

MFS MUNICIPAL INCOME TRUST

Form N-CSR

December 30, 2015

Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF**  
**REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-4841

**MFS MUNICIPAL INCOME TRUST**

(Exact name of registrant as specified in charter)

**111 Huntington Avenue, Boston, Massachusetts 02199**

(Address of principal executive offices) (Zip code)

**Kristin V. Collins**

**Massachusetts Financial Services Company**

**111 Huntington Avenue**

**Boston, Massachusetts 02199**

(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: October 31, 2015

**Table of Contents**

**ITEM 1. REPORTS TO STOCKHOLDERS.**

**Table of Contents**

**ANNUAL REPORT**

October 31, 2015

**MFS® MUNICIPAL INCOME TRUST**

MFM-ANN

**Table of Contents**

**MFS® MUNICIPAL INCOME TRUST**

New York Stock Exchange Symbol: **MFM**

<u>Letter from the Chairman</u>	1
<u>Portfolio composition</u>	2
<u>Management review</u>	4
<u>Performance summary</u>	7
<u>Portfolio managers profiles</u>	9
<u>Dividend reinvestment and cash purchase plan</u>	10
<u>Portfolio of investments</u>	11
<u>Statement of assets and liabilities</u>	48
<u>Statement of operations</u>	49
<u>Statements of changes in net assets</u>	50
<u>Statement of cash flows</u>	51
<u>Financial highlights</u>	52
<u>Notes to financial statements</u>	54
<u>Report of independent registered public accounting firm</u>	67
<u>Results of shareholder meeting</u>	68
<u>Trustees and officers</u>	69
<u>Board review of investment advisory agreement</u>	74
<u>Proxy voting policies and information</u>	78
<u>Quarterly portfolio disclosure</u>	78
<u>Further information</u>	78
<u>Federal tax information</u>	78
<u>MFS® privacy notice</u>	79
<u>Contact information</u> back cover	

**NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE**

**Table of Contents**

**LETTER FROM THE CHAIRMAN**

Dear Shareholders:

The global economy remains vulnerable as central banks continue to play a major role in supporting growth.

Even the resilient U.S. economy has had slower growth, as a strong U.S. dollar and weak overseas markets have hurt exporters. However, robust consumer demand and a recovering housing market have aided the domestic economy, fueled by cheap gasoline and an improving labor market.

China's transition to a consumer-based, slower-growth economy has weighed on many commodity-exporting nations. And concerns about weakness in China have eroded investor and business confidence around the world. Meanwhile, rising geopolitical concerns will weigh on the eurozone, which is still reliant on the European Central Bank's support.

As markets have become more focused on short-term trends in recent years, we believe it's important for investors to lengthen their investment time horizon. At MFS®, we don't trade on headlines or trends; we invest for the long term.

We believe that this approach, coupled with the professional guidance of a financial advisor, will help you reach your investment goals.

Respectfully,

**Robert J. Manning**

Chairman

MFS Investment Management

December 15, 2015

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

**Table of Contents****PORTFOLIO COMPOSITION****Portfolio structure (i)(j)**

<b>Top ten industries (i)</b>	
Healthcare Revenue Hospitals	25.1%
Healthcare Revenue Long Term Care	16.4%
Tobacco	10.4%
Universities Colleges	9.7%
Water & Sewer Utility Revenue	8.6%
Miscellaneous Revenue Other	8.4%
Universities Secondary Schools	7.0%
Industrial Revenue Airlines	6.0%
Tax Assessment	5.1%
General Obligations General Purpose	4.7%
<b>Composition including fixed income credit quality (a)(i)</b>	
AAA	7.0%
AA	13.4%
A	29.4%
BBB	33.0%
BB	11.5%
B	14.3%
CC	1.0%
Not Rated (j)	26.4%
Cash & Cash Equivalents	(36.7)%
Other	0.7%
<b>Portfolio facts (i)</b>	
Average Duration (d)	9.8
Average Effective Maturity (m)	17.9 yrs.

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. The fund may not hold all of these instruments. The fund is not rated by these agencies.

---

**Table of Contents**

*Portfolio Composition continued*

- (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 due to the interest rate move. This calculation is based on net assets applicable to common shares as of 10/31/15.
  - (i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
  - (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (2.7)%, which reduce the fund's interest rate exposure but not its credit exposure.
  - (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity. This calculation is based on gross assets, which consists of net assets applicable to common shares plus the value of preferred shares, as of 10/31/15.
- From time to time Cash & Cash Equivalents may be negative due to the aggregate liquidation value of auction rate preferred shares and variable rate municipal term preferred shares and/or timing of cash receipts.

Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and other assets and liabilities.

Other includes currency derivatives and/or any offsets to derivative positions and/or the leverage created through the issuance of self-deposited inverse floaters.

Percentages are based on net assets applicable to common shares as of 10/31/15.

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

**Table of Contents**

**MANAGEMENT REVIEW**

**Summary of Results**

MFS Municipal Income Trust ( fund ) is a closed-end fund. The fund's investment objective is to seek high current income exempt from federal income tax, but may also consider capital appreciation. The fund invests, under normal market conditions, at least 80% of its net assets, including assets attributable to preferred shares and borrowings for investment purposes, in municipal bonds (debt securities issued by or on behalf of states, territories, possessions of the United States, District of Columbia, and their political subdivisions, agencies, or instrumentalities, the interest on which is exempt from federal income tax).

For the twelve months ended October 31, 2015, common shares of the fund provided a total return of 6.30%, at net asset value and a total return of 6.15%, at market value. This compares with a return of 2.87% for the fund's benchmark, the Barclays Municipal Bond Index.

The performance commentary below is based on the net asset value performance of the fund which reflects the performance of the underlying pool of assets held by the fund. The total return at market value represents the return earned by owners of the shares of the fund which are traded publicly on the exchange.

**Market Environment**

Sluggish global growth weighed on both developed and emerging market ( EM ) economies during the reporting period. EM economies have been particularly lackluster. While the US Federal Reserve ( Fed ) appears ready to tighten monetary conditions, other large developed economies continued to embrace accommodative monetary policies, particularly the European Central Bank ( ECB ), which instituted a large quantitative easing ( QE ) program in January of 2015. Poor policy management by the Chinese government roiled global markets over the summer, beginning with the poorly executed response to the stock market's boom and bust and then the confusing decision to devalue the renminbi in August. China subsequently stabilized the currency and ramped up a wide range of monetary and fiscal measures to stimulate the economy and bolster sentiment.

During the second half of the reporting period, the US faced an earnings recession caused primarily by the sharp decline in the prices of oil and other commodities. Earnings contractions were concentrated primarily in the energy, materials and industrial sectors. An additional headwind for earnings was the sharp rise in the US dollar over the period. Exports were crimped by the dollar's strength and falling demand in emerging markets. Consumer spending held up well during the period amid a modest increase in real wages and a tailwind from falling gasoline prices. Demand for autos reached near-record territory late in the period. In emerging markets, two key factors weighed on economies and asset prices: weaker Chinese growth, and the resulting decline in commodity prices, in addition to prospects for higher US interest rates. Structural factors like floating exchange rates and fiscal buffers partially offset these cyclical headwinds.

US Treasury yields declined 20 basis points for the period, but that masked significant volatility in yields during the period, with 10-Year US Treasury yields reaching a low of



---

**Table of Contents**

*Management Review continued*

1.64% early in 2015 amid declining oil prices and lower inflation, as well as the QE implementation by the ECB. Subsequently, 10-Year US Treasury yields rebounded to as high as 2.49% in June as oil prices rose, payroll growth remained steady and the Fed signaled its intent to begin normalizing policy. However, concerns about weaker global growth, especially out of China and other emerging markets, caused 10-Year US Treasury yields to decline to 2.14% on October 30, 2015.

Municipal bonds generally produced positive returns for the 12-months ended October 31, 2015, helped by limited new issuance and continued strong demand for municipal bonds. While Puerto Rico made headlines during the summer by indicating that it could not service its outstanding debt, the municipal market generally shrugged off the news. However, markets continue to remain concerned about underfunded public employee pension systems and other benefits promised to public employees, and the political difficulties in enacting reform. Nowhere did these challenges appear more acute than in Illinois and Chicago, where burgeoning budget deficits attracted increased market and rating agency attention. This demonstrates that the market is differentiating between those issuers who have taken steps toward fiscal sustainability and those with ongoing budget and pension challenges.

Generally, fundamentals remained sound for the majority of municipal issuers. Tax-equivalent yields seemed attractive relative to overall credit quality, but had to be weighed against the longer duration nature of municipal bonds in an environment of interest rate uncertainty.

**Factors Affecting Performance**

Relative to the Barclays Municipal Bond Index, favorable security selection, particularly within both the *tobacco* and *health care* sectors benefited relative performance. The fund's longer duration<sup>(d)</sup> stance was another positive factor for relative returns. Additionally, positive security selection within the A and BBB <sup>(r)</sup> credit quality segments also aided relative results.

The fund employs leverage which has been created through the issuance of auction rate preferred shares, variable rate municipal term preferred shares, and inverse floaters. To the extent that investments are purchased through leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the fund's leverage positively impacted performance.

There were no factors that had a material negative impact on the fund's relative performance during the reporting period.

Respectfully,

Gary Lasman  
Portfolio Manager

Geoffrey Schechter  
Portfolio Manager

(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.

**Table of Contents**

*Management Review continued*

(r) Bonds rated BBB , Baa , or higher are considered investment grade; bonds rated BB , Ba , or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated. The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

**Table of Contents**

**PERFORMANCE SUMMARY THROUGH 10/31/15**

The following chart presents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares. Performance data shown represents past performance and is no guarantee of future results.

**Price Summary for MFS Municipal Income Trust**

	Net Asset Value	Date	Price
		10/31/15	\$7.35
		10/31/14	\$7.34
	New York Stock Exchange Price	10/31/15	\$6.53
Year Ended		2/02/15 (high) (t)	\$6.97
10/31/15		9/16/15 (low) (t)	\$6.25
		10/31/14	\$6.53

**Total Returns vs Benchmark**

	MFS Municipal Income Trust at	
	New York Stock Exchange Price (r)	6.15%
	Net Asset Value (r)	6.30%
Year Ended	Barclays Municipal Bond Index (f)	
10/31/15		2.87%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2014 through October 31, 2015.

**Benchmark Definition**

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

It is not possible to invest directly in an index.

**Notes to Performance Summary**

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation.

**Table of Contents**

*Performance Summary continued*

The fund's monthly distributions may include a return of capital to shareholders to the extent that distributions are in excess of the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations. 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 fund's assets and increasing the fund's expense ratio.

Net asset values and performance results based on net asset value per share do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the Statement of Assets and Liabilities or the Financial Highlights.

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

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

**Table of Contents**

**PORTFOLIO MANAGERS PROFILES**

<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Gary Lasman	Portfolio Manager	2006	Investment Officer of MFS; employed in the investment management area of MFS since 2002.
Geoffrey Schechter	Portfolio Manager	2004	Investment Officer of MFS; employed in the investment management area of MFS since 1993.

**Table of Contents**

**DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan ) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, 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 price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount \$100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares 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.

