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MFS MUNICIPAL INCOME TRUST  
Form N-CSRS  
July 06, 2007

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

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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, 2007

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ITEM 1. REPORTS TO STOCKHOLDERS.

MFS (R) MUNICIPAL INCOME TRUST

M F S (R)  
INVESTMENT MANAGEMENT

[graphic omitted]

SEMIANNUAL REPORT

4/30/07  
MFM-SEM

MFS (R) MUNICIPAL INCOME TRUST

LETTER FROM THE CEO

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TRUST OBJECTIVE: The Trust seeks to provide high income exempt from Federal income taxes.

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

LETTER FROM THE CEO

[Photo of Robert J. Manning]

Dear Shareholders,

The past year has been a great example of why investors should keep their eyes on the long term.

In 2006 the Dow Jones Industrial Average returned 19%. As of mid-May 2007, it had returned another 8% and continued to reach new highs. But the Dow's upward rise has not been without hiccups. After hitting new records in February, the Dow lost 5.8% between February 20 and March 5, as stocks were sold off around the globe. As we have said before, markets are volatile, and investors should make sure they have an investment plan that can carry them through the peaks and troughs.

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If you are focused on a long-term investment strategy, the short-term ups and downs of the markets should not necessarily dictate portfolio action on your part. Both the bond and stock markets are cyclical. In our view, investors who remain committed to a long-term plan are more likely to achieve their financial goals. We believe you should not let the headlines guide you in your investment decisions and should be cautious about overreacting to short-term volatility.

In any market environment, we believe individual investors are best served by following a three-pronged investment strategy of allocating their holdings across the major asset classes, diversifying within each class, and regularly rebalancing their portfolios to maintain their desired allocations. Of course, these strategies cannot guarantee a profit or protect against a loss. Investing and planning for the long term require diligence and patience, two traits that in our experience are essential to capitalizing on the many opportunities the financial markets can offer -- through both up and down economic cycles.

Respectfully,

/s/ Robert J. Manning

Robert J. Manning  
Chief Executive Officer and Chief Investment Officer  
MFS Investment Management (R)

June 15, 2007

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

### PORTFOLIO COMPOSITION

#### PORTFOLIO STRUCTURE (i)

|                         |        |
|-------------------------|--------|
| Bonds                   | 101.0% |
| Cash & Other Net Assets | (1.0)% |

#### TOP FIVE INDUSTRIES (i)

|                                     |       |
|-------------------------------------|-------|
| Healthcare Revenue - Hospitals      | 29.6% |
| -----                               | ----- |
| Healthcare Revenue - Long Term Care | 8.2%  |
| -----                               | ----- |
| Industrial Revenue - Airlines       | 5.9%  |
| -----                               | ----- |
| Utilities - Investor Owned          | 5.8%  |
| -----                               | ----- |
| Tobacco                             | 5.8%  |
| -----                               | ----- |

#### CREDIT QUALITY OF BONDS (r)

|       |       |
|-------|-------|
| AAA   | 16.0% |
| ----- | ----- |
| AA    | 3.6%  |
| ----- | ----- |
| A     | 10.3% |
| ----- | ----- |
| BBB   | 28.3% |
| ----- | ----- |
| BB    | 7.5%  |

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|           |       |
|-----------|-------|
| B         | 8.4%  |
| CCC       | 3.2%  |
| CC (o)    | 0.0%  |
| Not Rated | 22.7% |

PORTFOLIO FACTS

|                                                             |          |
|-------------------------------------------------------------|----------|
| Average Duration (d) (i)                                    | 6.7      |
| Average Life (i) (m)                                        | 15.9 yrs |
| Average Maturity (i) (m)                                    | 18.5 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 both accrued interest amounts and 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 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 04/30/07.

From time to time "Cash & Other Assets" may be negative due to timing of cash receipts and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets, including preferred shares, as of 04/30/07, unless otherwise noted.

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

PORTFOLIO MANAGERS' PROFILES

Geoffrey L. Schechter, CFA, CPA, is a Senior Vice President of MFS Investment

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Management (R) (MFS(R)) and a Municipal Fixed Income Portfolio Manager. He also manages several other government bond portfolios for MFS. He joined MFS as a portfolio manager, and was named Senior Vice President in 2002. He has been a portfolio manager of the trust since July 2004. Geoffrey is a graduate of the University of Texas and has an M.B.A. degree from Boston University. He holds the Chartered Financial Analyst (CFA) and Certified Public Accountant (CPA) designations.

Gary A. Lasman, CFA, is Vice President of MFS Investment Management (R) (MFS(R)) and is a Municipal Fixed Income Portfolio Manager. He has been a portfolio manager of the trust since April 2006. Gary is a graduate of the University of California and has an M.B.A. from the University of Chicago. He is a member of the Boston Security Analysts Society, Inc. and National Federation of Municipal Analysts.

### PERFORMANCE SUMMARY THROUGH 4/30/07

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 4/30/07

|                               | Date                | Price  |
|-------------------------------|---------------------|--------|
| Net Asset Value               | 4/30/07             | \$7.99 |
|                               | 10/31/06            | \$8.06 |
| New York Stock Exchange Price | 4/30/07             | \$8.40 |
|                               | 12/12/06 (high) (t) | \$8.66 |
|                               | 11/1/06 (low) (t)   | \$8.22 |
|                               | 10/31/06            | \$8.20 |

### TOTAL RETURNS VS BENCHMARKS

Six months ended  
4/30/07

|                                          |       |
|------------------------------------------|-------|
| New York Stock Exchange Price (r)        | 5.44% |
| Net Asset Value (r)                      | 2.04% |
| Lehman Brothers Municipal Bond Index (f) | 1.59% |

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2006 through April 30, 2007.

### INDEX DEFINITION

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Lehman Brothers Municipal Bond Index - a market-value-weighted index representative of the tax-exempt bond market.

It is not possible to invest directly in an index.

### NOTES TO PERFORMANCE SUMMARY

The trust's shares may trade at a discount to net asset value. Shareholders do not have the right to cause the trust to repurchase their shares at net asset value. The trust's shares also may trade at a premium to their net asset value.

When trust shares trade at a premium, buyers pay more than the asset value underlying trust shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the trust's liquidation. As a result, the total returns that are calculated based on the net asset value and New York Stock Exchange prices can be different.

The trust's monthly distributions may include a return of capital to shareholders. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. Returns of shareholder capital have the effect of reducing the trust's assets and may increase the trust's expense ratio.

From time to time the trust 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 trust hereby gives notice that it may from time to time repurchase shares of the trust in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

### DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The trust offers a Dividend Reinvestment and Cash Purchase Plan that allows you to reinvest either all of the distributions paid by the trust 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 over \$100 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 trust. 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, call 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time. Please have available the name of the trust and your account and Social Security

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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.

Effective May 1, 2007, Computershare Trust Company, N.A. (the Transfer Agent for the trust) became the agent for the plan.

### PORTFOLIO OF INVESTMENTS 4/30/07 (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 - 142.6%

| ISSUER | SHARES/PAR |
|--------|------------|
|--------|------------|

#### Airport & Port Revenue - 4.9%

|                                                                                                            |              |
|------------------------------------------------------------------------------------------------------------|--------------|
| Chicago Ohare Intl Arpt Rev, XLCA, 5.75%, 2022 (u)                                                         | \$ 3,000,000 |
| New York, NY, City Industrial Development Agency, Special Facilities Rev. (Terminal One Group), 5.5%, 2024 | 275,000      |
| Oklahoma City, OK, Airport Trust Rev., FSA, 5.75%, 2016                                                    | 3,125,000    |
| Port Authority, NY, Special Obligations Rev. (JFK International), MBIA, 5.75%, 2022                        | 7,000,000    |
| Seattle, WA, Airport Trust Rev., FGIC, 5.625%, 2018                                                        | 1,500,000    |

#### General Obligations - General Purpose - 2.1%

|                                                                    |              |
|--------------------------------------------------------------------|--------------|
| Kane Kendall County, IL, Capital Appreciation, "E", FGIC, 0%, 2023 | \$ 1,945,000 |
| Kane Kendall County, IL, Capital Appreciation, "E", FGIC, 0%, 2025 | 1,915,000    |
| Lake County, IL, Land Acquisition & Development, 5.75%, 2010 (c)   | 1,000,000    |
| New York, NY, "M", 5%, 2035                                        | 3,800,000    |

#### General Obligations - Schools - 0.9%

|                                                                                                            |            |
|------------------------------------------------------------------------------------------------------------|------------|
| Aledo, TX, Independent School District, School Building, "A", PSF, 5.125%, 2033                            | \$ 955,000 |
| De Soto, TX, Independent School District, School Building, PSF, 0%, 2031                                   | 555,000    |
| De Soto, TX, Independent School District, School Building, PSF, 0%, 2034                                   | 415,000    |
| De Soto, TX, Independent School District, School Building, PSF, 0%, 2036                                   | 555,000    |
| Leander, TX, Independent School District, Capital Appreciation, Refunding, School Building, FGIC, 0%, 2026 | 1,285,000  |
| Leander, TX, Independent School District, Capital Appreciation, Refunding, School Building, FGIC, 0%, 2031 | 1,295,000  |
| Royse City, TX, Independent School District, School Building, PSF, 0%, 2027                                | 955,000    |
| Royse City, TX, Independent School District, School Building, PSF, 0%, 2029                                | 965,000    |

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Healthcare Revenue - Hospitals - 41.8%

|                                                                                                                                    |            |
|------------------------------------------------------------------------------------------------------------------------------------|------------|
| Alexander City, AL, Special Care Facilities Financing Authority Medical Facilities Rev. (Russell Hospital Corp.), "A", 5.75%, 2036 | \$ 600,000 |
| Allegheny County, PA, Hospital Development Authority Rev. (South Hills Health Systems), "B", 6.75%, 2010 (c)                       | 500,000    |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), 9.25%, 2030                                | 2,000,000  |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), "B", 9.25%, 2022                           | 1,000,000  |
| Arkansas Development Finance Authority Rev. (Washington Regional Medical Center), 7.25%, 2010 (c)                                  | 500,000    |
| Athens County, OH, Hospital Facilities Rev. (O'Bleness Memorial Hospital), "A", 7.125%, 2033                                       | 1,500,000  |
| Baldwin County, AL, Eastern Shore Health Care Authority Rev. (Thomas Hospital), 5.75%, 2008 (c)                                    | 700,000    |
| Brookhaven, NY, Civic Facilities Rev. (Memorial Hospital Medical Center, Inc.), ETM, 7.75%, 2010 (c)                               | 575,000    |
| California Health Facilities Financing Authority Rev. (Sutter Health), "A", 5%, 2042                                               | 550,000    |
| California Health Facilities Financing Authority Rev. (Sutter Health), "A", 5.25%, 2046                                            | 3,400,000  |
| California Valley Health Systems, COP, 6.875%, 2023                                                                                | 700,000    |
| Carroll County, IA, Hospital Rev. (St. Anthony Regional Hospital), "A", 5%, 2031                                                   | 500,000    |
| Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women's Christian Assn.), "A", 6.35%, 2017            | 215,000    |
| Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women's Christian Assn.), "A", 6.4%, 2029             | 960,000    |
| Chemung County, NY, Civic Facilities Rev. (St. Joseph's Hospital-Elmira), "A", 6%, 2013                                            | 425,000    |
| Chemung County, NY, Civic Facilities Rev. (St. Joseph's Hospital-Elmira), "B", 6.35%, 2013                                         | 105,000    |
| Chester County, PA, Health & Educational Facilities Rev. (Chester County Hospital), 6.75%, 2021                                    | 1,625,000  |
| Citrus County, FL, Hospital Development Authority Rev. (Citrus Memorial Hospital), 6.25%, 2023                                     | 925,000    |
| Coffee County, GA, Hospital Authority Rev. (Coffee Regional Medical Center, Inc.), 5%, 2026                                        | 40,000     |
| Colorado Health Facilities Authority Rev. (Parkview Medical Center), 6.6%, 2025                                                    | 1,000,000  |
| Colorado Health Facilities Authority Rev. (Parkview Medical Center, Inc.), 6.5%, 2020                                              | 1,230,000  |
| Colorado Health Facilities Authority Rev. (Portercare Adventist Health Systems), 6.625%, 2011 (c)                                  | 675,000    |
| Crittenden County, AR, Hospital Rev., 7%, 2020                                                                                     | 1,030,000  |
| Cuyahoga County, OH, Hospital Facilities Rev. (Canton, Inc.), 7.5%, 2030                                                           | 1,330,000  |
| Delaware Health Facilities Authority Rev. (Nanticoke Memorial Hospital), 5.625%, 2032                                              | 1,250,000  |
| Denver, CO, Health & Hospital Authority Rev., 5.25%, 2013                                                                          | 635,000    |
| Denver, CO, Health & Hospital Authority Rev., "A", 5.375%, 2018                                                                    | 1,500,000  |
| Denver, CO, Health & Hospital Authority Rev., "A", 6%, 2023                                                                        | 250,000    |
| Denver, CO, Health & Hospital Authority Rev., "A", 5.375%, 2028                                                                    | 860,000    |
| Garden City, MI, Hospital Finance Authority Rev. (Garden City Hospital), "A", 4.875%, 2027                                         | 1,275,000  |
| Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.2%, 2025                                                | 250,000    |
| Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.5%, 2031                                                | 295,000    |



