

MFS MUNICIPAL INCOME TRUST
Form DEF 14A
August 24, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party Other Than the Registrant

Check the Appropriate Box:

- Preliminary Proxy Statement
- Confidential for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to sec. 240.14a-11(c) of sec. 240.14a-12

MFS CALIFORNIA MUNICIPAL FUND
MFS CHARTER INCOME TRUST
MFS GOVERNMENT MARKETS INCOME TRUST
MFS HIGH INCOME MUNICIPAL TRUST
MFS HIGH YIELD MUNICIPAL TRUST
MFS INTERMARKET INCOME TRUST I
MFS INTERMEDIATE HIGH INCOME FUND

MFS INTERMEDIATE INCOME TRUST

MFS INVESTMENT GRADE MUNICIPAL TRUST

MFS MULTIMARKET INCOME TRUST

MFS MUNICIPAL INCOME TRUST

MFS SPECIAL VALUE TRUST

(Names of Registrants as Specified in their Charters)

(Name of Person(s) Filing Proxy Statement, if other than the Registrants)

Payment of Filing Fee (Check the Appropriate Box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total Fee Paid:

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

August 24, 2011

Dear Shareholder:

The Annual Meeting of Shareholders for your Fund will be held at the Fund's offices at 500 Boylston Street, Boston, MA on October 5, 2011, at 10:30 a.m. (Boston time).

At the meeting, you will be asked to vote to elect Trustees to the Board of Trustees. The Board of Trustees, including the Independent Trustees, unanimously recommends that you vote in favor of the Trustees who have been nominated for election. Please review the enclosed proxy materials and submit your vote promptly.

To save your Fund administrative and printing costs, the Funds have prepared this combined Proxy Statement for all of the MFS Funds noted above. You will only vote the shares that you hold in your Fund.

Your vote is important. Please vote promptly which will help avoid additional solicitation expenses for your Fund.

Thank you for your participation in this meeting and prompt action.

Sincerely,

MARIA F. DIORIODWYER
Maria F. DiOrioDwyer

How may I vote my shares?

You may vote the shares you hold in your Fund by telephone, internet, returning your Proxy Card by mail, or voting in person at the meeting on October 5, 2011. Please see your enclosed Proxy Card and Proxy Statement for further information.

What if I would like to vote in person and my shares are held in a brokerage account?

If your shares are held in a brokerage account, and if you choose to vote in person at the Meeting, you will need to request a Legal Proxy from your broker, and provide it to the Inspector of Elections at the Meeting. In addition, if you choose to revoke your proxy, you may need to forward your written revocation or a later-dated proxy card to your broker rather than to your Fund.

MFS[®] CALIFORNIA MUNICIPAL FUND

MFS[®] CHARTER INCOME TRUST

MFS[®] GOVERNMENT MARKETS INCOME TRUST

MFS[®] HIGH INCOME MUNICIPAL TRUST

MFS[®] HIGH YIELD MUNICIPAL TRUST

MFS[®] INTERMARKET INCOME TRUST I

MFS[®] INTERMEDIATE HIGH INCOME FUND

MFS[®] INTERMEDIATE INCOME TRUST

MFS[®] INVESTMENT GRADE MUNICIPAL TRUST

MFS[®] MULTIMARKET INCOME TRUST

MFS[®] MUNICIPAL INCOME TRUST

MFS[®] SPECIAL VALUE TRUST

500 Boylston Street, Boston, Massachusetts 02116

Notice of the 2011 Annual Meeting of Shareholders

To be held on October 5, 2011

The 2011 Annual Meeting of Shareholders of each of the above referenced trusts (each, a Trust or Fund and collectively, the Trusts or Funds) will be held at 500 Boylston Street, Boston, Massachusetts 02116, at 10:30 a.m. on Wednesday, October 5, 2011, for the following purposes:

ITEM 1. To elect Trustees to the Board of Trustees of each Trust as outlined below:

- a. for each of MFS Charter Income Trust, MFS Government Markets Income Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Multimarket Income Trust, MFS Special Value Trust:
 - i) four Trustees, William R. Gutow, Michael Hegarty, John P. Kavanaugh, and Robert W. Uek, to be elected by shareholders of each Trust; and

- b. for each of MFS California Municipal Fund, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS Investment Grade Municipal Trust, MFS Municipal Income Trust:
 - i) three Trustees, William R. Gutow, Michael Hegarty, and Robert W. Uek, to be elected by the holders of common shares and preferred shares of the Trust, voting together as a single class; and
 - ii) two Trustees, John P. Kavanaugh and Laurie J. Thomsen, to be elected by the holders of preferred shares only, voting as a separate class; and

ITEM 2. To transact such other business as may properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

THE TRUSTEES OF YOUR TRUST RECOMMEND THAT YOU VOTE IN FAVOR OF ITEM 1.