If your shares are held directly with the Plan Agent, you may withdraw from the Plan at any time by going to the Plan Agent s website at [www.computershare.com/investor](http://www.computershare.com/investor), by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the fund and your account number. 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 three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent s website at [www.computershare.com/investor](http://www.computershare.com/investor), or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

**Table of Contents****PORTFOLIO OF INVESTMENTS**

10/31/15

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by jurisdiction.

**Municipal Bonds - 136.5%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Alabama - 2.0%</b>		
Alabama Incentives Financing Authority Special Obligation, A, 5%, 9/01/37	\$ 100,000	\$ 109,920
Alexander City, AL, Special Care Facilities Financing Authority Medical Facilities Rev., A (Russell Hospital Corp.), 5.75%, 12/01/36	600,000	606,282
Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2/01/29	865,000	932,885
Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 1/01/28	410,000	412,780
Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 1/01/43	440,000	440,902
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, 0%, 10/01/25	15,000	9,831
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/26	170,000	106,204
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/29	245,000	124,377
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/34	350,000	122,623
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/35	660,000	216,638
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/16	120,000	124,038
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/17	160,000	169,942
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/18	165,000	178,992
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/21	185,000	204,873
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/23	275,000	305,539
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 3/01/36	1,135,000	1,142,979
Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 12/01/39	290,000	311,675
Selma, AL, Industrial Development Board Rev., Gulf Opportunity Zone (International Paper Co.), A, 5.375%, 12/01/35	565,000	623,901
		\$ 6,144,381

11

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Alaska - 0.4%</b>		
Alaska Industrial Development & Export Authority Power Rev. (Snettisham Hydroelectric Project), 5%, 1/01/30	\$ 125,000	\$ 135,563
Alaska Industrial Development & Export Authority Power Rev. (Snettisham Hydroelectric Project), 5%, 1/01/31	180,000	193,858
Koyukuk, AK, Tanana Chiefs Conference, Healthcare Facilities Project, 7.75%, 10/01/41	705,000	806,372
		\$ 1,135,793
<b>Arizona - 2.3%</b>		
Arizona Transportation Board Highway Rev., A, 5%, 7/01/36	\$ 1,290,000	\$ 1,442,801
Phoenix, AZ, Industrial Development Authority Education Rev. (Basis Schools, Inc. Projects), A, 5%, 7/01/35	240,000	242,736
Phoenix, AZ, Industrial Development Authority Education Rev. (Basis Schools, Inc. Projects), A, 5%, 7/01/45	380,000	377,066
Phoenix, AZ, Industrial Development Authority Education Rev. (Choice Academies, Inc. Project), 5.625%, 9/01/42	345,000	361,398
Phoenix, AZ, Industrial Development Authority Education Rev. (Great Hearts Academies Project), A, 5%, 7/01/34	850,000	872,806
Phoenix, AZ, Industrial Development Authority Education Rev. (Great Hearts Academies Project), A, 5%, 7/01/44	530,000	534,044
Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 6.5%, 7/01/34	270,000	298,987
Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 5%, 7/01/35	310,000	308,059
Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 6.75%, 7/01/44	430,000	479,975
Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 5%, 7/01/45	340,000	324,805
Phoenix, AZ, Industrial Development Authority Rev. (Guam Facilities Foundation, Inc.), 5.125%, 2/01/34	675,000	663,167
Phoenix, AZ, Industrial Development Authority Rev. (Guam Facilities Foundation, Inc.), 5.375%, 2/01/41	625,000	622,375
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/42	225,000	243,140
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/46	170,000	183,405
		\$ 6,954,764
<b>Arkansas - 0.5%</b>		
Arkansas Development Finance Authority Hospital Rev. (Washington Regional Medical Center), A, 5%, 2/01/35	\$ 60,000	\$ 66,209
Arkansas Development Finance Authority Hospital Rev. (Washington Regional Medical Center), C, 5%, 2/01/33	85,000	94,078



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Arkansas - continued</b>		
Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/39	\$ 920,000	\$ 1,007,832
Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/42	230,000	250,663
		\$ 1,418,782
<b>California - 13.1%</b>		
Alameda Corridor Transportation Authority, California Rev., A, AGM, 5%, 10/01/28	\$ 125,000	\$ 147,029
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/31	525,000	312,527
California Department of Water Resources, Center Valley Project Rev., AJ, 5%, 12/01/35	1,990,000	2,260,799
California Educational Facilities Authority Rev., 5%, 2/01/26	460,000	476,394
California Educational Facilities Authority Rev. (Chapman University), 5%, 4/01/31	240,000	266,246
California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 7/01/39	650,000	740,012
California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 8/15/31	1,295,000	1,525,756
California Housing Finance Agency Rev. (Home Mortgage), E, 4.75%, 2/01/30	365,000	367,891
California Housing Finance Agency Rev. (Home Mortgage), G, 4.95%, 8/01/23	1,615,000	1,658,960
California Housing Finance Agency Rev. (Home Mortgage), I, 4.7%, 8/01/26	1,000,000	1,003,950
California Housing Finance Agency Rev. (Home Mortgage), I, 4.8%, 8/01/36	95,000	95,213
California M-S-R Energy Authority Gas Rev., A, 7%, 11/01/34	210,000	296,799
California M-S-R Energy Authority Gas Rev., A, 6.5%, 11/01/39	465,000	625,746
California Municipal Finance Authority Rev. (Northbay Healthcare Group), 5%, 11/01/35	65,000	70,590
California Municipal Finance Authority Rev. (Partnerships to Uplift Communities Project), A, 5%, 8/01/32	250,000	259,255
California Municipal Finance Authority Rev. (University of La Verne), A, 6.25%, 6/01/40	530,000	605,695
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), A, 5%, 1/01/22	695,000	709,824
California Pollution Control Financing Authority, Water Furnishing Rev. (Poseidon Resources Desalination Project), 5%, 11/21/45	845,000	891,205
California Pollution Control Financing Authority, Water Furnishing Rev. (San Diego County Water Desalination Project Pipeline), 5%, 11/21/45	530,000	544,405

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>California - continued</b>		
California Public Works Board Lease Rev., Department of Corrections and Rehabilitation (Various Correctional Facilities), A, 5%, 9/01/33	\$ 1,985,000	\$ 2,271,177
California School Finance Authority, School Facility Rev. (Alliance for College-Ready Public Schools Projects), A, 5%, 7/01/30	70,000	73,443
California School Finance Authority, School Facility Rev. (Alliance for College-Ready Public Schools Projects), A, 5%, 7/01/45	180,000	184,145
California School Finance Authority, School Facility Rev. (ICEF View Park Elementary and Middle Schools), A, 5.875%, 10/01/44	190,000	194,623
California School Finance Authority, School Facility Rev. (ICEF View Park Elementary and Middle Schools), A, 6%, 10/01/49	100,000	102,937
California State University Rev., A, 5%, 11/01/37	1,950,000	2,211,963
California Statewide Communities Development Authority Environmental Facilities Rev. (Microgy Holdings Project), 9%, 12/01/38 (a)(d)	12,624	0
California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.125%, 11/01/23	175,000	185,845
California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.4%, 11/01/27	370,000	383,113
California Statewide Communities Development Authority Rev. (California Baptist University), A, 6.125%, 11/01/33	325,000	351,319
California Statewide Communities Development Authority Rev. (Enloe Medical Center), N, CALHF, 5%, 8/15/31	60,000	69,933
California Statewide Communities Development Authority Rev. (Enloe Medical Center), N, CALHF, 5%, 8/15/38	350,000	397,089
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 6/01/33	380,000	385,077
California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.125%, 11/01/23	105,000	108,976
California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.625%, 11/01/33	145,000	147,002
California Statewide Communities Development Authority Rev. (Loma Linda University Medical Center), A, 5.25%, 12/01/34	450,000	474,755
California Statewide Communities Development Authority Rev. (Loma Linda University Medical Center), A, 5.25%, 12/01/44	670,000	698,730
California Statewide Communities Development Authority Rev. (Los Angeles Jewish Home for The Aging - Fountainview at Gonda), D, 4.75%, 8/01/20	350,000	350,984
California Statewide Communities Development Authority School Facility Rev. (Aspire Public Schools), 6.375%, 7/01/45	765,000	815,949
California Statewide Financing Authority, Tobacco Settlement, 5.625%, 5/01/29	1,060,000	1,060,085
Chula Vista, CA, Industrial Development Rev. (San Diego Gas & Electric Co.), E, 5.875%, 1/01/34	470,000	538,117

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>California - continued</b>		
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 6/01/47	\$ 585,000	\$ 535,878
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , 5%, 6/01/30	160,000	182,496
Inland Valley, CA, Development Successor Agency Tax Allocation, A , 5%, 9/01/44	375,000	411,086
Jurupa, CA, Public Financing Authority, Special Tax Rev., A , 5%, 9/01/42	300,000	327,027
La Verne, CA, COP (Brethren Hillcrest Homes), 5%, 5/15/36	90,000	95,455
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D , 5%, 9/01/22	505,000	597,673
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D , 5%, 9/01/23	505,000	597,077
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/34	70,000	79,253
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/44	115,000	129,035
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), B-2 , CALHF, 3%, 11/15/20	60,000	60,187
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), B-3 , CALHF, 2.5%, 11/15/20	155,000	155,381
Los Angeles, CA, Unified School District, D , 5%, 1/01/34	180,000	202,788
Madera, CA, Financing Authority, Irrigation Rev., 6.5%, 1/01/40 (Prerefunded 1/01/20)	1,280,000	1,564,416
Merced, CA, Union High School District, Capital Appreciation, A , ASSD GTY, 0%, 8/01/30	145,000	80,140
Palomar Pomerado Health Care District, CA, COP, 6.75%, 11/01/39	1,735,000	1,918,650
San Francisco, CA, City & County Redevelopment Successor Agency, Community Facilities District No. 6 (Mission Bay South Public Improvements), Capital Appreciation, A , 0%, 8/01/43	1,275,000	268,158
San Francisco, CA, City & County Redevelopment Successor Agency, Tax Allocation (Mission Bay South Public Improvements), A , 5%, 8/01/43	50,000	54,430
San Jose, CA, Airport Rev., A-2 , 5.25%, 3/01/34	1,215,000	1,381,965
State of California, 5.25%, 10/01/28	660,000	775,949
State of California, 5.25%, 9/01/30	1,560,000	1,814,576
State of California, 5.25%, 4/01/35	1,285,000	1,481,823
Upland, CA, COP (San Antonio Community Hospital), 6.375%, 1/01/32	1,750,000	2,022,633
West Contra Costa, CA, Healthcare District, AMBAC, 5.5%, 7/01/29	195,000	195,460
Whittier, CA, Health Facility Rev. (PIH Health), 5%, 6/01/44	810,000	882,479
		\$ 39,677,573