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|                                                                                                                             |           |
|-----------------------------------------------------------------------------------------------------------------------------|-----------|
| Grand Forks, ND, Health Care Authority Rev. (Altru Health Systems Obligated Group), 7.125%, 2024                            | 755,000   |
| Gulfport, MS, Hospital Facilities Rev. (Memorial Hospital), 5.75%, 2031                                                     | 1,000,000 |
| Highlands County, FL, Health Facilities Authority Rev. (Adventist Health Systems), "C", 5.25%, 2036                         | 1,180,000 |
| Highlands County, FL, Health Facilities Authority Rev. (Adventist/Sunbelt Hospital), 6%, 2011 (c)                           | 900,000   |
| Houston County, AL, Health Care Authority Rev., AMBAC, 6.25%, 2009 (c)                                                      | 2,000,000 |
| Huntsville, AL, Health Care Authority Rev., 5.625%, 2011 (c)                                                                | 875,000   |
| Illinois Development Finance Authority, Hospital Authority Rev. (Adventist/Sunbelt Hospital), 5.65%, 2009 (c)               | 1,750,000 |
| Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031                                                              | 410,000   |
| Illinois Health Facilities Authority Rev. (Centegra Health Systems), 5.25%, 2018                                            | 1,000,000 |
| Indiana Health Facilities Financing Authority, Hospital Rev. (Clarian Health), "A", 5%, 2039                                | 375,000   |
| Indiana Health Facilities Financing Authority, Hospital Rev. (Community Hospital), "A", AMBAC, 5%, 2035                     | 1,780,000 |
| Indiana Health Facilities Financing Authority, Hospital Rev. (Munster Medical Research Foundation, Inc.), "A", 6.375%, 2031 | 3,990,000 |
| Indiana Health Facilities Financing Authority, Hospital Rev. (Riverview Hospital), 6.125%, 2031                             | 1,000,000 |
| Johnson City, TN, Health & Educational Facilities, Hospital Rev. (Mountain States Health), "A", 5.5%, 2036                  | 355,000   |
| Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.5%, 2029                    | 440,000   |
| Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.75%, 2035                   | 475,000   |
| Kentucky Economic Development Finance Authority (Norton Healthcare), "A", 6.5%, 2010 (c)                                    | 1,965,000 |
| Kentucky Economic Development Finance Authority, Unrefunded (Norton Healthcare), "A", 6.5%, 2020                            | 3,035,000 |
| Knox County, TN, Health, Educational, Hospital & Housing Facilities Board Rev. (Baptist Health Systems), 6.5%, 2031         | 1,725,000 |
| Lauderdale County & Florence, AL, Health Care Authority Rev. (Coffee Health Group), MBIA, 5.625%, 2021                      | 3,000,000 |
| Lufkin, TX, Health Facilities Rev. (Memorial Health System of East Texas), 5.7%, 2008 (c)                                   | 995,000   |
| Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.75%, 2025                            | 1,000,000 |
| Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.875%, 2034                           | 935,000   |
| Madison County, ID, Hospital Rev., COP, 5.25%, 2037                                                                         | 310,000   |
| Maryland Health & Higher Educational Facilities Authority Rev. (Medstar Health), 5.5%, 2033                                 | 380,000   |
| Maryland Health & Higher Educational Facilities Authority Rev. (North Arundel Hospital), 6.5%, 2010 (c)                     | 1,500,000 |
| Massachusetts Health & Educational Facilities Authority Rev. (Berkshire Health Systems), "E", 6.25%, 2031                   | 1,900,000 |
| Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), "A", 5.7%, 2015                             | 500,000   |
| Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), "B", 6.5%, 2012                             | 600,000   |
| Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), "D", 5.25%, 2018                            | 1,400,000 |
| Massachusetts Health & Educational Facilities Authority Rev. (Northern Berkshire Health), "B", 6.375%, 2034                 | 640,000   |
| Massachusetts Health & Educational Facilities Authority Rev. (Saints Memorial Medical Center), "A", 6%, 2023                | 465,000   |
| Miami Beach, FL, Health Facilities Authority Rev. (Mount Sinai Medical Center), 6.75%, 2029                                 | 810,000   |
| Miami Beach, FL, Health Facilities Authority Rev. (Mount                                                                    |           |

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|                                                                                                                            |           |
|----------------------------------------------------------------------------------------------------------------------------|-----------|
| Sinai Medical Center), "A", 6.7%, 2019                                                                                     | 995,000   |
| Mississippi Business Finance Corp., Health Facilities Rev. (Rush Medical Foundation, Inc.), 5.625%, 2008 (c)               | 845,000   |
| Monongalia County, WV, Building Commission Hospital Rev. (Monongalia General Hospital), "A", 5%, 2030                      | 425,000   |
| Monroe County, MI, Hospital Finance Authority, Hospital Rev. (Mercy Memorial Hospital Corp.), 5.5%, 2035                   | 1,020,000 |
| Monroe County, NY, Industrial Development Agency, Civic Facilities Rev. (Highland Hospital of Rochester), 5%, 2025         | 65,000    |
| Montgomery, AL, Special Care Facilities, Financing Authority Rev. (Baptist Health), "A-2", MBIA, 0% to 2007, 5% to 2014(c) | 1,725,000 |
| Montgomery, AL, Special Care Facilities, Financing Authority Rev. (Baptist Health), "C", 5.25%, 2014 (c)                   | 760,000   |
| Mount Lebanon, PA, Hospital Authority Rev. (St. Clair Memorial Hospital), 5.625%, 2032                                     | 435,000   |
| Nassau County, NY, Industrial Development Agency, Civic Facilities Rev. (North Shore Health System), 5.625%, 2010          | 510,000   |
| Nassau County, NY, Industrial Development Agency, Civic Facilities Rev. (North Shore Health System), 5.875%, 2011          | 415,000   |
| Neosho County, KS, Hospital Authority Rev., "A", 5.05%, 2026                                                               | 325,000   |
| Neosho County, KS, Hospital Authority Rev., "A", 5.15%, 2031                                                               | 230,000   |
| New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), "A", 6.125%, 2012 (c)              | 880,000   |
| New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), "A", 6.125%, 2032                  | 120,000   |
| New Hampshire Health & Educational Facilities Authority Rev. (Covenant Health), 6.5%, 2017                                 | 820,000   |
| New Jersey Health Care Facilities, Financing Authority Rev. (Children's Specialized Hospital), "A", 5.5%, 2030             | 245,000   |
| New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter's University Hospital), "A", 6.875%, 2030           | 3,000,000 |
| New Mexico State Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), "A", 5.25%, 2026   | 440,000   |
| New York Dormitory Authority Rev., Non State Supported Debt (Mt. Sinai NYU Health), 5.5%, 2026                             | 635,000   |
| New York Dormitory Authority Rev., Non State Supported Debt (Mt. Sinai NYU Health), "C", 5.5%, 2026                        | 500,000   |
| New York Dormitory Authority Rev., Non State Supported Debt (NYU Hospitals Center), "A", 5%, 2026                          | 1,750,000 |
| New York, NY, Health & Hospital Corp. Rev., "A", 5.25%, 2017                                                               | 700,000   |
| New York, NY, Industrial Development Agency, Civic Facilities Rev. (Staten Island University Hospital), "A", 6.375%, 2031  | 495,000   |
| Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036                                                                 | 1,395,000 |
| North Texas Health Facilities Development Corp. Rev. (United Regional Health Care System, Inc.), 6%, 2023                  | 1,000,000 |
| Ohio County, WV, County Commission Health System Rev. (Ohio Valley Medical Center), 5.75%, 2013                            | 850,000   |
| Oklahoma Development Finance Authority Rev. (Comanche County Hospital), "B", 6.6%, 2031                                    | 1,665,000 |
| Quincy, IL, Quincy Hospital Rev. (Blessing Hospital), 5%, 2029                                                             | 315,000   |
| Rhode Island Health & Education Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), 6.5%, 2012 (c)         | 505,000   |
| Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 6.375%, 2012 (c)          | 1,560,000 |
| Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 6.375%, 2021              | 245,000   |
| Royston, GA, Hospital Authority Rev. (Ty Cobb Healthcare Systems, Inc.), 6.375%, 2014                                      | 955,000   |
| Salida, CO, Hospital District Rev., 5.25%, 2036                                                                            | 1,155,000 |
| Salt Lake City, UT, Hospital Authority Rev., AMBAC, INFLOS, ETM (Intermountain Health Care), 10.448%, 2020 (c) (p)         | 600,000   |
| Shelby County, TN, Educational & Hospital Facilities Board                                                                 |           |