It is anticipated that each Trust will hold its meeting simultaneously with each other Trust. Shareholders of each Trust will vote separately on each item.

Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form DEF 14A

Only a Trust's shareholders of record on August 4, 2011 will be entitled to receive notice of and to vote at that Trust's Meeting of Shareholders or any adjournment(s) or postponement(s) thereof.

By order of the Board of Trustees

SUSAN S. NEWTON

Assistant Secretary and Assistant Clerk

August 24, 2011

YOUR VOTE IS IMPORTANT. WE WOULD APPRECIATE YOUR PROMPTLY VOTING, SIGNING AND RETURNING THE ENCLOSED PROXY SO THAT IT IS RECEIVED BY THE DATE OF THE MEETING OR RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET BY 10:00 A.M., EASTERN TIME, ON THE DATE OF THE MEETING, WHICH WILL HELP AVOID THE ADDITIONAL EXPENSE OF A SECOND SOLICITATION FOR EACH TRUST. THE ENCLOSED ADDRESSED ENVELOPE REQUIRES NO POSTAGE AND IS PROVIDED FOR YOUR CONVENIENCE.

MFS[®] CALIFORNIA MUNICIPAL FUND

MFS[®] CHARTER INCOME TRUST

MFS[®] GOVERNMENT MARKETS INCOME TRUST

MFS[®] HIGH INCOME MUNICIPAL TRUST

MFS[®] HIGH YIELD MUNICIPAL TRUST

MFS[®] INTERMARKET INCOME TRUST I

MFS[®] INTERMEDIATE HIGH INCOME FUND

MFS[®] INTERMEDIATE INCOME TRUST

MFS[®] INVESTMENT GRADE MUNICIPAL TRUST

MFS[®] MULTIMARKET INCOME TRUST

MFS[®] MUNICIPAL INCOME TRUST

MFS[®] SPECIAL VALUE TRUST

Proxy Statement

This Proxy Statement is furnished in connection with the solicitation of proxies by and on behalf of the Board of Trustees of MFS California Municipal Fund, MFS Charter Income Trust, MFS Government Markets Income Trust, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Investment Grade Municipal Trust, MFS Multimarket Income Trust, MFS Municipal Income Trust, and MFS Special Value Trust, (each, a Trust or Fund and collectively, the Trusts or Funds) to be used at the Meeting of Shareholders of each Trust (each, a Meeting) to be held at 10:30 a.m. on October 5, 2011 at 500 Boylston Street, Boston, Massachusetts 02116, for the purposes set forth in the accompanying Notice of the 2011 Annual Meeting of Shareholders (the Notice). Information regarding the Board of Trustees can be found in the section of this Proxy Statement entitled Election of Trustees. If the enclosed form of proxy is executed and returned, it may nevertheless be revoked prior to its exercise by a signed writing filed with the proxy tabulation agent, Computershare Trust Company, N.A. (Computershare), c/o Proxy Tabulator, 280 Oser Avenue, Hauppauge, New York, 11788-3610, or delivered at a Meeting. On August 4, 2011, the following number of shares were outstanding for each Trust:

Trust	# of Common Shares Outstanding	# of Preferred Shares Outstanding
MFS California Municipal Fund	2,785,129	978
MFS Charter Income Trust	54,871,740	N/A
MFS Government Markets Income Trust	32,457,612	N/A
MFS High Income Municipal Trust	31,409,830	3,900
MFS High Yield Municipal Trust	28,132,937	3,000
MFS InterMarket Income Trust I	10,842,500	N/A
MFS Intermediate High Income Fund	20,886,466	N/A
MFS Intermediate Income Trust	117,008,348	N/A
MFS Investment Grade Municipal Trust	11,537,407	1,950

Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form DEF 14A

MFS Multimarket Income Trust	78,378,104	N/A
MFS Municipal Income Trust	40,857,963	4,550
MFS Special Value Trust	6,885,259	N/A

Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form DEF 14A

Shareholders of record at the close of business on August 4, 2011 will be entitled to one vote for each share held, and each fractional share will be entitled to a proportionate fractional vote. Each Trust will vote separately on each item; votes of multiple Trusts will not be aggregated.