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Colorado - 5.6%</b>		
Arvada, CO, Cimarron Metropolitan District, Rev., 6%, 12/01/22	\$ 500,000	\$ 501,025
Colorado Educational & Cultural Facilities Authority Rev. (Montessori Charter School Project), 5%, 7/15/37	75,000	79,688
Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/30	70,000	77,382
Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/34	70,000	76,994
Colorado Educational & Cultural Facilities Authority Rev. (The Classical Academy Project), 5%, 12/01/31	130,000	145,599
Colorado Health Facilities Authority Rev. (American Baptist Homes), 8%, 8/01/43	400,000	470,512
Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 8/01/37	375,000	376,568
Colorado Health Facilities Authority Rev. (Christian Living Communities Project), A, 5.75%, 1/01/37	375,000	380,726
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc. Project), A, 5%, 12/01/33	650,000	687,278
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc. Project), A, 5%, 12/01/35	275,000	293,772
Colorado Health Facilities Authority Rev. (Evangelical Lutheran Good Samaritan Society), 5.625%, 6/01/43	170,000	186,981
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/34	1,180,000	1,328,774
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/41	590,000	663,290
Denver, CO, City & County Airport Rev. (United Airlines), 5.25%, 10/01/32	3,735,000	3,848,544
Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 10/01/32	1,835,000	1,907,262
Denver, CO, Health & Hospital Authority Rev., A, 5.25%, 12/01/45	175,000	190,484
E-470 Public Highway Authority Rev., CO, Capital Appreciation, B, NATL, 0%, 9/01/27	4,115,000	2,338,719
Fruita, CO, Rev. (Family Health West Project), 7%, 1/01/18	125,000	135,364
Fruita, CO, Rev. (Family Health West Project), 8%, 1/01/43	1,310,000	1,473,056
Salida, CO, Hospital District Rev., 5.25%, 10/01/36	1,559,000	1,565,735
Stone Ridge, CO, Metropolitan District No. 2, 7.25%, 12/01/31 (a)(d)	500,000	109,975
Tallyn s Reach, CO, Metropolitan District No. 3, CO, 5%, 12/01/33	101,000	104,318
Tallyn s Reach, CO, Metropolitan District No. 3, CO, 5.125%, 11/01/38	111,000	115,121
		\$ 17,057,167
<b>Connecticut - 0.2%</b>		
Mohegan Tribal Finance Authority Economic Development Bonds, 7%, 2/01/45	\$ 780,000	\$ 664,973

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Delaware - 0.1%</b>		
Delaware Economic Development Authority Rev. (Newark Charter School, Inc. Project), 5%, 9/01/42	\$ 180,000	\$ 187,623
<b>District of Columbia - 0.2%</b>		
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/33	\$ 80,000	\$ 91,838
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/43	200,000	228,166
District of Columbia Rev. (Methodist Home of the District of Columbia Issue), 4.5%, 1/01/25	165,000	165,360
District of Columbia, Tobacco Settlement, 6.25%, 5/15/24	155,000	155,011
		\$ 640,375
<b>Florida - 9.1%</b>		
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6%, 11/15/34	\$ 165,000	\$ 180,267
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.25%, 11/15/44	410,000	450,660
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.375%, 11/15/49	270,000	295,815
Arborwood Community Development District, FL, Capital Improvement Rev. (Master Infrastructure Projects), A-2, 5.35%, 5/01/36	430,000	430,052
Arborwood Community Development District, FL, Capital Improvement Rev., Convertible Capital Appreciation, A-1, 0% to 5/01/16, 6.9% to 5/01/36	100,000	107,324
Baker, FL, Correctional Development Corp. (Baker County Detention Center), 7.5%, 2/01/30	440,000	362,230
Bay County, FL, Housing Finance Authority, Multi-Family Rev. (Andrews Place II Apartments), AGM, 5%, 10/01/35	210,000	210,447
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.375%, 5/01/30	145,000	150,529
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.5%, 5/01/33	70,000	72,655
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.6%, 5/01/34	105,000	109,811
Brevard County, FL, Industrial Development Rev. (TUFF Florida Tech LLC Project), 6.75%, 11/01/39	1,055,000	1,148,716
Cape Coral, FL, Health Facilities Authority, Senior Housing Rev. (Gulf Care, Inc. Project), 5.875%, 7/01/40	410,000	410,111
Capital Region Community Development District, FL, Capital Improvement Rev., A, 7%, 5/01/39	595,000	602,110
Capital Trust Agency, FL, Charter School Rev. (River City Educational Services, Inc. Project) A, 5.375%, 2/01/35	200,000	199,506

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Capital Trust Agency, FL, Charter School Rev. (River City Educational Services, Inc. Project) A , 5.625%, 2/01/45	\$ 375,000	\$ 374,164
Collier County, FL, Educational Facilities Authority Rev. (Ave Maria University, Inc. Project), A , 6.125%, 6/01/43	600,000	659,622
Collier County, FL, Industrial Development Authority Continuing Care Community Rev. (The Arlington of Naples Project), A , 8.125%, 5/15/44	935,000	1,102,571
Daytona Beach, FL, Halifax Hospital Medical Center Rev., 5%, 6/01/35	245,000	264,747
Daytona Beach, FL, Halifax Hospital Medical Center Rev., 5%, 6/01/46	335,000	357,264
Escambia County, FL, Health Facilities Authority (Baptist Hospital, Inc.), A , 6%, 8/15/36	615,000	695,866
Florida Citizens Property Insurance Corp., A-1 , 5%, 6/01/19	245,000	276,490
Florida Citizens Property Insurance Corp., A-1 , 5%, 6/01/20	1,285,000	1,481,387
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6%, 6/15/32	295,000	299,640
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6%, 9/15/40	380,000	393,410
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 7.625%, 6/15/41	875,000	1,029,298
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6.125%, 6/15/43	615,000	623,795
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 5/01/38	540,000	562,880
Homestead, Community Development District, FL, Special Assessment, A , 6%, 5/01/37	660,000	651,915
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/33	310,000	338,235
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/34	270,000	294,592
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/35	380,000	414,006
Legends Bay Community Development District, FL, A , 5.875%, 5/01/38	355,000	347,673
Main Street Community Development District, FL, A , 6.8%, 5/01/38	525,000	529,326
Marshall Creek, FL, Community Development District Rev. (St. John s County), A , 5%, 5/01/32	195,000	198,543
Miami-Dade County, FL, Industrial Development Authority Rev. (Pinecrest Academy Project), 5.25%, 9/15/44	540,000	556,184
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A , 7.25%, 10/01/40 (Prerefunded 10/01/21)	1,580,000	2,079,090
Midtown Miami, FL, Community Development District Special Assessment (Infrastructure Project), B , 5%, 5/01/29	200,000	211,656

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Midtown Miami, FL, Community Development District Special Assessment (Infrastructure Project), B , 5%, 5/01/37	\$ 115,000	\$ 120,567
Midtown Miami, FL, Community Development District Special Assessment (Parking Garage Project), A , 5%, 5/01/37	100,000	104,841
Naturewalk Community Development District, FL, Capital Improvement Rev., B , 5.3%, 5/01/16 (d)(q)	445,000	244,706
OTC Community Development District, FL, Special Assessment, A , 5.3%, 5/01/38	875,000	877,748
Palm Beach County, FL, Health Facilities Rev. (Sinai Residences of Boca Raton Project), 7.5%, 6/01/49	275,000	328,974
Parkway Center Community Development District, FL, Special Assessment, B , 7%, 5/01/23	460,000	461,803
Pasco County, FL, Estancia At Wiregrass Community Development District, Capital Improvement, 7%, 11/01/45	265,000	306,706
Pasco County, FL, Estancia At Wiregrass Community Development District, Capital Improvement, 5.375%, 11/01/46	115,000	115,851
Paseo Community Development District, FL, B , 4.875%, 5/01/10 (a)(d)	210,000	2
Paseo Community Development District, FL, Capital Improvement Rev., Capital Appreciation, A-2 , 0%, 5/01/36	325,000	145,922
Paseo Community Development District, FL, Special Assessment, A-1 , 5.4%, 5/01/36	40,000	40,502
Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 7/01/37	640,000	640,442
Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 7/01/45	105,000	105,072
Seminole Tribe, FL, Special Obligation Rev., A , 5.25%, 10/01/27 (n)	515,000	539,689
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6%, 4/01/29	255,000	288,637
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6.25%, 4/01/39	385,000	435,539
St. Johns County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A , 6%, 8/01/45	1,565,000	1,739,185
Sterling Hill Community Development District, FL, Special Assessment, 5.5%, 11/01/10 (d)	160,000	111,982
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5%, 7/01/26	35,000	39,658
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5%, 7/01/29	35,000	38,937
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5.125%, 7/01/34	70,000	77,078
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5.25%, 7/01/44	215,000	236,549

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare, Inc.), A, 5%, 12/01/40	\$ 295,000	\$ 319,019
Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare, Inc.), A, 5%, 12/01/44	230,000	247,397
Tampa, FL (University of Tampa Project), 5%, 4/01/40	150,000	161,916
Trout Creek Community Development District, FL, Capital Improvement Rev., 5.5%, 5/01/35	335,000	329,496
Trout Creek Community Development District, FL, Capital Improvement Rev., 5.625%, 5/01/45	615,000	600,726
Tuscany Reserve Community Development District, FL, Special Assessment, B, 5.25%, 5/01/16	385,000	387,657
Villa Vizcaya Community Development District, FL, A, 5.55%, 5/01/39 (a)(d)	210,000	115,502
Watergrass Community Development District, FL, Special Assessment, B, 6.96%, 11/01/17	55,000	54,833
		\$ 27,689,523
<b>Georgia - 4.9%</b>		
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A, 6.25%, 5/15/33	\$ 185,000	\$ 202,658
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A, 6.375%, 5/15/43	185,000	201,724
Atlanta, GA, Tax Allocation (Eastside Project), B, 5.6%, 1/01/30	815,000	817,999
Atlanta, GA, Tax Allocation (Princeton Lakes Project), 5.5%, 1/01/31	470,000	470,780
Atlanta, GA, Water & Wastewater Rev., A, 6%, 11/01/22 (Prerefunded 11/01/19)	710,000	846,987
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A, 8.75%, 6/01/29	555,000	679,020
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C, 5%, 7/15/30	85,000	92,420
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C, 5%, 7/15/33	150,000	161,462
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C, 5%, 7/15/38	160,000	169,846
DeKalb County, GA, Hospital Authority Rev. (DeKalb Medical Center, Inc.), 6.125%, 9/01/40	1,150,000	1,248,693
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/28	1,100,000	1,289,233
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/29	270,000	316,572
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/30	910,000	1,066,966
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/31	40,000	46,900
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/41	1,965,000	2,268,435