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|                                                                                                                                                  |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Hospital Rev., Refunded Balance (Methodist Healthcare),<br>6.375%, 2012 (c)                                                                      | 625,000   |
| Shelby County, TN, Educational & Housing Facilities Board<br>Hospital Rev. (Methodist Healthcare), 6.25%, 2012 (c)                               | 185,000   |
| Shelby County, TN, Educational & Housing Facilities Board<br>Hospital Rev. (Methodist Healthcare), 6.25%, 2012 (c)                               | 315,000   |
| Shelby County, TN, Educational & Housing Facilities Board<br>Hospital Rev. (Methodist Healthcare), 6.375%, 2012 (c)                              | 375,000   |
| South Carolina Jobs & Economic Development Authority Rev.<br>(Bon Secours Health Systems, Inc.), "A", 5.625%, 2030                               | 710,000   |
| South Carolina Jobs & Economic Development Authority,<br>Hospital Facilities Rev. (Palmetto Health Alliance), 6.25%, 2031                        | 835,000   |
| South Dakota Health & Education Facilities Authority Rev.<br>(Prairie Lakes Health Care System), 5.625%, 2032                                    | 670,000   |
| Southwestern Illinois Development Authority Rev. (Anderson<br>Hospital), 5.5%, 2020                                                              | 60,000    |
| Southwestern Illinois Development Authority Rev. (Anderson<br>Hospital), 5.625%, 2029                                                            | 870,000   |
| Springfield, TN, Health & Educational Facilities Rev.<br>(Northcrest Medical Center), 5.25%, 2018                                                | 1,400,000 |
| Steubenville, OH, Hospital Authority Rev. (Trinity Health<br>Center), 6.5%, 2030                                                                 | 1,300,000 |
| Stillwater, OK, Medical Center Authority, 5.625%, 2023                                                                                           | 1,000,000 |
| Tallahassee, FL, Health Facilities Rev. (Tallahassee<br>Memorial Healthcare), 6.25%, 2020                                                        | 3,085,000 |
| Texas Metro Health Facilities Development Corp., Metro<br>Health Facilities Development Rev. (Wilson N. Jones Memorial<br>Hospital), 7.2%, 2021  | 700,000   |
| Texas Metro Health Facilities Development Corp., Metro<br>Health Facilities Development Rev. (Wilson N. Jones Memorial<br>Hospital), 7.25%, 2031 | 1,000,000 |
| Tom Green County, TX, Health Facilities Rev. (Shannon Health<br>System), 6.75%, 2021                                                             | 1,250,000 |
| University of Colorado, Hospital Authority Rev., "A", 5.25%, 2039                                                                                | 245,000   |
| Upper Illinois River Valley Development, Health Facilities<br>Rev. (Morris Hospital), 6.625%, 2031                                               | 600,000   |
| Valley, AL, Special Care Facilities, Financing Authority<br>Rev. (Lanier Memorial Hospital), 5.6%, 2016                                          | 600,000   |
| Wapello County, IA, Hospital Authority Rev. (Ottumwa<br>Regional Health Center), 6.375%, 2012 (c)                                                | 1,500,000 |
| Washington County, AR, Hospital Rev. (Regional Medical<br>Center), "A", 5%, 2035                                                                 | 250,000   |
| Weirton, WV, Municipal Hospital Building, Commission Rev.<br>(Weirton Hospital Medical Center), 6.375%, 2031                                     | 1,115,000 |
| Weslaco, TX, Health Facilities Rev. (Knapp Medical Center),<br>6.25%, 2032                                                                       | 1,000,000 |
| West Plains, MO, Industrial Development Authority Rev.<br>(Ozarks Medical Center), 6.75%, 2024                                                   | 170,000   |
| West Shore, PA, Hospital Authority Rev. (Holy Spirit<br>Hospital), 6.2%, 2026                                                                    | 1,250,000 |
| Wichita, KS, Hospital Authority Rev. (Via Christi Health<br>System), 6.25%, 2020                                                                 | 1,500,000 |
| Wisconsin Health & Educational Facilities Authority Rev.<br>(Aurora Health Care, Inc.), MBIA, 5.25%, 2017                                        | 5,000,000 |
| Wisconsin Health & Educational Facilities Authority Rev.<br>(Aurora Health Care, Inc.), 6.875%, 2030                                             | 1,000,000 |
| Wisconsin Health & Educational Facilities Authority Rev.<br>(Marshfield Clinic), "A", 5.375%, 2034                                               | 490,000   |
| Yonkers, NY, Industrial Development Agency, Civic Facilities<br>Rev. (St. John's Riverside Hospital), 6.8%, 2016                                 | 665,000   |
| Yonkers, NY, Industrial Development Agency, Civic Facilities<br>Rev. (St. John's Riverside Hospital), "A", 7.125%, 2031                          | 490,000   |

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Yonkers, NY, Industrial Development Agency, Civic Facilities  
 Rev. (St. Joseph's Hospital), "C", 6.2%, 2020 750,000

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Healthcare Revenue - Long Term Care - 11.5%

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|                                                                                                                        |            |
|------------------------------------------------------------------------------------------------------------------------|------------|
| Abilene, TX, Health Facilities Development Co., Retirement Facilities Rev. (Sears Methodist Retirement), "A", 7%, 2033 | \$ 345,000 |
| Arizona Health Facilities Authority Rev. (The Terraces Project), 7.75%, 2033                                           | 750,000    |
| Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.125%, 2016                         | 1,085,000  |
| Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.5%, 2026                           | 2,405,000  |
| Bucks County, PA, Industrial Development Authority Rev. (Ann's Choice, Inc.), 6.125%, 2025                             | 430,000    |
| Cambria County, PA, Industrial Development Authority Rev. (Beverly Enterprises, Inc.) ETM, 10%, 2012 (c)               | 360,000    |
| Chartiers Valley, PA, Industrial & Commercial Development Authority (Asbury Health Center Project), 5.75%, 2022        | 150,000    |
| Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032                               | 580,000    |
| Colorado Health Facilities Authority Rev. (Christian Living Communities Project), "A", 5.75%, 2037                     | 395,000    |
| Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), "B", 6.125%, 2033                   | 1,000,000  |
| Colorado Health Facilities Authority Rev. (Evangelical), 6.9%, 2010 (c)                                                | 1,830,000  |
| Colorado Health Facilities Authority Rev. (Evangelical), 6.9%, 2025                                                    | 1,170,000  |
| Cumberland County, PA, Municipal Authority Rev. (Wesley), "A", 7.25%, 2013 (c)                                         | 720,000    |
| Cumberland County, PA, Municipal Authority Rev. (Wesley), "A", 7.25%, 2013 (c)                                         | 280,000    |
| Franklin County, OH, Healthcare Facilities Rev. (Ohio Presbyterian), 7.125%, 2011 (c)                                  | 1,000,000  |
| Fulton County, GA, Residential Care Facilities (Canterbury Court), "A", 6.125%, 2034                                   | 330,000    |
| Greenville County, SC, Hospital Rev. (Chestnut Hill), "A", 8%, 2015                                                    | 1,985,000  |
| Hawaii Department of Budget & Finance, Special Purpose Rev. (Kahala Nui Senior Living Community), 8%, 2033             | 500,000    |
| Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 2028    | 525,000    |
| Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 2043    | 540,000    |
| Illinois Finance Authority Rev. (Bond Anticipation Notes Tallgrass), 13%, 2012                                         | 210,000    |
| Illinois Finance Authority Rev. (Clare at Water Tower), "A", 6%, 2025                                                  | 490,000    |
| Illinois Finance Authority Rev. (Landing at Plymouth Place), "A", 6%, 2037                                             | 490,000    |
| Illinois Finance Authority Rev. (Montgomery Place), "A", 5.75%, 2038                                                   | 520,000    |
| Iowa Finance Authority Senior Housing Authority Rev. (Bethany Life Communities), "A", 5.55%, 2041                      | 230,000    |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives Project), 9.25%, 2011 (c)                        | 1,155,000  |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives Project), "A", 5.5%, 2025                        | 800,000    |
| Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives Project), "B", 5.75%, 2018                       | 895,000    |
| Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), "B", 6.25%, 2026                                     | 500,000    |
| Lenexa, KS, Health Care Facilities Rev. (Lakeview Village,                                                             |            |

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|                                                                                                                          |           |
|--------------------------------------------------------------------------------------------------------------------------|-----------|
| Inc.), "C", 6.875%, 2032                                                                                                 | 500,000   |
| Maine Health & Higher Educational Facilities Rev. (Piper Shores), 7.5%, 2009 (c)                                         | 770,000   |
| Millbrae, CA, Residential Facilities Rev. (Magnolia of Millbrae), "A", 7.375%, 2027                                      | 1,830,000 |
| Montana Facility Finance Authority Rev. (Senior Living St. Johns Lutheran), "A", 6.125%, 2036                            | 470,000   |
| Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 2036                           | 1,195,000 |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028                  | 250,000   |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035                   | 510,000   |
| New Jersey Economic Development Authority Rev. (Courthouse Convalescent Center), "A", 8.7%, 2014                         | 650,000   |
| New Jersey Economic Development Authority Rev. (Lions Gate), "A", 5.875%, 2037                                           | 310,000   |
| New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2036                                     | 505,000   |
| New Jersey Health Care Facilities Financing Authority Rev. (Cherry Hill), 8%, 2027                                       | 1,000,000 |
| Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), "A", 6%, 2025                   | 125,000   |
| Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), "A", 6.125%, 2035               | 90,000    |
| North Carolina Medical Care Commission, Health Care Facilities Rev. (Presbyterian Homes), 5.4%, 2027                     | 485,000   |
| North Carolina Medical Care Commission, Health Care Facilities Rev. (Presbyterian Homes), 5.5%, 2031                     | 295,000   |
| Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), 7.25%, 2034                 | 820,000   |
| Sterling, IL (Hoosier Care), 7.125%, 2034                                                                                | 700,000   |
| Suffolk County, NY, Industrial Development Agency (Medford Hamlet Assisted Living), 6.375%, 2039                         | 500,000   |
| Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.5%, 2025  | 460,000   |
| Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.65%, 2035 | 695,000   |
| Washington State Housing Finance Commission Non-profit Rev. (Skyline at First Hill), "A", 5.625%, 2027                   | 215,000   |
| Washington State Housing Finance Commission Non-profit Rev. (Skyline at First Hill), "A", 5.625%, 2038                   | 1,120,000 |

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Human Services - 3.3%

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|                                                                                                                             |            |
|-----------------------------------------------------------------------------------------------------------------------------|------------|
| Alaska Industrial Development & Export Authority Community Provider Rev. (Boys & Girls Home of Alaska, Inc.), 5.875%, 2027  | \$ 210,000 |
| Alaska Industrial Development & Export Authority Community Provider Rev. (Boys & Girls Home of Alaska, Inc.), 6%, 2036      | 325,000    |
| Colorado Educational & Cultural Facilities Authority (Cerebral Palsy Project), "A", 6.25%, 2036                             | 500,000    |
| Iowa Finance Authority, Community Provider (Boys & Girls Home), 6.25%, 2008 (c)                                             | 500,000    |
| Lehigh County, PA, General Purpose Authority (Kidspeace Corp.), 6%, 2023                                                    | 3,000,000  |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), "A", 7%, 2036 | 500,000    |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), "C", 7%, 2036 | 375,000    |
| Louisiana Local Government, Environmental Facilities &                                                                      |            |

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|                                                                                                                                              |           |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Community Development Authority Rev. (Westside Rehab Center Project), "A", 6.85%, 2036                                                       | 1,100,000 |
| Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westside Rehab Center Project), "B", 6.5%, 2013 | 115,000   |
| New York, NY, Industrial Development Agency, Civic Facility Rev. (A Very Special Place), "A", 5.75%, 2029                                    | 1,000,000 |
| New York, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 2017                                      | 1,030,000 |
| Orange County, FL, Health Facilities Authority Rev. (GF/ Orlando Healthcare Facilities), 8.75%, 2011                                         | 440,000   |
| Orange County, FL, Health Facilities Authority Rev. (GF/ Orlando Healthcare Facilities), 9%, 2031                                            | 1,000,000 |
| Osceola County, FL, Industrial Development Authority Rev. (Community Provider), 7.75%, 2017                                                  | 292,000   |

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### Industrial Revenue - Airlines - 8.4%

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|                                                                                                                |              |
|----------------------------------------------------------------------------------------------------------------|--------------|
| Alliance Airport Authority, TX (American Airlines, Inc.), 5.25%, 2029                                          | \$ 1,145,000 |
| Alliance Airport Authority, TX (American Airlines, Inc.), 5.75%, 2029                                          | 2,410,000    |
| Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 7.25%, 2030 | 2,530,000    |
| Houston, TX, Airport Systems Rev., Special Facilities (Continental, Inc.), "E", 6.75%, 2029                    | 1,810,000    |
| Los Angeles, CA, Regional Airport Lease Rev. (AMR Corp.), "C", 7.5%, 2024                                      | 850,000      |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029   | 580,000      |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 7.2%, 2030    | 1,595,000    |
| New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 2031                 | 1,065,000    |
| New York, NY, City Industrial Development Agencies Rev. (Jetblue Airways Corp.), 5%, 2020                      | 225,000      |
| New York, NY, City Industrial Development Agencies Rev. (Jetblue Airways Corp.), 5.125%, 2030                  | 115,000      |
| New York, NY, Industrial Development Agencies Rev. (American Airlines, Inc.), 7.125%, 2011                     | 1,355,000    |
| New York, NY, Industrial Development Agencies Rev. (American Airlines, Inc.), 7.625%, 2025                     | 7,725,000    |
| New York, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 7.25%, 2008                   | 110,000      |
| New York, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 8%, 2012                      | 300,000      |
| Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), "B", 5.65%, 2035 (a)                        | 40,000       |
| Tulsa, OK, Municipal Airport Trust Rev. (AMR Corp.), "B", 6%, 2035 (a)                                         | 2,500,000    |

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### Industrial Revenue - Chemicals - 1.0%

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|                                                                                    |              |
|------------------------------------------------------------------------------------|--------------|
| Red River Authority, TX, Pollution Control Rev. (Celanese Project) "B", 6.7%, 2030 | \$ 1,920,000 |
| Sweetwater County, WY, Solid Waste Disposal Rev. (FMC Corp.), 5.6%, 2035           | 985,000      |