The mailing address of each Trust is 500 Boylston Street, Boston, Massachusetts 02116. Solicitation of proxies is being made by the mailing of this Notice and Proxy Statement with its enclosures on or about August 24, 2011. In addition to soliciting proxies by mail, the Trustees of your Trust and employees of Massachusetts Financial Services Company (MFS), your Trust's investment adviser and administrator, may solicit proxies in person or by telephone. The expenses of the preparation of proxy statements and related materials, including printing and delivery costs, and vote solicitation are borne by each Trust.

The Trusts have engaged Computershare to provide shareholder meeting services including the distribution of this Proxy Statement and related materials to shareholders as well as vote solicitation and tracking. It is anticipated that the cost of these services will be \$263,266 and may increase substantially in the event that any vote is contested or increased solicitation efforts are required.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meetings To Be Held on October 5, 2011.

The proxy statement is available at www.MFS.com. Directions to the meetings in order to vote in person are available by telephoning toll-free (800) 225-2606. **If your shares are held by your broker, then in order to vote in person at the Meeting, you will need to obtain a Legal Proxy from your broker and present it to the Inspector of Election at the Meeting. Also, in order to revoke your proxy, you may need to forward your written revocation or a later-dated proxy card to your broker rather than to the Fund.**

Summary of Items

Item No.	Item Description	Trust
1.a.(i)	Election of William R. Gutow, Michael Hegarty, John P. Kavanaugh, and Robert W. Uek as Trustees of the Trust	MFS Charter Income Trust
		MFS Government Markets Income Trust
		MFS InterMarket Income Trust I
		MFS Intermediate High Income Fund
		MFS Intermediate Income Trust
		MFS Multimarket Income Trust
		MFS Special Value Trust
1.b.(i)	Election of William R. Gutow, Michael Hegarty, and Robert W. Uek as Trustees of the Trust	Common and Preferred Shareholders of
		MFS California Municipal Fund
		MFS High Income Municipal Trust
		MFS High Yield Municipal Trust
		MFS Investment Grade Municipal Trust
		MFS Municipal Income Trust
1.b.(ii)	Election of John P. Kavanaugh and Laurie J. Thomsen as Trustees of the Trust	Preferred Shareholders of
		MFS California Municipal Fund
		MFS High Income Municipal Trust

MFS High Yield Municipal Trust

MFS Investment Grade Municipal Trust

MFS Municipal Income Trust

ITEM 1 ELECTION OF TRUSTEES

The Board of Trustees (the Board), which oversees each Trust, provides broad supervision over the affairs of each Trust. Those Trustees who are not interested persons (as defined in the Investment Company Act of 1940, as amended (the 1940 Act)) of your Trust or of MFS are referred to as Independent Trustees throughout this Proxy Statement. MFS is responsible for the investment management of each Trust's assets and for providing a variety of other administrative services to each Trust. The officers of each Trust are responsible for its operations.

The Board consists of eleven trustees, nine of whom are Independent Trustees. An Independent Trustee serves as Chair of the Trustees. In addition, each of the seven standing Committees of the Board, to which the Board has delegated certain authority and oversight responsibilities, is comprised exclusively of Independent Trustees. For a description of the oversight functions of each of the Committees, see Committees on pages 10-15 of this Proxy Statement. Three of the Committees have as members all of the Independent Trustees, and the remaining Committees have four Independent Trustees as members. In connection with each of the Board's regular meetings, the Independent Trustees meet separately from MFS with their counsel and with the Funds' Independent Chief Compliance Officer. The Board reviews its leadership structure periodically and believes that its structure is appropriate to enable the Board to exercise its oversight of the Funds.