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Georgia - continued</b>		
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5%, 3/15/22	\$ 1,775,000	\$ 2,058,769
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5.5%, 9/15/26	285,000	343,627
Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 7/01/27	1,000,000	1,015,570
Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 7/01/37	215,000	216,776
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 6/15/39	515,000	537,763
Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A, 6.125%, 1/01/34	640,000	659,200
		\$ 14,711,400
<b>Guam - 0.5%</b>		
Guam Government Department of Education (John F. Kennedy High School), A, COP, 6.875%, 12/01/40	\$ 620,000	\$ 678,001
Guam Government, A, 7%, 11/15/39 (Prerefunded 11/15/19)	170,000	209,619
Guam International Airport Authority Rev., C, 5%, 10/01/16	45,000	46,489
Guam International Airport Authority Rev., C, 5%, 10/01/17	80,000	85,191
Guam Waterworks Authority Rev. (Water and Wastewater System), 5.25%, 7/01/20	80,000	91,535
Guam Waterworks Authority Rev. (Water and Wastewater System), 5.25%, 7/01/21	235,000	271,178
		\$ 1,382,013
<b>Hawaii - 0.6%</b>		
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 8.75%, 11/15/29	\$ 100,000	\$ 124,555
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 9%, 11/15/44	275,000	342,559
Hawaii Department of Budget & Finance, Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 7/01/39	750,000	849,878
State of Hawaii, DZ, 5%, 12/01/31	335,000	389,203
		\$ 1,706,195
<b>Idaho - 0.2%</b>		
Idaho Health Facilities Authority Rev. (The Terraces of Boise Project), B2, 6%, 10/01/21	\$ 405,000	\$ 407,483
Idaho Health Facilities Authority Rev. (The Terraces of Boise Project), B3, 5.25%, 10/01/20	285,000	286,579
		\$ 694,062

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Illinois - 9.8%</b>		
Chicago, IL (Modern Schools Program), H , AMBAC, 5%, 12/01/21	\$ 210,000	\$ 213,074
Chicago, IL, A , AGM, 5%, 1/01/22	90,000	90,344
Chicago, IL, A , AGM, 5%, 1/01/22	880,000	884,435
Chicago, IL, A , AGM, 5%, 1/01/23	565,000	567,509
Chicago, IL, A , AGM, 5%, 1/01/25	80,000	80,358
Chicago, IL, A , AGM, 5%, 1/01/27	40,000	40,560
Chicago, IL, A , AGM, 5%, 1/01/28	880,000	916,529
Chicago, IL, A , AGM, 4.75%, 1/01/30	105,000	105,095
Chicago, IL, A , AGM, 5%, 1/01/34	375,000	375,375
Chicago, IL, A , AGM, 5%, 1/01/37	640,000	643,424
Chicago, IL, B , AGM, 5%, 1/01/17	330,000	331,261
Chicago, IL, B , AGM, 5%, 1/01/23	95,000	96,026
Chicago, IL, D , AMBAC, 5%, 12/01/22	560,000	568,019
Chicago, IL, Board of Education, AGM, 5%, 12/01/35	740,000	742,139
Chicago, IL, Metropolitan Water Reclamation District-Greater Chicago, C , 5%, 12/01/30	1,260,000	1,412,296
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/32	135,000	152,138
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/33	70,000	78,791
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.5%, 1/01/43	270,000	302,511
Chicago, IL, O Hare International Airport Rev., General Airport Sr. Lien, A , 5%, 1/01/22	2,880,000	3,308,717
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/29	275,000	298,185
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/30	550,000	593,263
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/31	105,000	112,787
Chicago, IL, Wastewater Transmission Rev., C , 5%, 1/01/35	60,000	63,619
Chicago, IL, Wastewater Transmission Rev., C , 5%, 1/01/39	85,000	89,464
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 3/01/36	305,000	305,686
Illinois Finance Authority Rev. (Christian Homes), 6.125%, 5/15/27 (Prerefunded 5/15/20)	300,000	363,903
Illinois Finance Authority Rev. (Christian Homes), 6.125%, 5/15/27	550,000	591,036
Illinois Finance Authority Rev. (Evangelical Retirement Homes of Greater Chicago, Inc.), 7.25%, 2/15/45	500,000	533,580
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A , 4.75%, 5/15/33	390,000	395,171
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A , 5.5%, 5/15/37	800,000	824,400

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Illinois - continued</b>		
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A , 5.125%, 5/15/43	\$ 485,000	\$ 492,411
Illinois Finance Authority Rev. (Friendship Village), A , 5.375%, 2/15/25	1,270,000	1,270,064
Illinois Finance Authority Rev. (Lutheran Home & Services), 5.5%, 5/15/27	55,000	58,922
Illinois Finance Authority Rev. (Lutheran Home & Services), 5.625%, 5/15/42	475,000	498,327
Illinois Finance Authority Rev. (Montgomery Place), A , 5.75%, 5/15/38	520,000	524,207
Illinois Finance Authority Rev. (Provena Health), A , 7.75%, 8/15/34	945,000	1,140,880
Illinois Finance Authority Rev. (Rehabilitation Institute of Chicago), A , 6%, 7/01/43	360,000	421,909
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 4/01/29	905,000	985,690
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 8/15/38 (Prerefunded 8/15/19)	940,000	1,144,177
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), C , 5%, 8/15/35	800,000	872,368
Illinois Finance Authority Rev. (Smith Village), A , 6.125%, 11/15/25	220,000	221,859
Illinois Finance Authority Rev. (Smith Village), A , 6.25%, 11/15/35	360,000	361,566
Illinois Finance Authority Rev. (The Clare at Water Tower), A-6 , 6%, 5/15/28 (a)(d)	343,000	3
Illinois Finance Authority Rev. (The Clare at Water Tower), Capital Appreciation, B , 0%, 5/15/50 (a)(d)	147,000	1
Illinois Finance Authority Student Housing Rev. (Illinois State University), 6.75%, 4/01/31	415,000	471,826
Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 10/01/31	1,215,000	1,387,080
Illinois Railsplitter Tobacco Settlement Authority, 5.5%, 6/01/23	880,000	1,026,696
Illinois Railsplitter Tobacco Settlement Authority, 6%, 6/01/28	2,645,000	3,136,785
Romeoville, IL, Rev. (Lewis University Project), A , 5%, 10/01/42	235,000	253,668
State of Illinois, NATL, 5%, 1/01/19	205,000	206,203
		\$ 29,554,337
<b>Indiana - 3.7%</b>		
Indiana Bond Bank Special Program, Gas Rev., A , 5.25%, 10/15/18	\$ 440,000	\$ 487,837
Indiana Finance Authority Rev. (BHI Senior Living), A , 6%, 11/15/41	535,000	597,814
Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/34	370,000	411,103
Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/40	560,000	607,734
Indiana Finance Authority Rev. (Marquette Project), 4.75%, 3/01/32	740,000	756,199
Indiana Finance Authority Rev. (Marquette Project), 5%, 3/01/39	185,000	192,002

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Indiana - continued</b>		
Indiana Finance Authority Rev. (Marquette Project), A, 5%, 3/01/30	\$ 70,000	\$ 75,405
Indiana Finance Authority Rev. (Marquette Project), A, 5%, 3/01/39	180,000	188,608
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/35	300,000	324,363
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/40	820,000	872,816
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/44	240,000	254,484
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/48	790,000	833,253
Indiana Health & Educational Facilities Finance Authority Hospital Rev. (Clarian Health), A, 5%, 2/15/39 (Prerefunded 2/15/16)	1,000,000	1,014,050
Indiana Health & Educational Facility Authority Hospital Rev. (Community Foundation), 5.5%, 3/01/37 (Prerefunded 3/01/17)	960,000	1,024,022
Indiana Health & Educational Facility Authority Hospital Rev. (Community Foundation), 5.5%, 3/01/37	900,000	937,287
Knox County, IN, Economic Development Rev. (Good Samaritan Hospital), A, 5%, 4/01/42	170,000	175,644
Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 6.75%, 1/01/34	615,000	741,831
Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 7%, 1/01/44	1,475,000	1,793,305
		<b>\$ 11,287,757</b>
<b>Iowa - 1.3%</b>		
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), A, 5.5%, 7/01/25	\$ 800,000	\$ 812,320
Iowa Student Loan Liquidity Corp. Rev., A-1, 4.625%, 12/01/19	360,000	377,536
Iowa Student Loan Liquidity Corp. Rev., A-1, 4.875%, 12/01/20	65,000	68,158
Iowa Student Loan Liquidity Corp. Rev., A-2, 5.5%, 12/01/25	235,000	254,242
Iowa Student Loan Liquidity Corp. Rev., A-2, 5.6%, 12/01/26	235,000	254,308
Iowa Student Loan Liquidity Corp. Rev., A-2, 5.7%, 12/01/27	25,000	26,894
Iowa Student Loan Liquidity Corp. Rev., A-2, 5.75%, 12/01/28	475,000	510,801
Iowa Tobacco Settlement Authority, Tobacco Settlement Rev., Asset Backed, B, 5.6%, 6/01/34	1,635,000	1,613,189
		<b>\$ 3,917,448</b>
<b>Kansas - 1.0%</b>		
Coffeyville, KS, Electric Utility System Rev., B, NATL, 5%, 6/01/38	\$ 400,000	\$ 417,000
Coffeyville, KS, Electric Utility System Rev., B, NATL, 5%, 6/01/42	200,000	207,486
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), 5.375%, 5/15/27	315,000	320,487
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), 7.125%, 5/15/29	345,000	383,516

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Kansas - continued</b>		
Overland Park, KS, Special Assessment (Tallgrass Creek), 5.125%, 9/01/28	\$ 592,000	\$ 594,800
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A-1, GNMA, 5.75%, 12/01/37 (Prerefunded 12/01/15)	40,000	42,191
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., A-2, GNMA, 5.75%, 12/01/37 (Prerefunded 12/01/15)	120,000	126,572
Wichita, KS, Health Care Facilities Rev. (Presbyterian Manors, Inc.), A, 6.375%, 5/15/43	465,000	502,777
Wichita, KS, Health Care Facilities Rev. (Presbyterian Manors, Inc.), IV-B2, 3.375%, 11/15/20	85,000	85,017
Wyandotte County/Kansas City, KS, Unified Government Utility System Improvement Rev., A, 5%, 9/01/44	360,000	396,979
		\$ 3,076,825
<b>Kentucky - 1.1%</b>		
Glasgow, KY, Healthcare Rev. (TJ Samson Community Hospital), 6.375%, 2/01/35	\$ 570,000	\$ 648,951
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.375%, 11/15/42	330,000	338,098
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.5%, 11/15/45	200,000	206,108
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II), 7.25%, 5/15/41	250,000	281,038
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II), 7.375%, 5/15/46	200,000	225,664
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A, 6.375%, 6/01/40	1,095,000	1,252,713
Owen County, KY, Waterworks System Rev. (American Water Co. Project), A, 6.25%, 6/01/39	400,000	451,248
		\$ 3,403,820
<b>Louisiana - 3.4%</b>		
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 7/01/31	\$ 595,000	\$ 679,764
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.375%, 7/01/41	375,000	423,934
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), A, 5.625%, 6/01/45	830,000	830,108
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), A, 7%, 6/01/36 (Prerefunded 6/01/16)	460,000	481,013