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### Industrial Revenue - Environmental Services - 2.0%

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|                                                                                                                                               |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Browning Ferris, Inc.), "A", 5.8%, 2016                          | \$ 1,000,000 |
| California Statewide Community Development Authority, Solid Waste Facilities Rev. (Republic Services, Inc.), "A", 4.95%, 2012                 | 1,000,000    |
| Gloucester County, NJ, Solid Waste Resource Recovery Rev. (Waste Management, Inc.), 6.85%, 2029 (a)                                           | 850,000      |
| Henrico County, VA, Industrial Development Authority Rev. (Browning Ferris, Inc.), 5.45%, 2014                                                | 1,750,000    |
| Nevada Department of Business & Industry Rev. (Republic Services, Inc.), 5.625%, 2026 (a)                                                     | 750,000      |
| New Morgan, PA, Industrial Development Authority, Solid Waste Disposal Rev. (New Morgan Landfill Co., Inc./Browning Ferris, Inc.), 6.5%, 2019 | 1,000,000    |

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### Industrial Revenue - Metals - 0.2%

|                                                                                          |            |
|------------------------------------------------------------------------------------------|------------|
| Mobile County, AL, Industrial Development Authority Rev. (Ipsco, Inc.), 6.875%, 2030 (a) | \$ 650,000 |
|------------------------------------------------------------------------------------------|------------|

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### Industrial Revenue - Other - 5.1%

|                                                                                                                     |              |
|---------------------------------------------------------------------------------------------------------------------|--------------|
| Gulf Coast, TX, Industrial Development Authority (Valero Energy Corp.), 5.6%, 2031                                  | \$ 1,750,000 |
| Gulf Coast, TX, Industrial Development Authority Rev. (Microgy Holdings LLC Project), 7%, 2036                      | 620,000      |
| Gulf Coast, TX, Waste Disposal Rev. (Valero Energy Corp.), 6.65%, 2032                                              | 1,000,000    |
| Hardeman County, TN, Correctional Facilities Rev., 7.75%, 2017                                                      | 2,100,000    |
| Madison County, FL, Rev. (Twin Oaks Project), "A", 6%, 2025                                                         | 550,000      |
| New Jersey Economic Development Authority (Gloucester Marine), "C", 6.5%, 2015                                      | 700,000      |
| New York, NY, City Industrial Development Agency Rev., Liberty Bonds (IAC/InterActiveCorp), 5%, 2035                | 620,000      |
| Park Creek Metropolitan District, CO, Rev. (Custodial Receipts), "CR-1", 7.875%, 2032 (a)(n)                        | 1,270,000    |
| Park Creek Metropolitan District, CO, Rev. (Custodial Receipts), "CR-2", 7.875%, 2032 (a)(n)                        | 580,000      |
| Pennsylvania Economic Development Financing Authority, Finance Authority Facilities Rev. (Amtrak), "A", 6.25%, 2031 | 2,000,000    |
| Philadelphia, PA, Industrial Development Authority Rev. (Host Marriott LP), 7.75%, 2017                             | 3,255,000    |
| Port Corpus Christi, TX, Industrial Development Authority Rev. (Citgo Petroleum Corp.), 8.25%, 2031                 | 700,000      |
| Tooele County, UT, Hazardous Waste Treatment Rev. (Union Pacific Corp.), 5.7%, 2026                                 | 385,000      |

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### Industrial Revenue - Paper - 4.8%

|                                                                                                                              |              |
|------------------------------------------------------------------------------------------------------------------------------|--------------|
| Bedford County, VA, Industrial Development Authority Rev. (Nekoosa Packaging), "A", 6.55%, 2025                              | \$ 1,000,000 |
| Butler, AL, Industrial Development Board, Solid Waste Disposal Rev. (Georgia Pacific Corp.), 5.75%, 2028                     | 155,000      |
| Delta County, MI, Economic Development Corp., Environmental Improvements Rev. (Mead Westvaco Escanaba), "A", 6.25%, 2012 (c) | 1,000,000    |
| Delta County, MI, Economic Development Corp., Environmental Improvements Rev. (Mead Westvaco Escanaba), "B", 6.45%, 2012 (c) | 500,000      |
| Effingham County, GA, Development Authority, Solid Waste Disposal Rev. (Fort James), 5.625%, 2018                            | 850,000      |
| Hodge, LA, Utilities Rev. (Stone Container Corp.), 7.45%, 2024                                                               | 3,335,000    |

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|                                                                                                                           |           |
|---------------------------------------------------------------------------------------------------------------------------|-----------|
| Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 2022                          | 2,000,000 |
| Navajo County, AZ, Industrial Development Authority Rev. (Stone Container Corp.), 7.2%, 2027                              | 880,000   |
| Onondaga County, NY, Industrial Development Authority Rev., Solid Waste Disposal Rev. (Solvay Paperboard LLC), 6.8%, 2014 | 900,000   |
| West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 2019               | 1,870,000 |
| West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), "A", 6.375%, 2019         | 700,000   |
| York County, SC, Pollution Control Rev. (Bowater, Inc.), "A", 7.4%, 2010                                                  | 730,000   |

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Miscellaneous Revenue - Entertainment & Tourism - 0.9%

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|                                                                                                                         |              |
|-------------------------------------------------------------------------------------------------------------------------|--------------|
| California Statewide Communities Development Authority Rev., East Valley Tourist (Cabazon Casino), "A", 9.25%, 2020 (n) | \$ 1,155,000 |
| Mississippi Development Bank, Special Obligation (Diamond Lakes Utilities), 6.25%, 2017                                 | 1,000,000    |
| New York Liberty Development Corp. Rev. (National Sports Museum), 6.125%, 2019                                          | 420,000      |
| Seneca Nation Indians, NY, Capital Improvements Authority Special Obligation, 5%, 2023 (n)                              | 275,000      |

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Miscellaneous Revenue - Other - 2.7%

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|                                                                                                                   |            |
|-------------------------------------------------------------------------------------------------------------------|------------|
| Austin, TX, Convention Center (Convention Enterprises, Inc.), "A", 6.6%, 2011 (c)                                 | \$ 400,000 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), "A", 6.7%, 2011 (c)                                 | 600,000    |
| Austin, TX, Convention Enterprises, Inc., Rev., "B", 5.75%, 2034                                                  | 775,000    |
| Cleveland Cuyahoga County, OH, Port Authority Rev. (Cleveland City), "B", 4.5%, 2030                              | 1,155,000  |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Fairmount), "B", 5.125%, 2025                                 | 190,000    |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Myers University), "E", 5.6%, 2025                            | 135,000    |
| Cleveland-Cuyahoga County, OH, Port Authority Rev. (Perrysburg Project), 4.8%, 2035                               | 225,000    |
| Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 2024                                  | 1,130,000  |
| Gallery Certificate Trust, PA, Parking Rev., 4.5%, 2013 (n)                                                       | 695,000    |
| Maryland Economic Development Corp. (Chesapeake Bay Conference Center), "A", 5%, 2031                             | 405,000    |
| San Antonio, TX, Convention Center, Hotel Financial Corp., Contract Rev. (Empowerment Zone), "A", AMBAC, 5%, 2034 | 695,000    |
| Southwestern Illinois Development Authority Rev., Solid Waste Disposal Rev., 5.9%, 2014                           | 280,000    |
| Summit County, OH, Port Authority Building Rev. (Seville Project), "A", 5.1%, 2025                                | 195,000    |
| Summit County, OH, Port Authority Building Rev. (Twinsburg Township), "D", 5.125%, 2025                           | 160,000    |
| Summit County, OH, Port Authority Building Rev. (Workforce Policy Board), "F", 4.875%, 2025                       | 915,000    |
| Toledo Lucas County, OH, Port Authority Development Rev. (Northwest Ohio Bond Fund), "B", 4.8%, 2035              | 265,000    |
| Toledo Lucas County, OH, Port Authority Development Rev. (Northwest Ohio Bond Fund), "C", 5.125%, 2025            | 90,000     |



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### Multi-Family Housing Revenue - 4.5%

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|                                                                                                                                                   |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Bay County, FL, Housing Finance Authority, Multi-Family Rev. (Andrews Place II Apartments), FSA, 5%, 2035                                         | \$ 210,000 |
| Bay County, FL, Housing Finance Authority, Multi-Family Rev. (Andrews Place II Apartments), FSA, 5.1%, 2046                                       | 390,000    |
| Bexar County TX, Multi-Family Housing Rev. (American Opportunity Housing), "A", MBIA, 5.7%, 2021                                                  | 1,250,000  |
| Charter Mac Equity Issuer Trust, 7.1%, 2009 (n)                                                                                                   | 1,000,000  |
| Charter Mac Equity Issuer Trust, 6%, 2019 (n)                                                                                                     | 2,000,000  |
| District of Columbia, Housing Finance Authority (Azeeze Bates Apartments), 4.8%, 2036 (a)                                                         | 455,000    |
| GMAC Municipal Mortgage Trust, "B-1", 5.6%, 2039 (a) (n)                                                                                          | 1,000,000  |
| GMAC Municipal Mortgage Trust, "C-1", 5.7%, 2040 (a) (n)                                                                                          | 500,000    |
| Indianapolis, IN, Multi-Family Rev. (Cambridge Station Apartments II), FNMA, 5.25%, 2039 (a)                                                      | 465,000    |
| Metropolitan Government of Nashville & Davidson County, TN, Health, Educational & Housing Facilities Board Rev. (Berkshire Place), GNMA, 6%, 2023 | 500,000    |
| Munimae, TE, Bond Subsidiary LLC, 5.4%, 2049 (n)                                                                                                  | 1,000,000  |
| Munimae, TE, Bond Subsidiary LLC, FRN, 6.875%, 2009 (a) (n)                                                                                       | 2,000,000  |
| North Charleston, SC, Housing Authority Rev. (Horizon Village), "A", FHA, 5.15%, 2048                                                             | 445,000    |
| San Bernardino County, CA (Equity Residential/Redlands), "A", 5.2%, 2029 (a)                                                                      | 2,000,000  |
| Seattle, WA, Housing Authority Rev., Capped Fund Program (High Rise Rehab), "I", FSA, 5%, 2025                                                    | 670,000    |

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### Sales & Excise Tax Revenue - 0.3%

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|                                                                                                   |            |
|---------------------------------------------------------------------------------------------------|------------|
| Desloge, MO, Tax Increment Rev. (U.S. Highway 67 Street Redevelopment), 5.2%, 2020                | \$ 445,000 |
| Massachusetts Bay Transportation Authority Sales Tax Rev. (Capital Appreciation), "A-2", 0%, 2030 | 1,130,000  |

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### Single Family Housing - Local - 2.5%

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|                                                                                     |           |
|-------------------------------------------------------------------------------------|-----------|
| Cook County, IL, Single Family Mortgage Rev., "A", 0%, 2015                         | \$ 40,000 |
| Corpus Christi, TX, Housing Finance Authority Rev., "B", MBIA, 0%, 2011             | 1,890,000 |
| Dallas, TX, Housing Finance Corp., Single Family Mortgage Rev., MBIA, 0%, 2016      | 2,315,000 |
| Jefferson Parish, LA, Single Family Mortgage Rev., GNMA, 6.3%, 2032                 | 595,000   |
| Jefferson Parish, LA, Single Family Mortgage Rev., "B-1", GNMA, 6.625%, 2023        | 230,000   |
| Jefferson Parish, LA, Single Family Mortgage Rev., "B-1", GNMA, 6.75%, 2030         | 355,000   |
| Jefferson Parish, LA, Single Family Mortgage Rev., "D", GNMA, 5%, 2038              | 570,000   |
| Nortex, TX, Housing Finance Corp., Single Family Mortgage Rev., "B", 5.5%, 2038     | 140,000   |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 6.45%, 2029 | 355,000   |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 5.9%, 2035  | 335,000   |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 6.25%, 2035 | 155,000   |