The Funds have retained MFS as the Funds' investment adviser and administrator. MFS provides the Funds with investment advisory services, and is responsible for day-to-day administration of the Funds and management of the risks that arise from the Funds' investments and operations. Employees of MFS serve as the Funds' officers, including the Funds' principal executive officer. The Board provides oversight of the services provided by MFS, including the risk management activities. In addition, each Committee of the Board provides oversight of MFS' risk management activities with respect to the particular activities within the Committee's purview. In the course of providing oversight, the Board and the Committees receive a wide range of reports on the Funds' activities, including each Fund's investment portfolio, the compliance of the Funds with applicable laws, and the Funds' financial accounting and reporting. The Board and the relevant Committees meet periodically with MFS' Chief Regulatory Officer, MFS' Chief Enterprise Risk Officer, and MFS' Chief Investment Risk Officer to receive reports on MFS' risk management activities. The Board also meets periodically with the Funds' Independent Chief Compliance Officer to receive reports regarding the compliance of the Funds with the federal securities laws and the Funds' internal compliance policies and procedures. In addition, the Board meets periodically with the portfolio managers of the Funds to receive reports regarding the management of the Funds, including their investment risks.

Effective as of the election and qualification of the nominees at the 2011 Annual Meeting of Shareholders, the Board has fixed the number of Trustees of each Trust at eleven. Under the provisions of each Trust's Declaration of Trust, the Trustees are divided into three classes, each having a term of three years.

For each of MFS Charter Income Trust, MFS Government Markets Income Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Multimarket Income Trust, and MFS Special Value Trust, the Nomination and Compensation Committee has selected and nominated, and recommended that the Board nominate, for election by shareholders, William R. Gutow, Michael Hegarty, John P. Kavanaugh, and Robert W. Uek as Trustees of the class whose term will expire at the 2014 Annual Meeting of Shareholders (or special meeting in lieu thereof) of the Trust, in each case, to hold office until his or her successor is elected and qualified. The Board of Trustees has nominated each of the individuals selected and nominated by the Committee. Each nominee is presently a Trustee of MFS Charter Income Trust, MFS Government Markets Income Trust, MFS InterMarket Income Trust I, MFS

Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form DEF 14A

Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Multimarket Income Trust, and MFS Special Value Trust and has agreed to serve as a Trustee of each Trust if elected. The Board of Trustees recommends that you vote in favor of their election.

For each of MFS California Municipal Fund, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS Investment Grade Municipal Trust, and MFS Municipal Income Trust, the Nomination and Compensation Committee has selected and nominated, and recommended that the Board nominate, for election by holders of common shares and preferred shares, voting together as a single class, William R. Gutow, Michael Hegarty, and Robert W. Uek as Trustees of the class whose term will expire at the 2014 Annual Meeting of Shareholders (or special meeting in lieu thereof) to hold office until his or her successor is elected and qualified. The Nomination and Compensation Committee has also selected and nominated, and recommended that the Board nominate, for election by holders of preferred shares only, voting as a separate class, John P. Kavanaugh and Laurie J. Thomsen for a term that will expire at the next annual meeting of shareholders (or special meeting in lieu thereof) to hold office until his or her successor is elected and qualified. The Board of Trustees has nominated each of the individuals selected and nominated by the Committee. Each nominee is presently a Trustee of MFS California Municipal Fund, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS Investment Grade Municipal Trust, and MFS Municipal Income Trust and has agreed to serve as Trustee of each Trust if elected. The Board of Trustees recommends that you vote in favor of their election.

It is intended that, absent contrary instructions, proxies will be voted in favor of electing William R. Gutow, Michael Hegarty, John P. Kavanaugh, Laurie J. Thomsen, and Robert W. Uek. If, before the Meeting, any nominee refuses or is unable to serve, or if any of the nominees is unavailable at the time of the Meeting, and such refusal or inability to serve or unavailability is not anticipated, the Trustees may vote for other nominees at their discretion, or the Trustees may fix the number of Trustees at fewer than eleven for a Trust. Under the terms of the Board of Trustees' retirement policy, a Trustee shall retire at the end of the calendar year in which he or she reaches 73 years of age, provided that the Board of Trustees may, in its discretion, extend the term of such Trustee for a maximum of two additional one-year periods.

The following table presents certain information regarding the current Trustees of each Trust, including their principal occupations, which, unless specific dates are shown, are of more than five years duration, although the titles may not have been the same throughout. Additional information about each Trustee follows the table.