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Louisiana - continued</b>		
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), C, 7%, 6/01/36 (Prerefunded 6/01/16)	\$ 365,000	\$ 378,041
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (St. James Place of Baton Rouge Project), A, 6%, 11/15/35	170,000	169,602
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (St. James Place of Baton Rouge Project), A, 6.25%, 11/15/45	650,000	650,455
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westlake Chemical), 6.75%, 11/01/32	1,000,000	1,084,160
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westlake Chemical), A, 6.5%, 8/01/29	610,000	716,579
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westside Rehab Center Project), A, 6.85%, 10/01/36	1,100,000	1,136,058
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 12/01/34	1,115,000	1,207,946
New Orleans, LA, Aviation Board General Airport Rev. (North Terminal Project), B, 5%, 1/01/40	435,000	469,478
New Orleans, LA, Aviation Board General Airport Rev. (North Terminal Project), B, 5%, 1/01/45	185,000	198,487
New Orleans, LA, Aviation Board Gulf Opportunity Zone CFC Rev. (Consolidated Rental Car), A, 6.25%, 1/01/30	455,000	509,468
St. Charles Parish, LA, Gulf Zone Opportunity Zone Rev. (Valero Energy Corp.), 4%, 12/01/40 (Put Date 6/01/22)	1,165,000	1,238,570
		\$ 10,173,663
<b>Maine - 0.2%</b>		
Maine Finance Authority Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 6.25%, 1/01/25 (Put Date 2/01/17)	\$ 705,000	\$ 725,748
<b>Maryland - 0.6%</b>		
Anne Arundel County, MD, Special Obligation (National Business Park-North Project), 6.1%, 7/01/40	\$ 265,000	\$ 280,240
Baltimore, MD, Special Obligation (East Baltimore Research Park Project), A, 7%, 9/01/38	715,000	763,784
Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B, 5.375%, 6/01/25	195,000	214,613
Maryland Health & Higher Educational Facilities Authority Rev. (Charlestown Community), 6.25%, 1/01/41	475,000	527,711
		\$ 1,786,348

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Massachusetts - 6.3%</b>		
Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 7/01/36	\$ 460,000	\$ 531,829
Massachusetts Development Finance Agency Rev. (Adventcare), A , 6.75%, 10/15/37	1,270,000	1,311,529
Massachusetts Development Finance Agency Rev. (Evergreen Center, Inc.), 5.5%, 1/01/35	620,000	620,422
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1 , 6.25%, 11/15/31	239,410	230,499
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1 , 6.25%, 11/15/39	59,939	57,217
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-2 , 5.5%, 11/15/46	15,996	13,629
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), Capital Appreciation, B , 0%, 11/15/56	79,566	461
Massachusetts Development Finance Agency Rev. (North Hill Communities), A , 6.25%, 11/15/33	175,000	188,375
Massachusetts Development Finance Agency Rev. (North Hill Communities), A , 6.5%, 11/15/43	275,000	297,118
Massachusetts Development Finance Agency Rev. (Simmons College), H , SYNCORA, 5.25%, 10/01/33	110,000	127,159
Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), A , 4.875%, 11/01/27	915,000	921,066
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 12/01/42 (Prerefunded 5/01/19)	165,000	192,080
Massachusetts Educational Financing Authority, Education Loan Rev, A , 4.25%, 1/01/30	280,000	283,811
Massachusetts Educational Financing Authority, Education Loan Rev, A , 4.25%, 1/01/31	190,000	191,543
Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 1/01/30	485,000	510,962
Massachusetts Health & Educational Facilities Authority Rev. (Massachusetts Institute of Technology), A , 5%, 7/01/38 (Prerefunded 7/01/17)	10,000,000	10,745,400
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 6.25%, 7/01/30	1,370,000	1,577,610
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 5.75%, 7/01/39	885,000	988,359
Massachusetts Port Authority Rev., A , 5%, 7/01/37	65,000	71,646
Massachusetts Port Authority Special Facilities Rev. (Conrac Project), A , 5.125%, 7/01/41	65,000	70,769
		<b>\$ 18,931,484</b>

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Michigan - 3.7%</b>		
Detroit, MI, Sewage Disposal System Rev., B , NATL, 5.5%, 7/01/22	\$ 1,845,000	\$ 2,168,207
Detroit, MI, Sewage Disposal System Rev., Senior Lien, A , 5.25%, 7/01/39	1,120,000	1,212,770
Detroit, MI, Water Supply System Rev., Senior Lien, A , AGM, 5%, 7/01/23	185,000	188,345
Detroit, MI, Water Supply System Rev., Senior Lien, A , AGM, 5%, 7/01/25	25,000	25,386
Detroit, MI, Water Supply System Rev., Senior Lien, A , 5%, 7/01/36	55,000	57,762
Detroit, MI, Water Supply System Rev., Senior Lien, C , 5%, 7/01/41	75,000	79,117
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F , 3.875%, 10/01/23	90,000	92,471
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F , 4%, 10/01/24	110,000	112,737
Michigan Finance Authority Hospital Rev. (Beaumont Health Credit Group), A , 5%, 8/01/33	320,000	357,693
Michigan Hospital Finance Authority Rev. (Henry Ford Health System), 5.75%, 11/15/39	2,000,000	2,269,800
Regents of the University of Michigan General Rev., C , 5%, 4/01/17	1,060,000	1,128,709
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 9/01/39 (Prerefunded 9/01/18)	1,595,000	1,921,831
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B , 5%, 12/01/44	65,000	70,580
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B , BAM, 5%, 12/01/39	75,000	82,646
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C , 5%, 12/01/39	55,000	58,379
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C , 5%, 12/01/44	160,000	168,837
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), D , AGM, 5%, 12/01/40	1,160,000	1,286,974
		\$ 11,282,244
<b>Minnesota - 0.1%</b>		
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A , 6.375%, 9/01/31	\$ 120,000	\$ 135,395
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A , 6.625%, 9/01/42	240,000	270,127
		\$ 405,522
<b>Mississippi - 1.5%</b>		
Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 4/01/22	\$ 2,000,000	\$ 2,483,600



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Mississippi - continued</b>		
Mississippi Development Bank Special Obligation (Marshall County Industrial Development Authority Mississippi Highway Construction Project), 5%, 1/01/28	\$ 195,000	\$ 219,851
Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 11/01/37 (d)(q)	1,065,000	739,366
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/22	275,000	314,721
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/23	710,000	812,737
		\$ 4,570,275
<b>Missouri - 0.3%</b>		
Missouri Health & Educational Facilities Authority Rev. (Lutheran Senior Service Projects), A , 5%, 2/01/35	\$ 665,000	\$ 702,213
Missouri Health & Educational Facilities Authority Rev. (Lutheran Senior Service Projects), A , 5%, 2/01/44	170,000	177,822
		\$ 880,035
<b>National - 0.7%</b>		
Charter Mac Equity Issuer Trust, FHLMC, 6%, 10/31/52 (n)	\$ 2,000,000	\$ 2,263,320
<b>Nebraska - 0.3%</b>		
Central Plains Energy Project, NE, Gas Project Rev. (Project No.1), A , 5.25%, 12/01/18	\$ 635,000	\$ 706,545
Nebraska Public Power District Rev., C , NATL, 5%, 1/01/18 (Prerefunded 1/01/16)	165,000	166,363
		\$ 872,908
<b>Nevada - 0.2%</b>		
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A , 5%, 12/15/35	\$ 265,000	\$ 261,346
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A , 5.125%, 12/15/45	205,000	202,507
		\$ 463,853
<b>New Hampshire - 0.4%</b>		
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A , 6%, 10/01/27	\$ 1,110,000	\$ 1,240,736
New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc. Project), 4%, 4/01/29 (Put Date 10/01/19)	130,000	130,582
		\$ 1,371,318

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>New Jersey - 7.0%</b>		
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 1/01/37	\$ 430,000	\$ 430,598
New Jersey Economic Development Authority Rev. (Kapkowski Road Landfill Project), 6.5%, 4/01/31	1,840,000	2,202,572
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5%, 1/01/34	80,000	81,390
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.25%, 1/01/44	155,000	158,240
New Jersey Economic Development Authority Rev. (Provident Group -Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/30	140,000	150,874
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/35	180,000	190,433
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/48	60,000	62,317
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 11/15/36 (Prerefunded 11/15/16)	715,000	750,128
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.5%, 1/01/27	70,000	80,030
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5%, 1/01/28	70,000	77,192
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.375%, 1/01/43	420,000	447,821
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), AGM, 5%, 1/01/31	210,000	231,263
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 9/15/19	990,000	1,039,480
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.125%, 9/15/23	910,000	990,417
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 9/15/29	910,000	989,188
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), A, 5.625%, 11/15/30	250,000	277,550
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, 7.5%, 12/01/32 (Prerefunded 6/01/19)	1,065,000	1,301,409
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, ETM, 6%, 12/01/17	590,000	639,029
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.5%, 6/01/23	5,355,000	5,387,880
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.75%, 6/01/34	3,025,000	2,438,876

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>New Jersey - continued</b>		
New Jersey Tobacco Settlement Financing Corp., 1-A , 5%, 6/01/41	\$ 2,190,000	\$ 1,769,411
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-B , 0%, 6/01/41	5,855,000	1,480,085
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-C , 0%, 6/01/41	75,000	18,211
		\$ 21,194,394
<b>New Mexico - 0.8%</b>		
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 6/01/40	\$ 1,840,000	\$ 2,022,675
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5%, 8/15/17	55,000	55,145
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5.25%, 8/15/26	440,000	424,508
		\$ 2,502,328
<b>New York - 9.0%</b>		
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 7/15/30	\$ 230,000	\$ 260,089
Build NYC Resource Corp. Rev. (International Leadership Charter School Project), 6%, 7/01/43	365,000	347,955
Build NYC Resource Corp. Rev. (South Bronx Charter School for International Cultures and the Arts), A , 5%, 4/15/43	375,000	377,775
Build NYC Resource Corp. Solid Waste Disposal Rev. (Pratt Paper, Inc. Project), 5%, 1/01/35	430,000	456,905
Chautauqua County, NY, Capital Resource Corp. Rev. (Women s Christian Assn.), A , 8%, 11/15/30	1,060,000	1,091,196
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5%, 2/15/47	710,000	740,331
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2/15/47	620,000	705,200
New York Dormitory Authority, State Personal Income Tax Rev., C , 5%, 3/15/34	1,670,000	1,921,218
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 6/15/41	1,345,000	1,531,188
New York Environmental Facilities, C , 5%, 5/15/41	1,860,000	2,050,594
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 1 , 5%, 11/15/44	1,140,000	1,151,537
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 2 , 5.375%, 11/15/40	845,000	884,698
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 3 , 7.25%, 11/15/44	530,000	626,895
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 7/15/49	1,065,000	1,199,989
New York Urban Development Corp., State Personal Income Tax Rev., C , 5%, 3/15/31	1,440,000	1,665,302

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>New York - continued</b>		
New York, NY, City Housing Development Corp., Multifamily Housing Rev. (8 Spruce Street), F , 4.5%, 2/15/48	\$ 514,262	\$ 544,670
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.625%, 8/01/25	2,485,000	2,619,215
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 8/01/31	1,025,000	1,078,536
New York, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 7/01/17	270,000	270,124
Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Covanta Energy Project), A , 5.25%, 11/01/42	1,825,000	1,836,151
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/25	65,000	69,811
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5.125%, 7/01/31	70,000	73,758
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/42	495,000	511,107
Port Authority of NY & NJ, (170th Series), 5%, 12/01/16	265,000	278,004
Port Authority of NY & NJ, (170th Series), 5%, 12/01/18	150,000	167,457
Port Authority of NY & NJ, (170th Series), 5%, 12/01/19	260,000	296,652
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/36	485,000	562,197
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/42	550,000	637,544
Seneca Nation of Indians, NY, Capital Improvements Authority, Special Obligation, 5%, 12/01/23 (n)	775,000	798,025
Suffolk County, NY, Industrial Development Agency (Medford Hamlet Assisted Living), 6.375%, 1/01/39	455,000	459,018
Tobacco Settlement Asset Securitization Corporation, NY, 1 , 5%, 6/01/26	595,000	602,640
Ulster County, NY, Industrial Development Agency (Woodland Pond), A , 6%, 9/15/37	1,330,000	1,318,376
		\$ 27,134,157
<b>North Carolina - 0.2%</b>		
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/25	\$ 130,000	\$ 140,886
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/30	165,000	172,605
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/35	100,000	104,009
North Carolina Medical Care Commission, Retirement Facilities First Mortgage Rev. (United Church Homes and Services), A , 5%, 9/01/37	65,000	65,194