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|                                                                                       |         |
|---------------------------------------------------------------------------------------|---------|
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 5.55%, 2037   | 950,000 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 5.65%, 2037   | 750,000 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-1", GNMA, 5.75%, 2037 | 275,000 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-2", GNMA, 5.6%, 2029  | 710,000 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-2", GNMA, 5.75%, 2037 | 545,000 |
| Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-5", GNMA, 5.9%, 2037  | 200,000 |

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### Single Family Housing - State - 2.4%

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|                                                                                                             |           |
|-------------------------------------------------------------------------------------------------------------|-----------|
| Colorado Housing & Finance Authority Rev., "A-2", 7.15%, 2014                                               | \$ 3,000  |
| Colorado Housing & Finance Authority Rev., "A-2", AMBAC, 6.6%, 2028                                         | 305,000   |
| Colorado Housing & Finance Authority Rev., "C-2", 5.9%, 2023                                                | 170,000   |
| Colorado Housing & Finance Authority Rev., "C-2", FHA, 6.6%, 2032                                           | 170,000   |
| Colorado Housing & Finance Authority Rev., "C-3", FHA, 6.375%, 2033                                         | 75,000    |
| Colorado Housing & Finance Authority Rev., "D-2", 6.9%, 2029                                                | 345,000   |
| Georgia Housing & Finance Authority Rev., 5.65%, 2021                                                       | 2,490,000 |
| Louisiana Housing Finance Agency, Single Family Mortgage Rev., GNMA, 6.4%, 2032                             | 105,000   |
| Minnesota Housing Finance Agency Rev., Residential Housing Finance, "B", 4.8%, 2023                         | 155,000   |
| Missouri Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.35%, 2032 | 270,000   |
| Missouri Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.85%, 2032 | 145,000   |
| Nebraska Investment Finance Authority Single Family Mortgage Rev., 0%, 2015                                 | 4,450,000 |
| Nebraska Investment Finance Authority, "C", GNMA, 6.25%, 2021                                               | 290,000   |
| New Hampshire Housing Finance Authority Rev., "B", 5.875%, 2030                                             | 85,000    |
| Texas Affordable Housing Corp., Single Family Mortgage Rev., "B", GNMA, 5.25%, 2039                         | 745,000   |

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### Solid Waste Revenue - 1.7%

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|                                                                                                                                |              |
|--------------------------------------------------------------------------------------------------------------------------------|--------------|
| Delaware County, PA, Industrial Development Authority Rev., Resource Recovery Facilities, (American Ref-fuel), "A", 6.5%, 2008 | \$ 1,600,000 |
| Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), "A", 6.7%, 2014                 | 725,000      |
| Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), "A", 5.6%, 2019                  | 2,850,000    |

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### State & Local Agencies - 2.6%

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|                                                                                                          |              |
|----------------------------------------------------------------------------------------------------------|--------------|
| Chicago, IL Pub Bldg Comm Rev, FGIC, 5.25%, 2016 (u)                                                     | \$ 2,600,000 |
| Chicago, IL Pub Bldg Comm Rev, FGIC, 5.25%, 2017 (u)                                                     | 2,100,000    |
| College Park, GA, Industrial Development Authority Rev. (Civic Center), AMBAC, 5.75%, 2010 (c)           | 1,000,000    |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, "B", 5.375%, 2011 (c) | 2,000,000    |

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Student Loan Revenue - 0.2%

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Access to Loans for Learning, California Student Loan Rev., 7.95%, 2030 \$ 650,000  
-----

Tax - Other - 1.9%

-----  
Black Hawk, CO, Device Tax Rev., 5.625%, 2008 (c) \$ 250,000  
Black Hawk, CO, Device Tax Rev., 5%, 2010 80,000  
Black Hawk, CO, Device Tax Rev., 5%, 2013 55,000  
Black Hawk, CO, Device Tax Rev., 5%, 2015 170,000  
Black Hawk, CO, Device Tax Rev., 5%, 2021 130,000  
Dade County, FL, Special Obligations Rev., Capital  
Appreciation Bond, "B", AMBAC, 0%, 2008 (c) 15,080,000  
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.5%, 2024 340,000  
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.75%, 2029 615,000  
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.5%, 2031 270,000  
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.75%, 2034 410,000  
Virgin Islands Public Finance Authority Rev., "E", 5.875%, 2018 500,000  
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Tax Assessment - 6.0%

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Allegheny County, PA, Redevelopment Authority Rev.  
(Pittsburgh Mills), 5.1%, 2014 \$ 235,000  
Amelia Walk Community Development District, FL, Special  
Assessment, "B", 5.2%, 2014 685,000  
Arborwood Community Development District, FL, Capital  
Improvement Rev., 5.25%, 2016 500,000  
Arborwood Community Development District, FL, Capital  
Improvement Rev. (Master Infrastructure Projects), "A", 5.35%, 2036 620,000  
Arborwood Community Development District, FL, Special  
Assessment (Master Infrastructure Projects), "B", 5.1%, 2014 250,000  
Atlanta, GA, Tax Allocation (Eastside Project), "B", 5.6%, 2030 815,000  
Atlanta, GA, Tax Allocation (Princeton Lakes Project), 5.5%, 2031 555,000  
Belmont Community Development District, FL, Capital  
Improvement Rev., "B", 5.125%, 2014 985,000  
Chicago IL, Ryan Garfield Tax Increment Allocation, 10.125%, 2007 225,000  
Concord Station Community Development District, FL, Special  
Assessment, 5%, 2015 265,000  
Concorde Estates Community Development District, FL, Special  
Assessment, "B", 5%, 2011 535,000  
Du Page County, IL, Special Service Area No. 31 Special Tax  
(Monarch Landing Project), 5.625%, 2036 305,000  
East Homestead Community Development District, FL, Special  
Assessment, "B", 5%, 2011 190,000  
Enclave at Black Point Marina Community Development  
District, FL, "A", 5.4%, 2037 105,000  
Enclave at Black Point Marina Community Development  
District, FL, "B", 5.2%, 2014 215,000  
Fishhawk Community Development District, FL, 5.125%, 2009 375,000  
Katy, TX, Development Authority Rev., "B", 5.8%, 2011 745,000  
Katy, TX, Development Authority Rev., "B", 6%, 2018 925,000  
Killarney Community Development District, FL, Special  
Assessment, "B", 5.125%, 2009 250,000  
Lakes by the Bay South Community Development District, FL,  
Rev., "B", 5.3%, 2009 685,000  
Lancaster County, SC, Assessment Rev. (Sun City Carolina  
Lakes), 5.45%, 2037 110,000  
Markham, IL, Tax Increment Rev., 9%, 2012 855,000  
Middle Village Community Development District, FL, Special  
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|                                                                                                              |           |
|--------------------------------------------------------------------------------------------------------------|-----------|
| Assessment, "B", 5%, 2009                                                                                    | 195,000   |
| Naturewalk Community Development District, FL, Capital Improvement Rev., "B", 5.3%, 2016                     | 660,000   |
| New Port Tampa Bay Community Development District, FL, Special Assessment, "B", 5.3%, 2012                   | 440,000   |
| North Springs Improvement District, FL, Special Assessment (Parkland Golf Country Club), "B-1", 5.125%, 2015 | 350,000   |
| North Springs Improvement District, FL, Special Assessment (Parkland Golf Country Club), "B-2", 5.125%, 2015 | 165,000   |
| Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), "A", 5.9%, 2035        | 245,000   |
| Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), "B", 5.375%, 2014      | 295,000   |
| Overland Park, KS, Special Assessment (Tallgrass Creek), 4.85%, 2016                                         | 170,000   |
| Overland Park, KS, Special Assessment (Tallgrass Creek), 5.125%, 2028                                        | 350,000   |
| Panther Trace II, Community Development District, FL, Special Assessment, 5.125%, 2013                       | 355,000   |
| Panther Trace II, Community Development District, FL, Special Assessment, "B", 5%, 2010                      | 720,000   |
| Parkway Center, Community Development District, FL, Special Assessment, "B", 5.625%, 2014                    | 1,260,000 |
| Paseo, FL, Community Development District, "B", 4.875%, 2010                                                 | 480,000   |
| Preserve at Wilderness Lake, FL, Community Development District, Capital Improvement, "B", 5%, 2009          | 45,000    |
| Prince George's County, MD, Special Obligation (National Harbor Project), 5.2%, 2034                         | 245,000   |
| Reunion East Community Development District, FL, Special Assessment, 5.9%, 2007                              | 45,000    |
| Riverwood Estates Community Development District, FL, Special Assessment, "B", 5%, 2013                      | 445,000   |
| Sterling Hill Community Development District, FL, Special Assessment, 5.5%, 2010                             | 345,000   |
| Tuscany Reserve Community Development District, FL, Special Assessment, "B", 5.25%, 2016                     | 500,000   |
| Villasol Community Development District, FL, Special Assessment Rev., "B", 5.375%, 2008                      | 160,000   |
| Watergrass Community Development District, FL, Special Assessment, "B", 4.875%, 2010                         | 865,000   |
| Wentworth Estates Community Development District, FL, Special Assessment, "B", 5.125%, 2012                  | 400,000   |

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Tobacco - 8.1%

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|                                                                                                                      |              |
|----------------------------------------------------------------------------------------------------------------------|--------------|
| Badger, WI, Tobacco Asset Securitization Corp., 6.125%, 2027                                                         | \$ 3,885,000 |
| California County, CA, Tobacco Securitization Agency, Capital Appreciation Asset Backed (Gold Country), 0%, 2033     | 2,620,000    |
| California County, CA, Tobacco Securitization Corp., Tobacco Settlement, L.A. County, "A", 0% to 2010, 5.65% to 2041 | 485,000      |
| California Statewide Financing Authority, Tobacco Settlement, 5.625%, 2029                                           | 1,730,000    |
| Children's Trust Fund, Tobacco Settlement Rev., Puerto Rico, "A", 0%, 2050                                           | 4,000,000    |
| Children's Trust Fund, Tobacco Settlement Rev., Puerto Rico, "B", 0%, 2055                                           | 4,000,000    |
| District of Columbia, Tobacco Settlement, 6.25%, 2024                                                                | 1,080,000    |
| District of Columbia, Tobacco Settlement, Capital Appreciation, "A", 0%, 2046                                        | 5,840,000    |
| Golden State Tobacco Securitization Corp., California Tobacco Settlement Rev., Asset Backed, "A-1", 5%, 2033         | 1,770,000    |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement, "A", 5%, 2021 (c)                                | 590,000      |
| Golden State, CA, Tobacco Securitization Corp., Tobacco                                                              |              |

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|                                                                        |            |
|------------------------------------------------------------------------|------------|
| Settlement, "A-1", 5.125%, 2047                                        | 1,700,000  |
| Golden State, CA, Tobacco Securitization Corp., Tobacco                |            |
| Settlement, "A-4", 7.8%, 2013 (c)                                      | 1,000,000  |
| Iowa Tobacco Settlement Authority, Tobacco Settlement Rev.,            |            |
| Asset Backed, "B", 5.3%, 2011 (c)                                      | 2,000,000  |
| Iowa Tobacco Settlement Authority, Tobacco Settlement Rev.,            |            |
| Asset Backed, "B", 0% to 2007, 5.6% to 2034                            | 1,635,000  |
| Louisiana Tobacco Settlement Authority Rev., 5.5%, 2030                | 1,435,000  |
| New Jersey Tobacco Settlement Financing Corp., 5.75%, 2012 (c)         | 825,000    |
| New Jersey Tobacco Settlement Financing Corp., 7%, 2013 (c)            | 15,000     |
| New Jersey Tobacco Settlement Financing Corp., "1-A", 5%, 2041         | 1,000,000  |
| Northern Tobacco Securitization Corp., AK, Asset Backed, "A", 5%, 2046 | 860,000    |
| Rockland Tobacco Asset Securitization Corp., NY, Tobacco               |            |
| Asset Backed, "C", 0%, 2060                                            | 11,045,000 |
| Silicon Valley Tobacco Securitization Authority, CA, Tobacco           |            |
| Settlement Rev. (Turbo-Santa Clara), "A", 0%, 2036                     | 2,115,000  |
| Silicon Valley Tobacco Securitization Authority, CA, Tobacco           |            |
| Settlement Rev. (Turbo-Santa Clara), "A", 0%, 2041                     | 1,560,000  |
| South Carolina Tobacco Settlement Authority Rev., "B", 6%, 2022        | 1,260,000  |
| South Carolina Tobacco Settlement Authority Rev., "B", 6.375%, 2028    | 1,075,000  |
| Virginia Tobacco Settlement Financing Corp., 5.625%, 2015 (c)          | 50,000     |
| Virginia Tobacco Settlement Financing Corp., "B-1", 5%, 2047           | 70,000     |
| Washington Tobacco Settlement Authority, 6.5%, 2026                    | 155,000    |