Name, Age	Position(s) Held		Current Term	Principal Occupations	
	With Trust	Trustee Since ⁽¹⁾	Expiring	During The Past Five Years	Other Directorships ⁽²⁾
INTERESTED TRUSTEES					
Robert J. Manning ⁽³⁾ (Age 47)	Trustee	February 2004	2013	Massachusetts Financial Services Company, Chairman, Chief Executive Officer, and Director; President (until December 2009); Chief Investment Officer (until July 2010)	

Name, Age	Position(s) Held		Current Term	Principal Occupations	
	With Trust	Trustee Since ⁽¹⁾	Expiring	During The Past Five Years	Other Directorships ⁽²⁾
Robert C. Pozen ⁽³⁾ (Age 65)	Trustee	February 2004	2012	Massachusetts Financial Services Company, Chairman Emeritus; Chairman (until July 2010);	Medtronic, Inc. (medical devices), Director (since 2004); The Neilson Company (market research), Director (since 2010) Telesat (satellite communications), Director (until November 2007) Bell Canada Enterprises (telecommunications), Director (until February 2009)
INDEPENDENT TRUSTEES					
David H. Gunning (Age 69)	Trustee and Chair of Trustees	January 2004	2012	Retired; Cleveland-Cliffs Inc. (mining products and service provider), Vice Chairman/Director (until May 2007)	Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/ Non-Executive Chairman; Portman Limited (mining), Director (until 2008)
Robert E. Butler (Age 69)	Trustee	January 2006	2012	Consultant investment company industry regulatory and compliance matters	
Maureen R. Goldfarb (Age 56)	Trustee	January 2009	2013	Private investor	
William R. Gutow (Age 69)	Trustee	December 1993	2014	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman	Atlantic Coast Tan (tanning salons), Vice Chairman (until 2007); Texas Donuts (donut franchise), Vice Chairman (until 2010)

Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form DEF 14A

Name, Age	Position(s) Held		Current Term	Principal Occupations	
	With Trust	Trustee Since ⁽¹⁾	Expiring	During The Past Five Years	Other Directorships ⁽²⁾
Michael Hegarty (Age 66)	Trustee	December 2004	2014	Private investor	
John P. Kavanaugh (Age 56)	Trustee	January 2009	2012 ⁽⁴⁾ 2014 ⁽⁵⁾	Private investor; The Hanover Insurance Group, Inc., Vice President and Chief Investment Officer (until 2006); Allmerica Investment Trust, Allmerica Securities Trust and Opus Investment Trust (investment companies), Chairman, President and Trustee (until 2006)	
J. Dale Sherratt (Age 72)	Trustee	June 1989	2012	Insight Resources, Inc. (acquisition planning specialists), President; Wellfleet Investments (investor in health care companies), Managing General Partner	
Laurie J. Thomsen (Age 54)	Trustee	March 2005	2012 ⁽⁴⁾ 2013 ⁽⁵⁾	Private Investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010)	The Travelers Companies (property and casualty insurance), Director
Robert W. Uek (Age 70)	Trustee	January 2006	2014	Consultant to investment company industry	

⁽¹⁾ Date first appointed to serve as Trustee of an MFS fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Messrs. Pozen and Manning served as Advisory Trustees.

-
- (2) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).
 - (3) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the Trusts, as a result of position with MFS. The address of MFS is 500 Boylston Street, Boston, Massachusetts 02116.
 - (4) For MFS California Municipal Fund, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS Investment Grade Municipal Trust, and MFS Municipal Income Trust.
 - (5) For MFS Charter Income Trust, MFS Government Markets Income Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Multimarket Income Trust, and MFS Special Value Trust.

Each current Trustee listed above served as a board member of 96 funds within the MFS Family of Funds (the MFS Funds) as of December 31, 2010. The address of each Trustee is c/o MFS, 500 Boylston Street, Boston, Massachusetts 02116.

The following provides an overview of the considerations that led the Board to conclude that each individual serving as a Trustee of the Trust should so serve. The current members of the Board have joined the Board at different points in time since 1989. Generally, no one factor was decisive in the original selection of an individual to join the Board. Among the factors the Board considered when concluding that an individual should serve on the Board were the following: (i) the individual's business and professional experience and accomplishments; (ii) the individual's ability to work effectively with the other members of the Board; (iii) the individual's prior experience, if any, serving on the boards of public companies (including, where relevant, other investment companies) and other complex enterprises and organizations; and (iv) how the individual's skills, experience and attributes would contribute to an appropriate mix of relevant skills and experience on the Board.

