26,266,311) |
| Other temporary differences | (763,803) |
| Net unrealized appreciation (depreciation) | 17,439,292 |

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

As of October 31, 2007, the fund had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

| | |
|----------|----------------|
| 10/31/09 | \$ (899,441) |
| 10/31/10 | (2,883,947) |
| 10/31/11 | (10,944,821) |
| 10/31/12 | (1,858,513) |
| 10/31/13 | (9,679,589) |
| | \$(26,266,311) |

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with Massachusetts Financial Services Company (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 an annual rate of 0.40% of the fund's average weekly net assets (including the value of the auction preferred shares) and 6.32% of gross income. Gross income is calculated based on tax rules that generally include the amortization of premium and exclude the accretion of market discount, which may differ from investment income reported in the Statement of Operations. The management fee, from net assets and gross income, incurred for the six months ended April 30, 2008 was equivalent to an annual effective rate of 0.79% of the fund's average daily net assets including preferred shares.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund. MFS Service Center, Inc. (MFSC), monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the six months ended

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Notes to Financial Statements (unaudited) continued

April 30, 2008, these fees paid to MFSC amounted to \$13,163. MFSC also receives payment from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the six months ended April 30, 2008, these costs amounted to \$3,903.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially reimburses MFS the costs incurred to provide these services. The fund is charged a fixed amount plus a fee based on average daily net assets. The fund's annual fixed amount is \$17,500. The administrative services fee incurred for the six months ended April 30, 2008 was equivalent to an annual effective rate of 0.013% 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 to officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and trustees of the fund are officers or directors of MFS and MFSC.

The fund has an unfunded, defined benefit plan for certain retired independent trustees which resulted in a pension expense of \$3,859. This amount is included in independent trustees' compensation for the six months ended April 30, 2008. The liability for deferred retirement benefits payable to certain retired independent trustees amounted to \$97,616 at April 30, 2008, and is included in payable for independent trustees compensation.

Other This fund and certain other MFS funds (the funds) have entered into a services agreement (the Agreement) which provides for payment of fees by the funds to Tarantino LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) for the funds. The ICCO is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the Agreement with Tarantino LLC at any time under the terms of the Agreement. For the six months ended April 30, 2008, the fee paid by the fund to Tarantino LLC was \$1,231 and is included in miscellaneous expense on the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund to Tarantino LLC in the amount of \$697, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO.

Table of Contents*Notes to Financial Statements (unaudited) continued***(4) Portfolio Securities**

Purchases and sales of investments, other than U.S. government securities, purchased option transactions, and short-term obligations, aggregated \$56,474,977 and \$66,832,203, respectively.

(5) Shares of Beneficial Interest

The trust's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized the repurchase by the trust of up to 10% annually of its own shares of beneficial interest. During the six months ended April 30, 2008, the fund did not repurchase any shares. Transactions in fund shares were as follows:

| | Six months ended 4/30/08 | | Year ended 10/31/07 | |
|--|-----------------------------|-----------|------------------------|-------------|
| | Shares | Amount | Shares | Amount |
| Shares issued to shareholders in reinvestment of distributions | 61,840 | \$438,523 | 179,155 | \$1,432,077 |

(6) Line of Credit

The fund and other funds managed by MFS participate in a \$1 billion unsecured committed line of credit provided by a syndication of banks under a credit agreement. In addition, the fund and other funds managed by MFS have established uncommitted borrowing arrangements with certain banks. 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 Federal Reserve funds rate plus 0.30%. In addition, a commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. For the six months ended April 30, 2008, the fund's commitment fee and interest expense on the line of credit were \$664 and \$0, respectively, and are included in miscellaneous expense and interest expense and fees, respectively, on the Statement of Operations.

(7) Auction Preferred Shares

The fund issued 2,800 shares of Auction Preferred Shares (APS), series T and 2,800 of APS, series TH. Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. If the APS are unable to be remarketed on a remarketing date as part of the auction process, the fund would be required to pay the maximum applicable rate on APS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on APS is equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate.