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### Toll Roads - 1.5%

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|                                                        |              |
|--------------------------------------------------------|--------------|
| E-470 Public Highway Authority, Colorado Rev., Capital |              |
| Appreciation, "B", MBIA, 0%, 2027                      | \$ 4,115,000 |
| Niagra Falls NY Brdg Comn, FGIC, 5.25%, 2015 (u)       | 3,000,000    |

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### Transportation - Special Tax - 2.7%

---

|                                                              |              |
|--------------------------------------------------------------|--------------|
| Missouri Highways & Transportation Commission, State Road    |              |
| Rev., "A", 5.625%, 2011 (c)                                  | \$ 4,500,000 |
| Telluride, CO, Real Estate Transfer Assessment Rev. (Gondola |              |
| Transit Co.), ETM, 11.5%, 2012 (c)                           | 2,900,000    |

---

### Universities - Colleges - 3.0%

---

|                                                                 |            |
|-----------------------------------------------------------------|------------|
| California Educational Facilities Authority Rev. (L.A.          |            |
| College of Chiropractic), 5.6%, 2017                            | \$ 750,000 |
| Foothill-DE Anza Community College District, CA, Capital        |            |
| Appreciation, "B", AMBAC, 0%, 2034                              | 785,000    |
| Harrisburg, PA, University of Science, "A", 5.4%, 2016          | 235,000    |
| Harrisburg, PA, University of Science, "B", 6%, 2036            | 555,000    |
| Houston, TX, Community College Systems, MBIA, 7.875%, 2025      | 2,500,000  |
| Illinois Educational Facilities Authority Rev. (Augustana       |            |
| College), "A", 5.625%, 2022                                     | 400,000    |
| Illinois Finance Authority Rev. (Illinois Institute of          |            |
| Technology), "A", 5%, 2036                                      | 480,000    |
| Louisiana State University (Health Sciences Center Project),    |            |
| MBIA, 6.375%, 2031                                              | 2,500,000  |
| New York Dormitory Authority Rev. (Vassar College), 4.25%, 2039 | 195,000    |
| Private Colleges & Universities Authority, GA, Rev. (Mercer     |            |
| University Project), "A", 5.375%, 2029                          | 240,000    |
| Savannah, GA, Economic Development Authority Rev. (College      |            |

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|                                                                                         |         |
|-----------------------------------------------------------------------------------------|---------|
| of Art & Design, Inc.), 6.5%, 2009 (c)                                                  | 625,000 |
| University of Arkansas, University Construction Rev. (UAMS Campus), "B", MBIA, 5%, 2034 | 300,000 |

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### Universities - Secondary Schools - 1.7%

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|                                                                                                                                    |            |
|------------------------------------------------------------------------------------------------------------------------------------|------------|
| California Statewide Communities, Development Authority Rev. (Escondido Charter High School), 7.5%, 2011 (c)                       | \$ 555,000 |
| California Statewide Communities, Development Authority Rev. (Escondido Charter High School), 7.5%, 2011 (c)                       | 1,000,000  |
| Deerfield, IL, Educational Facilities Authority Rev. (Chicagoland Jewish High School Project), 6%, 2041                            | 815,000    |
| Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), "A", 5.25%, 2027                                   | 430,000    |
| Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), "A", 5.375%, 2037                                  | 425,000    |
| Maryland Health & Higher Educational Facilities Authority Rev. (Washington Christian Academy), 5.5%, 2038                          | 140,000    |
| Maryland Industrial Development Financing Authority, Economic Development Authority Rev. (Our Lady of Good Council), "A", 6%, 2035 | 150,000    |
| Michigan Municipal Bond Authority Rev. (YMCA Service Learning Academy), 7.625%, 2021                                               | 1,000,000  |
| Pima County, AZ, Industrial Development Authority Education Rev. (Arizona Charter Schools), "C", 6.75%, 2031                       | 500,000    |

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### Utilities - Cogeneration - 1.3%

---

|                                                                                                                               |            |
|-------------------------------------------------------------------------------------------------------------------------------|------------|
| Alaska Industrial Development Export Authority, Power Rev., Upper Lynn Canal Regional Power, 5.8%, 2018                       | \$ 830,000 |
| Carbon County, PA, Industrial Development Authority Rev. (Panther Creek Partners), 6.65%, 2010                                | 1,710,000  |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Colver), "G", 5.125%, 2015               | 350,000    |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), 6.4%, 2009      | 250,000    |
| Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), "A", 6.5%, 2013 | 1,000,000  |

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### Utilities - Investor Owned - 8.2%

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|                                                                                                                     |            |
|---------------------------------------------------------------------------------------------------------------------|------------|
| Brazos River Authority, TX, Authority Texas Rev. (Reliant Energy, Inc.), "A", 5.375%, 2019                          | \$ 500,000 |
| Brazos River Authority, TX, Authority Texas Rev. (Reliant Energy, Inc.), "B", AMBAC, 5.125%, 2020                   | 2,000,000  |
| Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Company), "C", 5.75%, 2036 (a)                     | 1,240,000  |
| Calcasieu Parish, LA, Industrial Development Board, Pollution Control Rev. (Entergy Gulf States, Inc.), 5.45%, 2010 | 1,250,000  |
| Connecticut Development Authority, Pollution Control Rev. (Connecticut Light & Power Co.), 5.85%, 2028              | 2,000,000  |
| Connecticut Development Authority, Pollution Control Rev. (Connecticut Light & Power Co.), 5.95%, 2028              | 2,270,000  |
| Farmington, NM, Pollution Control Rev. (New Mexico Public Service), "A", 6.3%, 2016                                 | 2,195,000  |
| Farmington, NM, Pollution Control Rev. (New Mexico Public                                                           |            |

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|                                                                                                              |           |
|--------------------------------------------------------------------------------------------------------------|-----------|
| Service), "C", 5.8%, 2022                                                                                    | 2,105,000 |
| Forsyth, MT, Pollution Control Rev. (Portland General), "B", 5.2%, 2033 (a)                                  | 230,000   |
| Matagorda County, TX (Centerpoint Energy), 5.6%, 2027                                                        | 1,500,000 |
| Matagorda County, TX, Pollution Control Rev. (Reliant Energy), 5.95%, 2030                                   | 1,655,000 |
| Mecklenburg County, VA, Industrial Development Authority Rev. (UAE Mecklenburg LP), 6.5%, 2017               | 800,000   |
| New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), 6%, 2021 | 1,000,000 |
| Ohio Air Quality Development Authority, Pollution Control Rev. (Cleveland Electric), "B", 6%, 2020           | 3,000,000 |
| Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), "A", 6.1%, 2025          | 650,000   |
| Port Morrow, OR, Pollution Control Rev. (Portland General), 5.2%, 2033 (a)                                   | 550,000   |
| West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2015                    | 1,500,000 |
| West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2016                    | 1,000,000 |

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### Utilities - Municipal Owned - 2.4%

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|                                                                                                |              |
|------------------------------------------------------------------------------------------------|--------------|
| North Carolina Eastern Municipal Power Agency, Power Systems Rev., "B", 5.55%, 2014            | \$ 2,150,000 |
| North Carolina Municipal Power Agency (Catawba Electric Rev.), "B", 6.5%, 2020                 | 2,000,000    |
| Seattle, WA, Municipal Light & Power Rev., 5.625%, 2017                                        | 3,000,000    |
| Southern California Public Power Authority (Transmission Project Rev.), RIBS, 7.721%, 2012 (p) | 100,000      |

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### Water & Sewer Utility Revenue - 2.0%

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|                                                                                                                  |            |
|------------------------------------------------------------------------------------------------------------------|------------|
| Magnolia, TX, Water & Sewer System Rev., 5.15%, 2031                                                             | \$ 205,000 |
| Mississippi Development Bank Special Obligations, Grenada, MS, Water & Sewer Systems Project, "N", FSA, 5%, 2030 | 710,000    |
| New York, NY, Municipal Water & Sewer Finance Authority Rev., 5.5%, 2010 (c)                                     | 5,000,000  |

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### TOTAL MUNICIPAL BONDS (IDENTIFIED COST, \$429,484,812)

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### Floating Rate Demand Notes - 0.2%

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|                                                                                                             |            |
|-------------------------------------------------------------------------------------------------------------|------------|
| Harris County, TX, Health Facilities Development Rev. (University of Texas Medical Center), 4%, due 5/01/07 | \$ 300,000 |
| Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), 3.98%, due 5/01/07                          | 200,000    |
| Pinellas County, FL, Health Facilities Authority Rev. (Pooled Hospital Loan Program), 4%, due 5/01/07       | 100,000    |

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### TOTAL FLOATING RATE DEMAND NOTES, AT IDENTIFIED COST

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### TOTAL INVESTMENTS (IDENTIFIED COST, \$430,084,812) (k)

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### Other Assets, Less Liabilities - 0.8%

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PREFERRED SHARES (ISSUED BY THE TRUST) - (43.6)%

NET ASSETS APPLICABLE TO COMMON SHARES - 100.0%

SWAP AGREEMENTS AT 4/30/07

Interest Rate Swaps

| EXPIRATION | NOTIONAL AMOUNT | COUNTERPARTY | CASH FLOWS TO RECEIVE | CASH FLOWS TO PAY   |
|------------|-----------------|--------------|-----------------------|---------------------|
| 8/29/19    | USD 35,000,000  | Merill Lynch | 7-day BMA             | 4.012% (fixed rate) |

At April 30, 2007, the trust had sufficient cash and/or securities to cover any commitments under derivative contracts.

- (a) Mandatory put date is earlier than stated maturity date.
- (c) Refunded bond.
- (k) As of April 30, 2007, the trust held securities fair valued in accordance with the policies a Board of Trustees, aggregating \$457,783,342 and 99.87% of market value. All of these security 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 secu sold in the ordinary course of business in transactions exempt from registration, normally to institutional buyers. At period end, the aggregate value of these securities was \$12,240,892, 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 u of self-deposited inverse floaters.