In respect of each current Trustee, the individual's substantial professional accomplishments and prior experience, including, in some cases, in fields related to the operations of the Funds, were a significant factor in the determination that the individual should serve as a Trustee of the Trusts. Following is a summary of each Trustee's professional experience and additional considerations that contributed to the Board's conclusion that each individual should serve on the Board:

Robert E. Butler, CPA

Mr. Butler has substantial accounting and compliance consulting experience for clients in the investment management industry. Mr. Butler was a partner at PricewaterhouseCoopers LLP (PWC) (including its predecessor firms) for 24 years, and led the firm's National Regulatory Compliance Consulting Group, specializing in compliance consulting for investment management clients, including mutual funds and investment advisers. During his tenure at PWC, he served for ten years as a consultant to the independent directors/trustees for two major fund groups during their contract deliberation processes. He also conducted branch reviews of insurance broker/dealers selling variable products. Since retiring from PWC, Mr. Butler has worked as a consultant to mutual fund boards and investment advisers on regulatory and compliance matters. He has served as, or assisted, the Independent Compliance Consultant in conjunction with the implementation of SEC market timing orders at three major fund groups.

Maureen R. Goldfarb

Ms. Goldfarb has substantial executive and board experience at firms within the investment management industry. She was the Chief Executive Officer and Chairman of the Board of Trustees of the John Hancock Funds and an Executive Vice President of John Hancock Financial Services, Inc. Prior to joining

John Hancock, Ms. Goldfarb was a Senior Vice President with Massachusetts Mutual Life Insurance Company. She also held various marketing, distribution, and portfolio management positions with other investment management firms. Ms. Goldfarb is a former member of the Board of Governors of the Investment Company Institute.

David H. Gunning

Mr. Gunning has substantial executive and board experience at publicly-traded and privately-held companies, including past service as the Vice Chairman and a director of Cleveland-Cliffs Inc. (now Cliffs Natural Resources Inc.), a director of Lincoln Electric Holdings, Inc., and a director of Southwest Gas Corp. He is the former Chairman and Chief Executive Officer of Capitol American Financial Corp. Mr. Gunning is also a former partner and head of the corporate department of Jones Day, a large international law firm.

William R. Gutow

Mr. Gutow is the Vice Chairman of Capitol Entertainment Management Company. He has substantial senior executive experience at a publicly-traded company and various privately held companies as well as board experience at privately held companies and non-profits. Mr. Gutow served as the Senior Vice President of Real Estate and Property Development for Zale Corporation. Mr. Gutow has substantial investment company board experience, having served on boards of trustees responsible for oversight of funds in the MFS family of funds for over 17 years.

Michael Hegarty

Mr. Hegarty has substantial senior executive and board experience at firms within the financial services industry, as well as board experience at publicly-traded and privately held companies. He served as the Vice Chairman and Chief Operating Officer of AXA Financial and as the President and Chief Operating Officer of The Equitable Life Assurance Society. Mr. Hegarty also served as Vice Chairman of Chase Manhattan Corporation and Chemical Bank. He is a former director of Alliance Capital Management Corporation, which serves as the general partner of a publicly-traded investment adviser, and a former trustee of investment companies in the EQ Advisers Trust family of funds.

John P. Kavanaugh

Mr. Kavanaugh has substantial executive, investment management, and board experience at firms within the investment management industry, as well as board experience for other investment company families. Mr. Kavanaugh was the Vice President and Chief Investment Officer of The Hanover Insurance Group, Inc., and the President and Chairman of Opus Investment Management, Inc., an investment adviser. He also served as a trustee for various investment company complexes. Mr. Kavanaugh held research analyst and portfolio management positions with Allmerica Financial and PruCapital, Inc.

Robert J. Manning

Mr. Manning is Chairman and Chief Executive Officer of MFS (the MFS Funds investment adviser) and in this capacity heads its Board of Directors. He has substantial executive and investment management experience, having worked for MFS for 26 years. He also is a member of the Board of Directors of MFS.

Robert C. Pozen

Mr. Pozen is Chairman Emeritus of MFS (the MFS Funds investment adviser). He has substantial senior executive and board experience within the investment management industry, as well as board experience

for publicly-traded companies. He is a director of Medtronic, Inc. and the Neilson Company. He is also a Senior Lecturer at Harvard Business School.

J. Dale Sherratt

Mr. Sherratt is the President of Insight Resources and the Managing General Partner of Wellfleet Investments. He was a senior executive at Colgate-Palmolive and the Chief Executive Officer of the Kendall Company in Boston, Massachusetts. Mr. Sherratt has held senior executive positions at various healthcare technology companies, and served on the boards of directors of publicly-traded companies and numerous early stage technology companies. Mr. Sherratt has substantial investment company board experience, having served on boards of trustees responsible for oversight of funds in the MFS family of funds for over 21 years.