Since February 2008, regularly scheduled auctions for APS issued by closed end funds, including MFM, have consistently failed because of insufficient

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Notes to Financial Statements (unaudited) continued

demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, APS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for APS, they do not constitute a default or automatically alter the credit quality of the APS, and APS holders have continued to receive dividends at the previously defined maximum rate. During the six months ended April 30, 2008, the APS dividend rates ranged from 2.61% to 4.10%. These developments with respect to APS do not affect the management or investment policies of the fund. However, one implication of these auction failures for Common shareholders is that the fund's cost of leverage will be higher than it otherwise would have been had the auctions continued to be successful. As a result, the fund's future Common share earnings may be lower than they otherwise would have been.

The fund pays an annual fee equivalent to 0.25% of the preferred share liquidation value for remarketing efforts associated with the preferred auction. The APS are redeemable at the option of the fund in whole or in part at the redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends. The APS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied. The fund is required to maintain certain asset coverage with respect to the APS as defined in the trust's By-Laws and the Investment Company Act of 1940.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of MFS Municipal Income Trust:

We have reviewed the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Municipal Income Trust (the Trust) as of April 30, 2008, and the related statement of operations, statement of changes in net assets, and financial highlights for the six-month period ended April 30, 2008. These interim financial statements and financial highlights are the responsibility of the Trust's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements and financial highlights referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended October 31, 2007, and financial highlights for each of the five years in the period ended October 31, 2007, and in our report dated December 17, 2007, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

DELOITTE & TOUCHE LLP

June 17, 2008

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BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

A discussion regarding the Board's most recent review and renewal of the fund's investment advisory agreement is available by clicking on the fund's name under Products and Performance and then Closed-End Funds MFS Web site (*mfs.com*).

PROXY VOTING POLICIES AND INFORMATION

A general description of the MFS funds' proxy voting policies and procedures is available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* 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 without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. The fund's Form N-Q is available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section at the above address.

A shareholder can also obtain the quarterly portfolio holdings report at *mfs.com*.

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CONTACT INFORMATION AND NUMBER OF SHAREHOLDERS

Investor Information

Transfer Agent, Registrar and Dividend Disbursing Agent

Call 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time

Write to: Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

Number of Shareholders

As of April 30, 2008, our records indicate that there are 2,032 registered shareholders and approximately 12,203 shareholders owning trust shares in street name, such as through brokers, banks, and other financial intermediaries.

If you are a street name shareholder and wish to directly receive our reports, which contain important information about the trust, please write or call:

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

1-800-637-2304

500 Boylston Street, Boston, MA 02116

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ITEM 2. CODE OF ETHICS.

The Registrant has not amended any provision in its Code of Ethics (the Code) that relates to any element of the Code s definition enumerated in paragraph (b) of Item 2 of this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual reports.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for semi-annual reports.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for semi-annual reports.

ITEM 6. SCHEDULE OF INVESTMENTS.

A schedule of investments for each series of the Registrant is included as part of the report to shareholders of such series under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for semi-annual reports.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

There were no changes during the period.

Table of Contents**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS Municipal Income Trust**

| Period | (a) Total number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs |
|------------------|---|---|---|---|
| 11/1/07 11/30/07 | 0 | N/A | 0 | 4,016,342 |
| 12/1/07 12/31/07 | 0 | N/A | 0 | 4,016,342 |
| 1/1/08 1/31/08 | 0 | N/A | 0 | 4,016,342 |
| 2/1/08 2/28/08 | 0 | N/A | 0 | 4,016,342 |
| 3/1/08 3/31/08 | 0 | N/A | 0 | 4,026,586 |
| 4/1/08 4/30/08 | 0 | N/A | 0 | 4,026,586 |
| Total | 0 | N/A | 0 | |

Note: The Board of Trustees approves procedures to repurchase Fund shares annually. The notification to shareholders of the program is included in the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1st of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of Fund shares that may be repurchased in each annual period (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of Fund shares available for repurchase for the March 1, 2008 plan year is 4,026,586.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant's Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this report on Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by the report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

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ITEM 12. EXHIBITS.

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit.
 - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2): Attached hereto.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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Notice

A copy of the Amended and Restated Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) MFS MUNICIPAL INCOME TRUST

By (Signature and Title)* ROBERT J. MANNING
Robert J. Manning, President

Date: June 17, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* ROBERT J. MANNING
Robert J. Manning, President

(Principal Executive Officer)

Date: June 17, 2008

By (Signature and Title)* MARIA F. DWYER
Maria F. Dwyer, Treasurer

(Principal Financial Officer and Accounting Officer)

Date: June 17, 2008

* Print name and title of each signing officer under his or her signature.