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

|     |                                                                                        |
|-----|----------------------------------------------------------------------------------------|
| BMA | Bond Market Assn.                                                                      |
| COP | Certificate of Participation                                                           |
| ETM | Escrowed to Maturity                                                                   |
| FRN | Floating Rate Note. Interest rate resets periodically and may not be the rate reported |

Insurers

|       |                                    |
|-------|------------------------------------|
| AMBAC | AMBAC Indemnity Corp.              |
| FGIC  | Financial Guaranty Insurance Co.   |
| FHA   | Federal Housing Administration     |
| 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 |
| RIBS   | Residual Interest Bonds   |

SEE NOTES TO FINANCIAL STATEMENTS

Financial Statements



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### STATEMENT OF ASSETS AND LIABILITIES

At 4/30/07 (unaudited)

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

#### ASSETS

|                                                        |               |           |
|--------------------------------------------------------|---------------|-----------|
| Investments, at value (identified cost, \$430,084,812) | \$458,383,342 |           |
| Cash                                                   | 102,280       |           |
| Receivable for investments sold                        | 8,388,075     |           |
| Interest receivable                                    | 8,147,523     |           |
| Other assets                                           | 28,964        |           |
|                                                        |               |           |
| Total assets                                           |               | \$475,050 |

#### LIABILITIES

|                                                                          |           |          |
|--------------------------------------------------------------------------|-----------|----------|
| Distributions payable on common shares                                   | \$149,524 |          |
| Payable for investments purchased                                        | 7,299,344 |          |
| Payable to the holder of the floating rate certificate from trust assets | 5,369,322 |          |
| Unrealized depreciation on interest rate swap agreements                 | 813,349   |          |
| Payable to affiliates                                                    |           |          |
| Management fee                                                           | 38,709    |          |
| Transfer agent and dividend disbursing costs                             | 34,811    |          |
| Administrative services fee                                              | 979       |          |
| Payable for independent trustees' compensation                           | 118,467   |          |
| Payable for interest expense and fees                                    | 52,738    |          |
| Accrued expenses and other liabilities                                   | 183,449   |          |
|                                                                          |           |          |
| Total liabilities                                                        |           | \$14,060 |

#### PREFERRED SHARES

|                                                                                                                                                                   |  |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Series T and Series TH auction preferred shares (5,600 shares issued and outstanding at \$25,000 per share) at liquidation value plus cumulative unpaid dividends |  | \$140,073 |
|                                                                                                                                                                   |  |           |
| Net assets applicable to common shares                                                                                                                            |  | \$320,915 |

Statement of Assets and Liabilities (unaudited) - continued

#### NET ASSETS CONSIST OF

|                                                                                        |               |           |
|----------------------------------------------------------------------------------------|---------------|-----------|
| Paid-in capital - common shares                                                        | \$315,051,707 |           |
| Unrealized appreciation (depreciation) on investments                                  | 27,485,181    |           |
| Accumulated net realized gain (loss) on investments                                    | (26,356,994)  |           |
| Undistributed net investment income                                                    | 4,735,686     |           |
|                                                                                        |               |           |
| Net assets applicable to common shares                                                 |               | \$320,915 |
|                                                                                        |               |           |
| Preferred shares, at value (5,600 shares issued and outstanding at \$25,000 per share) |               | 140,000   |

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|                                                                                                                     |           |
|---------------------------------------------------------------------------------------------------------------------|-----------|
| Net assets including preferred shares                                                                               | \$460,915 |
| Common shares of beneficial interest outstanding (40,237,768 shares issued less 55,500 treasury shares)             | 40,182    |
| Net asset value per common share (net assets of \$320,915,580/40,182,268 shares of beneficial interest outstanding) | \$        |

SEE NOTES TO FINANCIAL STATEMENTS

### Financial Statements

#### STATEMENT OF OPERATIONS

Six months ended 4/30/07 (unaudited)

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

#### NET INVESTMENT INCOME

|                                                           |                 |
|-----------------------------------------------------------|-----------------|
| Interest income                                           | \$14,274        |
| <b>Expenses</b>                                           |                 |
| Management fee                                            | \$1,765,888     |
| Transfer agent and dividend disbursing costs              | 43,434          |
| Administrative services fee                               | 44,423          |
| Independent trustees' compensation                        | 24,116          |
| Stock exchange fee                                        | 18,176          |
| Preferred shares remarketing agent fee                    | 173,732         |
| Custodian fee                                             | 60,561          |
| Shareholder communications                                | 26,072          |
| Auditing fees                                             | 34,252          |
| Legal fees                                                | 6,381           |
| Interest expense and fees                                 | 120,377         |
| Miscellaneous                                             | 44,436          |
| <b>Total expenses</b>                                     | <b>\$2,361</b>  |
| Fees paid indirectly                                      | (11,981)        |
| Reduction of expenses by investment adviser               | (808)           |
| <b>Net expenses</b>                                       | <b>\$2,349</b>  |
| <b>Net investment income</b>                              | <b>\$11,925</b> |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> |                 |
| Realized gain (loss) (identified cost basis)              |                 |
| Investment transactions                                   | \$913,001       |
| Swap transactions                                         | (1,163,000)     |
| <b>Net realized gain (loss) on investments</b>            | <b>\$(249)</b>  |
| Change in unrealized appreciation (depreciation)          |                 |
| Investments                                               | \$(3,824,051)   |
| Swap transactions                                         | 1,021,297       |

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|                                                        |                |
|--------------------------------------------------------|----------------|
| Net unrealized gain (loss) on investments              | \$ (2,802,754) |
| Net realized and unrealized gain (loss) on investments | \$ (3,052,192) |
| Distributions declared from preferred shares           | \$ (2,485,192) |
| Change in net assets from operations                   | \$6,387,057    |

SEE NOTES TO FINANCIAL STATEMENTS

Financial Statements  
STATEMENTS OF CHANGES IN NET ASSETS

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

|                                                                                                               | SIX MONTHS ENDED<br>4/30/07<br>(UNAUDITED) | YEAR<br>2006    |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------|
| CHANGE IN NET ASSETS                                                                                          |                                            |                 |
| FROM OPERATIONS                                                                                               |                                            |                 |
| Net investment income                                                                                         | \$11,925,002                               | \$23,200,000    |
| Net realized gain (loss) on investments                                                                       | (249,999)                                  | 2,600,000       |
| Net unrealized gain (loss) on investments                                                                     | (2,802,754)                                | 3,900,000       |
| Distributions declared from preferred shares                                                                  | (2,485,192)                                | (4,600,000)     |
| Change in net assets from operations                                                                          | \$6,387,057                                | \$25,100,000    |
| DISTRIBUTIONS DECLARED TO SHAREHOLDERS                                                                        |                                            |                 |
| From net investment income                                                                                    | \$ (9,392,326)                             | \$ (19,700,000) |
| Net asset value of shares issued to common shareholders in reinvestment of distributions                      | \$822,150                                  | \$1,400,000     |
| Total change in net assets                                                                                    | \$ (2,183,119)                             | \$6,900,000     |
| NET ASSETS                                                                                                    |                                            |                 |
| At beginning of period                                                                                        | 323,098,699                                | 316,100,000     |
| At end of period (including undistributed net investment income of \$4,735,686 and \$4,688,202, respectively) | \$320,915,580                              | \$323,000,000   |

SEE NOTES TO FINANCIAL STATEMENTS

Financial Statements

FINANCIAL HIGHLIGHTS

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

|                                                                                                      | SIX MONTHS<br>ENDED<br>4/30/07<br>(UNAUDITED) | 2006      | 2005      | YEARS ENDED 10<br>2004 |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|-----------|------------------------|
| Net asset value,<br>beginning of period                                                              | \$8.06                                        | \$7.92    | \$7.86    | \$7.69                 |
| <b>INCOME (LOSS) FROM<br/>INVESTMENT OPERATIONS</b>                                                  |                                               |           |           |                        |
| Net investment income (d)                                                                            | \$0.30 (z)                                    | \$0.58    | \$0.59    | \$0.60                 |
| Net realized and unrealized<br>gain (loss) on investments                                            | (0.08) (z)                                    | 0.17      | 0.10      | 0.16                   |
| Distributions declared to<br>shareholders on preferred shares                                        | (0.06)                                        | (0.12)    | (0.08)    | (0.04)                 |
| Total from investment operations                                                                     | \$0.16                                        | \$0.63    | \$0.61    | \$0.72                 |
| <b>LESS DISTRIBUTIONS DECLARED<br/>TO SHAREHOLDERS</b>                                               |                                               |           |           |                        |
| From net investment income,<br>common shares                                                         | \$ (0.23)                                     | \$ (0.49) | \$ (0.55) | \$ (0.55)              |
| Net asset value, end of period                                                                       | \$7.99                                        | \$8.06    | \$7.92    | \$7.86                 |
| Common share market value,<br>end of period                                                          | \$8.40                                        | \$8.20    | \$8.27    | \$7.83                 |
| Total return at market<br>value (%) (p)                                                              | 5.44 (n)                                      | 5.41      | 13.18     | 12.22                  |
| <b>RATIOS (%) (TO AVERAGE NET<br/>ASSETS APPLICABLE TO COMMON<br/>SHARES) AND SUPPLEMENTAL DATA:</b> |                                               |           |           |                        |
| Expenses before expense<br>reductions (f) (p)                                                        | 1.48 (a)                                      | 1.45      | 1.44      | 1.46                   |
| Expenses after expense<br>reductions (f) (p)                                                         | 1.48 (a)                                      | 1.45      | 1.44      | 1.46                   |
| Expenses after expense<br>reductions<br>and excluding interest expense<br>and fees (f) (l) (p)       | 1.40 (a)                                      | N/A       | N/A       | N/A                    |
| Net investment income (p)                                                                            | 5.21 (a) (z)                                  | 7.30      | 7.45      | 7.70                   |
| Portfolio turnover                                                                                   | 7                                             | 17        | 14        | 9                      |
| Net assets at end of<br>period (000 omitted)                                                         | \$320,916                                     | \$323,099 | \$316,196 | \$312,825              |

Financial Highlights - continued

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|                                                                                                                | SIX MONTHS<br>ENDED<br>4/30/07<br>(UNAUDITED) | -----<br>2006 | 2005     | YEARS ENDED 10<br>-----<br>2004 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------|----------|---------------------------------|
| <b>SUPPLEMENTAL RATIOS (%) :</b>                                                                               |                                               |               |          |                                 |
| -----                                                                                                          |                                               |               |          |                                 |
| Ratio of expenses to average net assets including preferred shares excluding interest expense and fees (f) (p) | 0.98 (a)                                      | 1.00          | 0.99     | 1.00                            |
| Preferred shares dividends                                                                                     | 1.56 (a)                                      | 1.46          | 0.95     | 0.49                            |
| Net investment income available to common shares                                                               | 5.91 (a)                                      | 5.84          | 6.49     | 7.22                            |
| <br><b>SENIOR SECURITIES:</b>                                                                                  |                                               |               |          |                                 |
| -----                                                                                                          |                                               |               |          |                                 |
| Total preferred shares outstanding                                                                             | 5,600                                         | 5,600         | 5,600    | 5,600                           |
| Asset coverage per preferred share (k)                                                                         | \$82,306                                      | \$82,696      | \$81,464 | \$80,862                        |
| Involuntary liquidation preference per preferred share                                                         | \$25,000                                      | \$25,000      | \$25,000 | \$25,000                        |
| Approximate market value per preferred share                                                                   | \$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.

(k) Calculated by subtracting the trust's total liabilities (not including preferred shares) from net 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.

(n) Not annualized.

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

(z) The fund applied a change in estimate for amortization of premium and accretion of discount on investments in the current year that resulted in an increase of \$0.03 per share to net investment income, an increase of \$0.03 per share to net realized and unrealized gain (loss) on investments, and an increase of 0.29% to the ratio for the year ended April 30, 2007. The change in estimate had no impact on net assets, net income, or total return.

SEE NOTES TO FINANCIAL STATEMENTS

### NOTES TO FINANCIAL STATEMENTS

(unaudited)

#### (1) BUSINESS AND ORGANIZATION

MFS Municipal Income Trust (the trust) is a trust that is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end diversified 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

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statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The trust 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 trust may be required to issue Forms 1099-DIV.

INVESTMENT VALUATIONS - Debt instruments (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. 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.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the trust'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 trust's valuation policies and procedures, market quotations are not considered to be readily available for many types of debt instruments and certain 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 trust'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. Events that occur on a frequent basis after foreign markets close (such as developments in foreign markets and significant movements in the U.S. markets) and prior to the determination of the trust's net asset value may be deemed to have a material affect on the value of securities traded in foreign markets. Accordingly, the trust's foreign securities may often be valued at fair value. 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 trust'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 trust'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

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"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 trust, and believes the impact will be limited to expanded disclosures resulting from the adoption of this Statement in the trust's financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 (FAS 159) "The Fair Value Option for Financial Assets and Financial Liabilities - including an amendment of FASB Statement No. 115." FAS 159 permits entities to elect to measure certain financial assets and liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings at each subsequent reporting date. FAS 159 is effective for fiscal years beginning after November 15, 2007. Management is evaluating the application of the Statement to the trust and its impact on the trust's financial statements, if any, has not been determined.

**DERIVATIVE RISK** - The trust 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 trust 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. Derivative instruments include swap agreements and inverse floaters.