Laurie J. Thomsen

Ms. Thomsen has substantial venture capital financing experience, as well as board experience at publicly-traded and privately-held companies. Ms. Thomsen was a co-founding General Partner of Prism Venture Partners, a venture capital firm investing in healthcare and technology companies and served as an Executive Partner of New Profit, Inc., a venture philanthropy firm. Prior to that, she was a General Partner at the venture capital firm, Harbourvest Partners. Ms. Thomsen is a director of The Travelers Companies, Inc. and a trustee of Williams College. She is a former director of Travelers Property Casualty Corp. and New Profit.

Robert W. Uek

Mr. Uek has substantial accounting and consulting experience for clients in the investment management industry. Mr. Uek was a partner in the investment management industry group of PWC, and was the chair of the investment management industry group for Coopers & Lybrand. He also has served as a consultant to mutual fund boards. Mr. Uek previously served on the boards of trustees of investment companies in the TT International family of funds and Hillview Capital family of funds. Mr. Uek is a former Chairman of the Independent Directors Council, a unit of the Investment Company Institute that serves the mutual fund independent director community.

Information about each Trust, including information about its investment adviser and administrator, independent registered public accounting firm, executive officers, and the interests of certain persons, appears under **Trust Information** beginning on page 26.

Required Vote. For MFS Charter Income Trust, MFS Government Markets Income Trust, MFS InterMarket Income Trust I, MFS Intermediate High Income Fund, MFS Intermediate Income Trust, MFS Multimarket Income Trust, and MFS Special Value Trust, the election of any nominee will require the affirmative vote of a plurality of the Trust's outstanding common shares voting at the Meeting in person or by proxy. For MFS California Municipal Fund, MFS High Income Municipal Trust, MFS High Yield Municipal Trust, MFS Investment Grade Municipal Trust, and MFS Municipal Income Trust, the election of Mssrs. Gutow, Hegarty, and Uek will require the affirmative vote of a plurality of the Trust's outstanding preferred and common shares, voting together as a single class, at the Meeting in person or by proxy and the election of Mr. Kavanaugh and Ms. Thomsen will require the affirmative vote of a plurality of the Trust's outstanding preferred shares, voting as a separate class, at the Meeting in person or by proxy. For MFS Municipal Income Trust, the election of Mr. Kavanaugh and Ms. Thomsen will require the affirmative vote of a majority of the Trust's outstanding preferred shares, voting as a separate class, at the Meeting in person or by proxy.

THE BOARD, INCLUDING THE INDEPENDENT TRUSTEES, UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS OF EACH TRUST VOTE TO ELECT EACH OF THE NOMINEES AS TRUSTEE OF EACH TRUST.

Committees

Each Trust's Board of Trustees meets regularly throughout the year to discuss matters and take certain actions relating to the Trust. Each Trust's Board has several standing committees, which are described below.

Name of Committee	Number of Meetings in Last Fiscal Year ⁽¹⁾	Functions	Current Members ⁽²⁾
AUDIT COMMITTEE	8	Oversees the accounting and auditing procedures of the Trust and, among other things, considers the selection of the independent accountants for the Trust and the scope of the audit, and considers the effect on the independence of those accountants of any non-audit services such accountants provide to the Trust and any audit or non-audit services such accountants provide to other MFS Trusts, MFS and/or certain affiliates. The Committee is also responsible for establishing procedures for the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission of concerns regarding questionable Trust accounting matters by officers of the Trust and employees of the Trust's investment adviser, administrator, principal underwriter or any other provider of accounting-related services to the Trust.	Butler ^{*(3)} , Kavanaugh ^{*(3)} , Thomsen ^{*(3)} , and Uek ^{*(3)}