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>North Carolina - continued</b>		
University of North Carolina, Greensboro, Rev., 5%, 4/01/39	\$ 195,000	\$ 219,648
		\$ 702,342
<b>Ohio - 6.8%</b>		
American Municipal Power, Inc. (Prairie State Energy Campus Project), A, 5%, 2/15/42	\$ 560,000	\$ 616,162
Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 6/01/31	350,000	374,059
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 6/01/30	1,935,000	1,722,150
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 6%, 6/01/42	1,580,000	1,375,074
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 6/01/47	5,245,000	4,504,091
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 6.5%, 6/01/47	4,400,000	4,081,836
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 11/01/40	260,000	295,703
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Fairmount), B, 5.125%, 5/15/25	115,000	115,293
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Flats East Development Project), 7%, 5/15/40	235,000	267,736
Columbus, OH, Franklin County Finance Authority Development Rev., 6%, 5/15/35	700,000	726,474
Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 5/15/24	1,130,000	1,130,147
Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A, 8%, 7/01/42	1,500,000	1,688,130
Riversouth, OH, Authority Rev. (Lazarus Building), A, 5.75%, 12/01/27	1,125,000	1,197,630
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/29	90,000	96,787
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.75%, 12/01/32	595,000	636,882
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/35	210,000	212,591
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/43	235,000	236,868

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Ohio - continued		
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/43	\$ 290,000	\$ 303,488
Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 5/15/40	85,000	95,356
Summit County, OH, Port Authority Building Rev. (Seville Project), A, 5.1%, 5/15/25	100,000	100,055
Summit County, OH, Port Authority Building Rev. (Workforce Policy Board), F, 4.875%, 11/15/25	815,000	817,078
		\$ 20,593,590
Oklahoma - 1.6%		
Fort Sill Apache Tribe, OK, Economic Development Authority, Gaming Enterprise., A, 8.5%, 8/25/26 (n)	\$ 520,000	\$ 611,317
Norman, OK, Regional Hospital Authority Rev., 5%, 9/01/27	300,000	310,086
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/29	175,000	179,421
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/36	1,395,000	1,426,764
Oklahoma Development Finance Authority Continuing Care Retirement Community Rev. (Inverness Village), 5.75%, 1/01/37	595,000	613,070
Oklahoma Development Finance Authority, First Mortgage Rev. (Sommerset Project), 5%, 7/01/42	200,000	202,434
Tulsa, OK, Airport Improvement Trust Rev., A, 5%, 6/01/45	105,000	111,309
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 6/01/35	345,000	368,184
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 12/01/35	920,000	981,824
		\$ 4,804,409
Oregon - 0.2%		
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 4.5%, 5/01/29	\$ 150,000	\$ 160,367
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/30	30,000	33,818
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/36	170,000	187,714
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/40	190,000	202,802
		\$ 584,701
Pennsylvania - 6.4%		
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/35	\$ 160,000	\$ 167,651
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/42	685,000	709,592

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Pennsylvania - continued</b>		
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/27	\$ 170,000	\$ 172,305
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/37	225,000	226,915
Chartiers Valley, PA, Industrial & Commercial Development Authority (Asbury Health Center Project), 5.75%, 12/01/22	150,000	153,126
Clairton, PA, Municipal Authority, B, 5%, 12/01/37	265,000	283,396
Clarion County, PA, Industrial Development Authority, Student Housing Rev. (Clarion University Foundation, Inc.), 5%, 7/01/34	65,000	67,972
Commonwealth of Pennsylvania, State Public School Building Authority Lease Rev. (School District of Philadelphia Project), 5%, 4/01/28	250,000	273,340
Cumberland County, PA, Municipal Authority Rev. (Asbury Atlantic, Inc.), 5.25%, 1/01/41	740,000	766,536
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/29	135,000	153,174
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/29 (Prerefunded 1/01/19)	1,225,000	1,420,363
Delaware Valley, PA, Regional Finance Authority, 5.75%, 7/01/17	650,000	702,221
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/39	65,000	67,261
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/46	40,000	41,246
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/30	45,000	47,945
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/35	60,000	62,807
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), A, 5%, 12/01/43	2,195,000	2,438,140
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B, 0%, 12/01/37	1,850,000	683,427
Luzerne County, PA, AGM, 6.75%, 11/01/23	795,000	939,682
Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 4/01/36	1,230,000	1,264,526
Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 11/15/28	565,000	606,008
Montgomery County, PA, Industrial Development Authority Rev. (Albert Einstein Healthcare Network Issue), A, 5.25%, 1/15/36	1,185,000	1,277,252
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care Retirement Community Project), 5.375%, 1/01/50	1,110,000	1,120,112

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Pennsylvania - continued</b>		
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 6/30/26	\$ 85,000	\$ 97,532
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/30	200,000	219,588
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/34	1,475,000	1,593,988
Pennsylvania Economic Development Financing Authority, Resource Recovery Rev. (Colver), G, 5.125%, 12/01/15	100,000	100,166
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 1/01/32	645,000	712,299
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 7/01/30	155,000	164,260
Pennsylvania Higher Educational Facilities Authority Rev. (Saint Francis University Project), JJ2, 6.25%, 11/01/41	295,000	326,795
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.5%, 6/15/33	445,000	465,688
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.75%, 6/15/43	755,000	793,331
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 6.875%, 6/15/33	155,000	173,200
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 7.375%, 6/15/43	270,000	309,207
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 6.75%, 6/15/33	100,000	110,941
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 7%, 6/15/43	290,000	325,203
Philadelphia, PA, Municipal Authority Rev., 6.5%, 4/01/34	260,000	295,456
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/30	60,000	64,272
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/35	100,000	105,161
		\$ 19,502,084
<b>Puerto Rico - 2.4%</b>		
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5.125%, 7/01/47	\$ 115,000	\$ 104,412
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., AGM, 5.5%, 7/01/29	15,000	15,186
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N, N, AMBAC, 5.25%, 7/01/30	65,000	57,441
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N, N, AMBAC, 5.25%, 7/01/31	70,000	61,473
Commonwealth of Puerto Rico, A, NATL, 5.5%, 7/01/20	330,000	333,284



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Commonwealth of Puerto Rico, A , NATL, 5.5%, 7/01/21	\$ 60,000	\$ 60,448
Commonwealth of Puerto Rico, A , AGM, 5.375%, 7/01/25	95,000	96,733
Commonwealth of Puerto Rico, Public Improvement, A , NATL, 5.5%, 7/01/16	55,000	55,865
Commonwealth of Puerto Rico, Public Improvement, C-7 , NATL, 6%, 7/01/27	460,000	462,608
Puerto Rico Electric Power Authority Rev., KK , NATL, 5.5%, 7/01/16	30,000	30,480
Puerto Rico Electric Power Authority Rev., LL , NATL, 5.5%, 7/01/17	25,000	25,615
Puerto Rico Electric Power Authority Rev., MM , NATL, 5%, 7/01/20	10,000	9,958
Puerto Rico Electric Power Authority Rev., NN , NATL, 5.25%, 7/01/22	280,000	279,199
Puerto Rico Electric Power Authority Rev., PP , NATL, 5%, 7/01/24	10,000	9,658
Puerto Rico Electric Power Authority Rev., SS , NATL, 5%, 7/01/19	1,340,000	1,339,906
Puerto Rico Electric Power Authority Rev., UU , NATL, 4.5%, 7/01/18	25,000	24,937
Puerto Rico Electric Power Authority Rev., UU , NATL, 5%, 7/01/19	125,000	125,058
Puerto Rico Electric Power Authority Rev., UU , AGM, 5%, 7/01/22	45,000	45,133
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Ana G. Mendez University Project), 5%, 3/01/21	15,000	14,224
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Ana G. Mendez University Project), 5.375%, 12/01/21	95,000	91,438
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 6/01/26	820,000	775,220
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/17	90,000	88,549
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/18	60,000	58,402
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 4%, 4/01/20	30,000	27,481
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/21	100,000	94,542
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/22	120,000	110,372

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/27	\$ 225,000	\$ 197,249
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.5%, 12/01/31	130,000	115,948
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.125%, 4/01/32	140,000	119,477
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 3/01/36	130,000	106,887
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 4/01/42	110,000	93,249
Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 4.375%, 10/01/31	70,000	49,663
Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 5%, 10/01/42	35,000	24,908
Puerto Rico Infrastructure Financing Authority, Special Tax Rev., C, AMBAC, 5.5%, 7/01/18	65,000	64,995
Puerto Rico Infrastructure Financing Authority, Special Tax Rev., C, AMBAC, 5.5%, 7/01/23	300,000	287,307
Puerto Rico Infrastructure Financing Authority, Special Tax Rev., C, AMBAC, 5.5%, 7/01/27	230,000	213,141
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/27	190,000	190,988
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/28	65,000	65,354
Puerto Rico Public Buildings Authority Rev., M-2, AMBAC, 5.5%, 7/01/35 (Put Date 7/01/17)	695,000	701,053
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, 5%, 8/01/40	1,210,000	753,273
		\$ 7,381,114
<b>South Carolina - 1.4%</b>		
Lancaster County, SC, Assessment Rev. (Sun City Carolina Lakes), 5.45%, 12/01/37	\$ 95,000	\$ 95,061
North Charleston, SC, Housing Authority Rev. (Horizon Village), A, GNMA, 5.15%, 2/20/48	445,000	446,028
Richland County, SC, Environmental Improvement Rev. (International Paper), A, 3.875%, 4/01/23	905,000	956,259
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 11/15/32	372,169	369,296

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>South Carolina - continued</b>		
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 11/15/47	\$ 193,098	\$ 185,670
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 11/15/47	157,358	15,673
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 11/15/47	143,608	14,303
South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Lutheran Homes of South Carolina, Inc.), 5.125%, 5/01/48	105,000	107,501
South Carolina Public Service Authority Rev., A , 5.125%, 12/01/43	525,000	578,099
South Carolina Public Service Authority Rev., B , 5.125%, 12/01/43	1,300,000	1,431,482
		\$ 4,199,372
<b>South Dakota - 0.2%</b>		
South Dakota Health & Educational Facilities Authority Rev. (Sanford Obligated Group), B , 5%, 11/01/34	\$ 420,000	\$ 463,176
<b>Tennessee - 7.0%</b>		
Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A , 5.25%, 1/01/45	\$ 1,710,000	\$ 1,869,851
Hardeman County, TN, Correctional Facilities Rev., 7.75%, 8/01/17	520,000	519,906
Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), 6%, 7/01/38	365,000	410,837
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Meharry Medical College), AMBAC, 6%, 12/01/16	380,000	389,044
Rutherford County, TN, Health & Educational Facilities Board Rev. (Ascension Health), 5%, 11/15/40 (u)	12,500,000	13,756,500
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 9/01/36	1,115,000	1,147,881
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/22	510,000	605,008
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/23	80,000	95,002
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/24	560,000	660,951
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/26	905,000	1,073,719
Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2/01/25	450,000	522,621
		\$ 21,051,320
<b>Texas - 10.4%</b>		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/17	\$ 215,000	\$ 223,336
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/20	170,000	175,600