**SWAP AGREEMENTS** - The trust may enter into swap agreements. A swap is an exchange of cash payments between the trust 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. 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 trust'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 movement of the underlying instrument. All swap agreements entered into by the trust 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 trust 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 trust may enter into an interest rate swap in order to manage its exposure to interest rate fluctuations.

**INVERSE FLOATERS** - The trust 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

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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, 2007, the trust's payable to the holder of the floating rate certificate from trust assets was \$5,369,322. The weighted average interest rate on the floating rate certificates issued by the trust was 3.93%. 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, 2007, interest expense and fees in connection with self-deposited inverse floaters was \$119,456. Primary and externally deposited inverse floaters held by the trust are not accounted for as secured borrowings.

INDEMNIFICATIONS - Under the trust'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 trust. Additionally, in the normal course of business, the trust enters into agreements with service providers that may contain indemnification clauses. The trust's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the trust 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. All premium and original issue discount is amortized or accreted for tax reporting purposes as required by federal income tax regulations. The trust 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 trust. 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.

As a result of the change in estimate for the amortization of premium and accretion of discount on certain debt securities, interest income has been increased by \$1,361,696, with a corresponding reduction to net unrealized



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appreciation (depreciation).

FEES PAID INDIRECTLY - The trust's custody fee is reduced according to an arrangement that measures the value of cash deposited with the custodian by the trust. This amount, for the six months ended April 30, 2007, is shown as a reduction of total expenses on the Statement of Operations.

TAX MATTERS AND DISTRIBUTIONS - The trust 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. Accordingly, no provision for federal income tax is required in the 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.

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:

| 10/31/06                                                 |              |
|----------------------------------------------------------|--------------|
| Ordinary income (including any short-term capital gains) | \$181,879    |
| Tax-exempt income                                        | 24,170,453   |
|                                                          |              |
| Total distributions                                      | \$24,352,332 |

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

|                                            |               |
|--------------------------------------------|---------------|
| AS OF 4/30/07                              |               |
| Cost of investments                        | \$422,996,996 |
|                                            |               |
| Gross appreciation                         | 31,041,999    |
| Gross depreciation                         | (1,005,653)   |
|                                            |               |
| Net unrealized appreciation (depreciation) | \$30,036,346  |
| AS OF 10/31/06                             |               |
| Undistributed ordinary income              | \$113,468     |
| Undistributed tax-exempt income            | 4,844,106     |
| Capital loss carryforwards                 | (27,111,418)  |
| Other temporary differences                | (2,104,018)   |
| Net unrealized appreciation (depreciation) | 33,127,004    |

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

As of October 31, 2006, the trust had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

|          |                 |
|----------|-----------------|
| 10/31/09 | \$ (1,744,548)  |
| 10/31/10 | (2,883,947)     |
| 10/31/11 | (10,944,821)    |
| 10/31/12 | (1,858,513)     |
| 10/31/13 | (9,679,589)     |
| -----    |                 |
|          | \$ (27,111,418) |

In June 2006, FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (the "Interpretation") was issued, and is effective for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. On December 22, 2006, the SEC delayed the implementation of the Interpretation for regulated investment companies for an additional six months. This 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, and requires certain expanded disclosures. Management has evaluated the application of the Interpretation to the trust, and has determined that there is no impact resulting from the adoption of this Interpretation on the trust's financial statements.

### (3) TRANSACTIONS WITH AFFILIATES

**INVESTMENT ADVISER** - The trust has an investment advisory agreement with Massachusetts Financial Services Company (MFS) to provide overall investment management and related administrative services and facilities to the trust. The management fee is computed daily and paid monthly at an annual rate of 0.40% of the trust'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, 2007 was equivalent to an annual effective rate of 0.77% of the trust's average daily net assets, including preferred shares.

**TRANSFER AGENT** - Prior to December 18, 2006, MFS Service Center, Inc. (MFSC), a wholly-owned subsidiary of MFS, received a fee from the trust for its services as registrar and dividend-disbursing agent. Pursuant to a written agreement, the trust paid MFSC an account maintenance fee of no more than \$9.00 and a dividend services fee of \$0.75 per reinvestment. Effective December 18, 2006, the trust has engaged Computershare Trust Company, N.A. ("Computershare") as the sole transfer agent for the trust. MFSC will continue to monitor and supervise the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the six months ended April 30, 2007, these fees paid to MFSC amounted to \$17,828. MFSC also receives payment from the trust for out-of-pocket expenses paid by MFSC on behalf of the trust. For the six months ended April 30, 2007, these costs amounted to \$23,333.

**ADMINISTRATOR** - MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the trust. Under an administrative services agreement, the trust partially reimburses MFS the costs incurred to provide these services. The trust is charged a fixed amount plus a fee based on calendar year average net assets. The trust's annual fixed amount is \$17,500. The administrative services fee incurred for the six months ended April 30, 2007 was equivalent to an annual effective rate of 0.0194% of the trust's average daily net assets.

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TRUSTEES' AND OFFICERS' COMPENSATION - The trust pays compensation to independent trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The trust does not pay compensation directly to trustees or to officers of the trust who are also officers of the investment adviser, all of whom receive remuneration for their services to the trust from MFS. Certain officers and trustees of the trust are officers or directors of MFS and MFSC. The trust has an unfunded, defined benefit plan for certain retired independent trustees which resulted in a pension expense of \$3,467. This amount is included in independent trustees' compensation for the six months ended April 30, 2007. The liability for deferred retirement benefits payable to certain retired independent trustees amounted to \$111,367 at April 30, 2007, and is included in payable for independent trustees' compensation.

OTHER - This trust 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, 2007, the fee paid to Tarantino LLC was \$1,248. MFS has agreed to reimburse the trust for a portion of the payments made by the funds to Tarantino LLC in the amount of \$808, 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.

#### (4) PORTFOLIO SECURITIES

Purchases and sales of investments, other than U.S. government securities, purchased option transactions, and short-term obligations, aggregated \$33,647,120 and \$34,955,330 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, 2007, the trust did not repurchase any shares. Transactions in trust shares were as follows:

|                                                                      | SIX MONTHS ENDED |           | YEAR ENDED |             |
|----------------------------------------------------------------------|------------------|-----------|------------|-------------|
|                                                                      | 4/30/07          |           | 10/31/06   |             |
|                                                                      | SHARES           | AMOUNT    | SHARES     | AMOUNT      |
| Shares issued to<br>shareholders in reinvestment<br>of distributions | 101,564          | \$822,150 | 179,319    | \$1,428,897 |

#### (6) LINE OF CREDIT

The trust 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 trust 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% for the committed line of credit and 0.35% for the uncommitted line of credit. 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, 2007, the trust's commitment fee and interest expense on the line of credit were \$847 and \$921, respectively, and are included in

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miscellaneous expense and interest expense and fees, respectively, on the Statement of Operations.

### (7) AUCTION PREFERRED SHARES

The trust issued 2,800 shares of Auction Preferred Shares ("APS"), series T and 2,800 of Auction Preferred Shares, series TH. Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. During the six months ended April 30, 2007, the dividend rates ranged from 2.89% to 4.35%. The trust 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 trust 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 their asset maintenance coverage are not satisfied. The trust 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.

In accordance with the provisions of EITF D-98, "Classification and measurements of Redeemable Securities", the trust has reclassified its Auction Preferred Shares outside of permanent equity in the Net Assets section of the Statement of Assets and Liabilities. In addition, distributions to APS shareholders are classified as a component of the "Change in net assets from operations" on the Statement of Operations and Statement of Changes in Net Assets and as a component of the "Total from investment operations" in the Financial Highlights.

### (8) LOSS CONTINGENCY

The issuers of certain bonds held in the fund's portfolio have made public that the Internal Revenue Service (IRS), in connection with an audit of their bonds, has made either a Preliminary Adverse Determination or a Proposed Adverse Determination that interest paid on the bonds is not excludable from gross income for federal tax purposes. While the final resolution is uncertain at this time, the bond issuers may enter into closing agreements with the IRS in satisfaction of all taxes owed. However, if a bond issuer does not settle with the IRS and the IRS issues a final determination of taxability, the fund may be required to amend Form 1099-DIVs issued to shareholders or may enter into a closing agreement with the IRS and pay an agreed upon amount in lieu of reissuing 1099s. Depending on the final disposition of the various audits, an estimate of the cumulative tax liability, including interest, could range from \$0 to \$393,129, or a maximum share impact of less than \$0.01 per share.

### 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 of MFS Municipal Income Trust (the "Trust"), including the portfolio of investments, as of April 30, 2007, and the related statement of operations, changes in net assets, and financial highlights for the six-month period ended April 30, 2007. 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),

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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, 2006, and financial highlights for each of the five years in the period ended October 31, 2006, and in our report dated December 21, 2006, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

DELOITTE & TOUCHE LLP

June 18, 2007

### BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

A discussion regarding the Board's most recent review and renewal of the trust's investment advisory agreement is available by clicking on the trust's name under "Select a fund" on the MFS Web site ([mfs.com](http://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](http://mfs.com) or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the trust 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](http://mfs.com) or by visiting the SEC's Web site at <http://www.sec.gov>.

### QUARTERLY PORTFOLIO DISCLOSURE

The trust 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 trust'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 1-202-551-5850. The trust'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](mailto: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](http://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

Effective December 18, 2006, Computershare Trust Company, N.A. became the Transfer Agent and Registrar and Computershare Shareholder Services, Inc. became the Dividend Disbursing Agent, succeeding MFS Service Center, Inc.

#### NUMBER OF SHAREHOLDERS

As of April 30, 2007, our records indicate that there are 2,840 registered shareholders and approximately 12,917 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

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#### INVESTMENT MANAGEMENT

500 Boylston Street, Boston, MA 02116

#### 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

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MANAGEMENT INVESTMENT COMPANIES.

Not applicable for semi-annual reports.

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

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

| =====                      |                                         |                                        |                                                                                                  |   |
|----------------------------|-----------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------|---|
| MFS MUNICIPAL INCOME TRUST |                                         |                                        |                                                                                                  |   |
| -----                      |                                         |                                        |                                                                                                  |   |
| PERIOD                     | (A) TOTAL NUMBER OF<br>SHARES PURCHASED | (B) AVERAGE<br>PRICE PAID<br>PER SHARE | (C) TOTAL NUMBER OF<br>SHARES PURCHASED AS<br>PART OF PUBLICLY<br>ANNOUNCED PLANS<br>OR PROGRAMS | T |
| =====                      |                                         |                                        |                                                                                                  |   |
| 11/1/06 - 11/30/06         | 0                                       | N/A                                    | N/A                                                                                              |   |
| 12/1/06 - 12/31/06         | 0                                       | N/A                                    | N/A                                                                                              |   |
| 1/1/07 - 1/31/07           | 0                                       | N/A                                    | N/A                                                                                              |   |
| 2/1/07 - 2/28/07           | 0                                       | N/A                                    | N/A                                                                                              |   |
| 3/1/07 - 3/31/07           | 0                                       | N/A                                    | N/A                                                                                              |   |
| 4/1/07 - 4/30/07           | 0                                       | N/A                                    | N/A                                                                                              |   |
| TOTAL                      | 0                                       | N/A                                    | N/A                                                                                              |   |
| -----                      |                                         |                                        |                                                                                                  |   |

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, 2007 plan year is 4,016,342.

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 (as required by Item 22(b)(15) of Schedule 14A), or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation of the effectiveness of the registrant's

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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.

### 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.

### NOTICE

A copy of the Amended and Restated Declaration of Trust 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.

### 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  
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By (Signature and Title)\* MARIA F. DWYER

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Maria F. Dwyer, President

Date: June 13, 2007  
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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)\* MARIA F. DWYER

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Maria F. Dwyer, President (Principal Executive Officer)

Date: June 13, 2007  
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By (Signature and Title)\* TRACY ATKINSON

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Tracy Atkinson, Treasurer (Principal Financial Officer and Accounting Officer)

Date: June 13, 2007  
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\* Print name and title of each signing officer under his or her signature.