Name of Committee	Number of Meetings in Last Fiscal Year ⁽¹⁾	Functions	Current Members ⁽²⁾
COMPLIANCE AND GOVERNANCE COMMITTEE	6	Oversees the development and implementation of the Trust's regulatory and fiduciary compliance policies, procedures and practices under the 1940 Act and other applicable laws as well as oversight of compliance policies of the Trust's investment adviser and certain other service providers as they relate to Trust activities. The Trust's Independent Chief Compliance Officer, assists the Committee in carrying out its responsibilities. In addition, the Committee advises and makes recommendations to the Board on matters concerning Trustee practices and recommendations concerning the functions and duties of the committees of the Board.	Butler*, Goldfarb*, Gutow*, and Hegarty*
CONTRACTS REVIEW COMMITTEE	8	Requests, reviews and considers the information deemed reasonably necessary to evaluate the terms of the investment advisory and principal underwriting agreements and the Plan of Distribution under Rule 12b-1 that the Trust proposes to renew or continue, and to make its recommendations to the full Board of Trustees on these matters.	All Independent Trustees of the Board (Butler, Goldfarb, Gunning, Gutow, Hegarty, Kavanaugh, Sherratt, Thomsen, and Uek)

Name of Committee	Number of Meetings in Last Fiscal Year ⁽¹⁾	Functions	Current Members ⁽²⁾
NOMINATION AND COMPENSATION COMMITTEE	3	<p>Recommends qualified candidates to the Board in the event that a position is vacated or created. The Committee will consider recommendations by shareholders when a vacancy exists. Shareholders wishing to recommend candidates for Trustee for consideration by the Committee may do so by writing to the Trust's Secretary at the principal executive office of the Trust. Such recommendations must be accompanied by biographical and occupational data on the candidate (including whether the candidate would be an interested person of the Trust), a written consent of the candidate to be named as a nominee and to serve as Trustee if elected, record and ownership information for the recommending shareholder with respect to the Trust, and a description of any arrangements or understandings regarding recommendation of the candidate for consideration. The Committee is also responsible for making recommendations to the Board regarding any necessary standards or qualifications for service on the Board. The Committee also reviews and makes recommendations to the Board regarding compensation for the Independent Trustees.</p>	<p>All Independent Trustees of the Board (Butler, Goldfarb, Gunning, Gutow, Hegarty, Kavanaugh, Sherratt, Thomsen, and Uek)</p>

Name of Committee	Number of Meetings in Last Fiscal Year ⁽¹⁾	Functions	Current Members ⁽²⁾
PORTFOLIO TRADING AND MARKETING REVIEW COMMITTEE	6	Oversees the policies, procedures, and practices of the Trust with respect to brokerage transactions involving portfolio securities as those policies, procedures, and practices are carried out by MFS and its affiliates. The Committee also oversees the Trust's lending of portfolio securities, the Trust's borrowing and lending policies, and the administration of the Trust's proxy voting policies and procedures by MFS. The Committee also oversees the policies, procedures, and practices of the Applicable Fund Service Providers with respect to the selection and oversight of the Fund's counterparties in derivatives, repurchase and reverse repurchase agreements, and similar investment-related transactions. In addition, the Committee receives reports from MFS and its affiliates regarding their compliance activities in connection with marketing, sales and distribution activities relating to the Trust.	Goldfarb*, Gutow*, Hegarty* and Sherratt*

Name of Committee	Number of	Meetings in Last	Current
PRICING COMMITTEE	Fiscal Year ⁽¹⁾	6	Members ⁽²⁾
		<p data-bbox="836 338 927 363">Functions</p> <p data-bbox="647 367 1118 1163">Oversees the determination of the value of the portfolio securities and other assets held by the Trust and determines or causes to be determined the fair value of securities and assets for which market quotations are not readily available in accordance with the 1940 Act. The Committee delegates primary responsibility for carrying out these functions to MFS and MFS internal valuation committee pursuant to pricing policies and procedures approved by the Committee and adopted by the full Board, which include methodologies to be followed by MFS to determine the fair values of portfolio securities and other assets held by the Trust for which market quotations are not readily available. The Committee meets periodically with the members of MFS internal valuation committee to review and assess the quality of fair valuation and other pricing determinations made pursuant to the Trust's pricing policies and procedures, and to review and assess the policies and procedures themselves. The Committee also exercises the responsibilities of the Board under the Amortized Cost Valuation Procedures approved by the Board on behalf of each Trust which holds itself out as a money market fund in accordance with Rule 2a-7 under the 1940 Act.</p>	<p data-bbox="1177 367 1390 422">Kavanaugh*, Sherratt* Thomsen*, and Uek*</p>

Name of Committee	Fiscal Year⁽¹⁾	Functions
--------------------------	----------------------------------	------------------

**Number of
Meetings in
Last**