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/24	\$ 330,000	\$ 340,322
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5%, 1/01/34	290,000	292,851
Bell County, TX, Health Facility Development Corp. (Advanced Living Technologies, Inc.), 8%, 12/15/36 (a)(d)	3,400,000	34
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), A, 5.95%, 5/15/33	2,000,000	2,198,420
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 5/15/33	75,000	79,364
Cass County, TX, Industrial Development Corp. (International Paper Co.), A, 4.625%, 3/01/27	2,150,000	2,171,672
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/33	170,000	201,044
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 8/15/41	130,000	144,702
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5%, 8/15/42	915,000	963,943
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/43	275,000	324,803
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.125%, 12/01/40	570,000	649,390
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.25%, 12/01/45	350,000	399,907
Dallas and Fort Worth, TX, International Airport Rev., B, 5%, 11/01/44	720,000	790,783
Dallas and Fort Worth, TX, International Airport Rev., C, 5%, 11/01/45	1,515,000	1,651,638
Decatur Hospital Authority Rev. (Wise Regional Health System), A, 5.25%, 9/01/44	245,000	257,348
Gregg County, TX, Health Facilities Development Corp. Hospital Rev., (Good Shepherd Obligated Group), A, FRN, 4.035%, 10/01/29 (Put Date 3/01/17)	710,000	719,053
Gulf Coast Waste Disposal Authority (Waste Management, Inc.), 5.2%, 5/01/28	440,000	451,004
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 4.875%, 5/01/25	405,000	421,674
Gulf Coast, TX, Industrial Development Authority Rev. (Microgy Holdings Project), 7%, 12/01/36 (a)(d)	224,775	2
Harris County, Houston, TX, Sports Authority Rev., Capital Appreciation, A, 0%, 11/15/38	1,205,000	389,239
Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D, 5.625%, 11/15/32	510,000	558,221

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7.25%, 12/01/35 (Prerefunded 12/01/18)	\$ 610,000	\$ 727,864
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/31	205,000	229,668
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/32	30,000	33,363
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/33	75,000	83,163
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/41	125,000	37,900
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/46	315,000	73,553
Houston, TX, Airport System Rev., B, 5%, 7/01/26	265,000	303,735
Houston, TX, Airport System Rev., Special Facilities Rev. (Continental Airlines, Inc.), 6.625%, 7/15/38	470,000	541,172
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 5%, 7/01/29	1,455,000	1,551,845
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.5%, 7/01/20	325,000	342,384
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.75%, 7/01/24	700,000	761,145
Houston, TX, Airport System Rev., Subordinate Lien, A, 5%, 7/01/31	250,000	274,775
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 3/01/23	90,000	90,302
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A, 6.25%, 8/15/39 (Prerefunded 8/15/19)	365,000	434,168
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2/15/37 (Prerefunded 2/15/17)	110,000	117,146
Matagorda County, TX, Pollution Control Rev. (Central Power & Light Co.), A, 6.3%, 11/01/29	525,000	595,345
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/30	50,000	52,964
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/35	45,000	46,953
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/47	120,000	123,169
North Texas Education Finance Corp., Education Rev. (Uplift Education), A, 5.125%, 12/01/42	275,000	287,884
North Texas Tollway Authority Rev., 6%, 1/01/38	1,505,000	1,775,689
North Texas Tollway Authority Rev. (Special Projects System), D, 5%, 9/01/31	1,110,000	1,283,160

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
Red River Authority, TX, Pollution Control Rev. (Celanese Project) B , 6.7%, 11/01/30	\$ 1,920,000	\$ 1,926,451
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 7.5%, 11/15/34	195,000	226,257
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 7.75%, 11/15/44	360,000	419,882
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 8%, 11/15/49	265,000	313,145
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), B-2 , 5%, 11/15/19	45,000	45,072
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.125%, 11/15/29	115,000	125,018
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 5.125%, 5/15/37	100,000	100,726
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.375%, 11/15/44	780,000	848,484
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/35	105,000	108,260
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/40	120,000	121,796
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Buckingham Senior Living Community, Inc. Project), 3.875%, 11/15/20	325,000	326,131
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 11/15/44	1,500,000	1,494,990
Tarrant County, TX, Cultural Education Facilities Finance Corp. Rev. (Trinity Terrace Project), A-1 , 5%, 10/01/44	110,000	116,068
Tarrant County, TX, Cultural Education Facilities Finance Corp. Rev. (Trinity Terrace Project), A-1 , 5%, 10/01/49	60,000	63,176
Texas Gas Acquisition & Supply Corp III., Gas Supply Rev., 5%, 12/15/31	240,000	261,886
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 7%, 12/31/38	280,000	346,727
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 6.75%, 6/30/43	225,000	272,817
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 11/01/30	245,000	282,948

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 11/01/40	\$ 370,000	\$ 424,050
Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.5%, 11/15/25 (Prerefunded 11/16/15)	460,000	461,086
		\$ 31,456,667
<b>U.S. Virgin Islands - 0.1%</b>		
Virgin Islands Public Finance Authority Rev. (Diageo Project), A, 6.75%, 10/01/37	\$ 395,000	\$ 444,798
<b>Utah - 1.5%</b>		
Salt Lake City, UT, Hospital Authority Rev. (Intermountain Health Care), ETM, FRN, AMBAC, 13.098%, 5/15/20 (p)	\$ 600,000	\$ 624,480
Utah Charter School Finance Authority Rev. (Spectrum Academy), 5%, 4/15/30	105,000	104,784
Utah Charter School Finance Authority Rev. (Spectrum Academy), 6%, 4/15/45	180,000	186,964
Utah County, UT, Charter School Finance Authority, Charter School Rev. (Early Light Academy Project), 8.25%, 7/15/35	765,000	866,003
Utah County, UT, Charter School Finance Authority, Charter School Rev. (Hawthorn Academy Project), 8.25%, 7/15/35 (Prerefunded 7/15/18)	825,000	976,330
Utah County, UT, Charter School Rev. (Renaissance Academy), A, 5.625%, 7/15/37	495,000	496,431
Utah County, UT, Charter School Rev. (Ronald Wilson Reagan Academy), A, 6%, 2/15/38	1,255,000	1,280,652
		\$ 4,535,644
<b>Vermont - 0.2%</b>		
Burlington, VT, Airport Rev., A, 4%, 7/01/28	\$ 235,000	\$ 239,014
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/24	15,000	17,227
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/30	30,000	33,410
Vermont Economic Development Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 4.75%, 4/01/36 (Put Date 4/02/18)	335,000	336,233
		\$ 625,884
<b>Virginia - 1.2%</b>		
Embrey Mill Community Development Authority, VA, Special Assessment Rev., 7.25%, 3/01/43	\$ 790,000	\$ 847,820
James City County, VA, Economic Development Authority, Residential Care Facilities Rev. (Virginia United Methodist Homes of Williamsburg), A, 2%, 10/01/48	196,784	8,814

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Virginia - continued</b>		
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5%, 1/01/46	\$ 130,000	\$ 123,963
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5.375%, 1/01/46	315,000	316,956
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 1/01/37	765,000	867,135
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 1/01/42	1,225,000	1,333,057
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 3/01/19 (a)(d)	1,798,697	18
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), A, 6.375%, 3/01/19 (a)(d)	673,309	7
		\$ 3,497,770
<b>Washington - 2.8%</b>		
King County, WA, Sewer Rev., 5%, 1/01/40	\$ 2,750,000	\$ 3,086,628
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D, 6.375%, 10/01/36	1,500,000	1,693,830
Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A, 6.25%, 8/15/42	1,400,000	1,503,124
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 10/01/34	540,000	586,159
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/45	180,000	185,193
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/50	165,000	167,406
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-1, 5.5%, 1/01/24	140,000	140,727
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-2, 4.875%, 1/01/22	240,000	240,977
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-3, 4.375%, 1/01/21	240,000	243,734
Washington Housing Finance Community Nonprofit Housing Rev. (Rockwood Retirement Communities), 5.125%, 1/01/20	775,000	775,388
		\$ 8,623,166
<b>West Virginia - 0.5%</b>		
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/29	\$ 75,000	\$ 85,412
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/30	150,000	169,763
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 6/01/34	235,000	240,226



**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>West Virginia - continued</b>		
West Virginia Hospital Finance Authority Hospital Rev. (Thomas Health System), 6.5%, 10/01/38	\$ 905,000	\$ 941,155
		\$ 1,436,556
<b>Wisconsin - 2.5%</b>		
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/26	\$ 320,000	\$ 364,624
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/28	95,000	107,073
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 8/15/34	1,135,000	1,156,667
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 4%, 9/01/20	100,000	103,524
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/25	65,000	68,990
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/30	105,000	106,718
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/38	150,000	149,181
Wisconsin Public Finance Authority Rev. (Roseman University of Health Sciences Project), 5.75%, 4/01/35	355,000	364,855
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.125%, 11/15/29	260,000	267,046
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.5%, 11/15/34	240,000	251,124
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.75%, 11/15/44	225,000	237,904
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 6%, 11/15/49	265,000	283,887
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), B-3, 3.75%, 11/15/19	160,000	160,496
Wisconsin Public Finance Authority Student Housing Rev., (Western Carolina University Project), 5.25%, 7/01/47	345,000	357,989
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/22	265,000	279,397
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5.25%, 7/01/28	560,000	597,789
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/42	2,560,000	2,643,302
		\$ 7,500,566
<b>Total Municipal Bonds (Identified Cost, \$389,756,627)</b>		<b>\$ 413,265,567</b>

**Table of Contents**

*Portfolio of Investments continued*

<b>Money Market Funds - 0.9%</b>		
<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
MFS Institutional Money Market Portfolio, 0.12%, at Cost and Net Asset Value (v)	2,655,468	\$ 2,655,468
<b>Total Investments (Identified Cost, \$392,412,095)</b>		<b>\$ 415,921,035</b>
<b>Other Assets, Less Liabilities - 0.2%</b>		
ARPS, at liquidation value (issued by the fund) - (2.4)%		(7,275,000)
VMTPS, at liquidation value (issued by the fund) - (35.2)%		(106,475,000)
<b>Net assets applicable to common shares - 100.0%</b>		<b>\$ 302,735,551</b>

(a) Non-income producing security.

(d) In default.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$4,212,351 representing 1.4% of net assets applicable to common shares.

(p) Primary inverse floater.

(q) Interest received was less than stated coupon rate.

(u) Underlying security deposited into special purpose trust ( the trust ) by investment banker upon creation of self-deposited inverse floaters.

(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

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

ARPS	Auction Rate Preferred Shares
COP	Certificate of Participation
ETM	Escrowed to Maturity
FRN	Floating Rate Note. Interest rate resets periodically and the current rate may not be the rate reported at period end.
VMTPS	Variable Rate Municipal Term Preferred Shares

**Insurers**

AGM	Assured Guaranty Municipal
AMBAC	AMBAC Indemnity Corp.
ASSD GTY	Assured Guaranty Insurance Co.
BAM	Build America Mutual
CALHF	California Health Facility Construction Loan Insurance Program
FHLMC	Federal Home Loan Mortgage Corp.
GNMA	Government National Mortgage Assn.
NATL	National Public Finance Guarantee Corp.
SYNCORA	Syncora Guarantee Inc.

**Table of Contents***Portfolio of Investments continued***Derivative Contracts at 10/31/15****Futures Contracts at 10/31/15**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
<b>Liability Derivative</b>					
<b>Interest Rate Futures</b>					
U.S. Treasury Bond 30 yr (Short)	USD	53	\$8,291,188	December - 2015	\$(74,717)

At October 31, 2015, the fund had cash collateral of \$180,200 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Deposits with broker on the Statement of Assets and Liabilities.

**See Notes to Financial Statements**

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

At 10/31/15

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

<b>Assets</b>	
Investments	
Non-affiliated issuers, at value (identified cost, \$389,756,627)	\$413,265,567
Underlying affiliated funds, at cost and value	2,655,468
Total investments, at value (identified cost, \$392,412,095)	\$415,921,035
Cash	320,973
Deposits with broker	180,200
Receivables for	
Investments sold	238,307
Interest	6,906,842
Deferred VMTPS offering costs	56,727
Other assets	6,685
Total assets	\$423,630,769
<b>Liabilities</b>	
Payables for	
Distributions on common shares	\$79,254
Distributions on ARPS	82
Daily variation margin on open futures contracts	31,469
Investments purchased	479,519
Interest expense and fees	132,837
Payable to the holders of the floating rate certificates from trust assets	6,263,000
Payable to affiliates	
Investment adviser	25,060
Transfer agent and dividend disbursing costs	6,684
Payable for independent Trustees' compensation	21,622
Accrued expenses and other liabilities	105,691
VMTPS, at liquidation value	106,475,000
Total liabilities	\$113,620,218
ARPS, at liquidation value	\$7,275,000
Net assets applicable to common shares	\$302,735,551
<b>Net assets consist of</b>	
Paid-in capital - common shares	\$300,605,806
Unrealized appreciation (depreciation) on investments	23,434,223
Accumulated net realized gain (loss) on investments	(23,814,436)
Undistributed net investment income	2,509,958
Net assets applicable to common shares	\$302,735,551
ARPS, at liquidation value (157 shares of Series T and 134 shares of Series TH issued and outstanding at \$25,000 per share)	\$7,275,000
VMTPS, at liquidation value (4,259 shares of Series 2016/9 issued and outstanding at \$25,000 per share)	106,475,000
Total preferred shares	\$113,750,000
Net assets including preferred shares	\$416,485,551
Common shares of beneficial interest issued and outstanding	41,187,631
Net asset value per common share (net assets of \$302,735,551 / 41,187,631 shares of beneficial interest outstanding)	\$7.35

**See Notes to Financial Statements**

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

Year ended 10/31/15

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

<b>Net investment income</b>	
Income	
Interest	\$22,224,373
Dividends from underlying affiliated funds	5,165
Total investment income	\$22,229,538
Expenses	
Management fee	\$2,994,430
Transfer agent and dividend disbursing costs	50,869
Administrative services fee	75,798
Independent Trustees' compensation	39,792
Stock exchange fee	38,540
ARPS service fee	8,974
Custodian fee	40,494
Shareholder communications	43,096
Audit and tax fees	77,149
Legal fees	17,260
Amortization of VMTPS offering costs	64,576
Interest expense and fees	1,466,204
Miscellaneous	86,560
Total expenses	\$5,003,742
Fees paid indirectly	(45)
Net expenses	\$5,003,697
Net investment income	\$17,225,841
<b>Realized and unrealized gain (loss) on investments</b>	
Realized gain (loss) (identified cost basis)	
Investments	\$2,466,441
Futures contracts	(480,575)
Net realized gain (loss) on investments	\$1,985,866
Change in unrealized appreciation (depreciation)	
Investments	\$(2,683,100)
Futures contracts	36,255
Net unrealized gain (loss) on investments	\$(2,646,845)
Net realized and unrealized gain (loss) on investments	\$(660,979)
Distributions declared to shareholders of ARPS	\$(9,570)
Change in net assets from operations	\$16,555,292

**See Notes to Financial Statements**

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

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

	<b>Years ended 10/31</b>	
	<b>2015</b>	<b>2014</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$17,225,841	\$16,867,086
Net realized gain (loss) on investments	1,985,866	(2,078,896)
Net unrealized gain (loss) on investments	(2,646,845)	28,420,344
Distributions declared to shareholders of ARPS	(9,570)	(7,987)
Change in net assets from operations	\$16,555,292	\$43,200,547
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(16,186,741)	\$(16,783,961)
Total change in net assets	\$368,551	\$26,416,586
<b>Net assets applicable to common shares</b>		
At beginning of period	302,367,000	275,950,414
At end of period (including undistributed net investment income of \$2,509,958 and \$2,312,824, respectively)	\$302,735,551	\$302,367,000
<b>See Notes to Financial Statements</b>		

**Table of Contents***Financial Statements***STATEMENT OF CASH FLOWS**

Year ended 10/31/15

This statement provides a summary of cash flows from investment activity for the fund.

<b>Cash flows from operating activities:</b>	
Change in net assets from operations	\$16,555,292
Distributions to shareholders of ARPS	9,570
Change in net assets from operations excluding distributions declared to shareholders of ARPS	\$16,564,862
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(81,584,134)
Proceeds from disposition of investment securities	81,617,417
Payments for futures contracts	(480,575)
Purchases of short-term investments, net	(137,208)
Realized gain/loss on investments	(2,466,441)
Realized gain/loss on futures contracts	480,575
Unrealized appreciation/depreciation on investments	2,683,100
Net amortization/accretion of income	(233,386)
Amortization of VMTPS offering costs	64,576
Increase in interest receivable	(6,486)
Decrease in accrued expenses and other liabilities	(5,278)
Decrease in receivable for daily variation margin on open futures contracts	37,500
Increase in payable for daily variation margin on open futures contracts	31,469
Increase in restricted cash/deposits with broker	(24,200)
Increase in other assets	(588)
Decrease in payable for interest expense and fees	(19,821)
Net cash provided by operating activities	\$16,521,382
<b>Cash flows from financing activities:</b>	
Cash distributions paid on common shares	(16,190,886)
Cash distributions paid on ARPS	(9,523)
Net cash used by financing activities	\$(16,200,409)
Net increase in cash	\$320,973
<b>Cash:</b>	
Beginning of period	\$
End of period	\$320,973
Supplemental disclosure of cash flow information:	

Cash paid during the year ended October 31, 2015 for interest was \$1,486,025.

**See Notes to Financial Statements**

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

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

<b>Common Shares</b>	<b>Years ended 10/31</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net asset value, beginning of period	\$7.34	\$6.70	\$7.49	\$6.62	\$6.89
<b>Income (loss) from investment operations</b>					
Net investment income (d)	\$0.42	\$0.41	\$0.43	\$0.47	\$0.52
Net realized and unrealized gain (loss) on investments	(0.02)	0.64	(0.78)	0.77	(0.28)
Distributions declared to shareholders of ARPS	(0.00)(w)	(0.00)(w)	(0.00)(w)	(0.01)	(0.01)
Total from investment operations	\$0.40	\$1.05	\$(0.35)	\$1.23	\$0.23
<b>Less distributions declared to common shareholders</b>					
From net investment income	\$(0.39)	\$(0.41)	\$(0.44)	\$(0.49)	\$(0.50)
Net increase resulting from tender and repurchase of ARPS	\$	\$	\$	\$0.13	\$
Net asset value, end of period (x)	\$7.35	\$7.34	\$6.70	\$7.49	\$6.62
Market value, end of period	\$6.53	\$6.53	\$6.28	\$7.81	\$6.88
Total return at market value (%) (p)	6.15	10.74	(14.31)	21.52	2.85
Total return at net asset value (%) (j)(r)(s)(x)	6.30	16.68	(4.67)	20.94(y)	3.84
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>					
Expenses before expense reductions (f)(p)	1.65	1.74	1.73	1.42	1.44
Expenses after expense reductions (f)(p)	N/A	1.73	1.73	1.42	1.42
Net investment income (p)	5.69	5.85	6.02	6.70	7.97
Portfolio turnover	15	14	22	22	22
Net assets at end of period (000 omitted)	\$302,736	\$302,367	\$275,950	\$308,011	\$271,034
<b>Supplemental Ratios (%):</b>					
Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p)	1.17	1.21	1.20	1.25	1.38
Ratio of expenses to average net assets applicable to common shares, ARPS, and VMTPS after expense reductions and excluding interest expense and fees (f)(l)(p)	0.85	0.87	0.87	0.89	0.97
Net investment income available to common shares	5.68	5.85	6.02	6.62	7.83



**Table of Contents***Financial Highlights continued*

	Years ended 10/31				
	2015	2014	2013	2012	2011
<b>Senior Securities:</b>					
ARPS	291	291	291	291	4,550
VMTPS	4,259	4,259	4,259	4,259	
Total preferred shares outstanding	4,550	4,550	4,550	4,550	4,550
Asset coverage per preferred share (k)	\$91,535	\$91,454	\$85,648	\$92,695	\$84,568
Involuntary liquidation preference per preferred share (m)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Average market value per preferred share (m)(u)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including liquidation preference of ARPS and VMTPS) from the fund's total assets and dividing this number by the total number of preferred shares outstanding.
- (l) Interest expense and fees relate to payments made to the holders of the floating rate certificates from trust assets and interest expense paid to shareholders of VMTPS. For the year ended October 31, 2012, the expense ratio also excludes fees and expenses related to the tender and repurchase of a portion of the fund's ARPS.
- (m) Amount excludes accrued unpaid distributions on ARPS and accrued interest on VMTPS.
- (p) Ratio excludes dividend payments on ARPS.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (u) Average market value represents the approximate fair value of each of the fund's ARPS and VMTPS.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values and total returns at net asset value have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.
- (y) Included in the total return at net asset value for the year ended October 31, 2012 is the impact of the tender and repurchase by the fund of a portion of its ARPS at 95% of the ARPS per share liquidation preference. Had this transaction not occurred, the total return at net asset value for the year ended October 31, 2012 would have been lower by 1.70%.

**See Notes to Financial Statements**

**Table of Contents**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Business and Organization**

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

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

**(2) Significant Accounting Policies**

**General** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests primarily in municipal instruments. The value of municipal instruments can be affected by changes in their actual or perceived credit quality. The credit quality of municipal instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer's future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region where the instrument is issued and the liquidity of the security. Municipal instruments generally trade in the over-the-counter market. Municipal instruments backed by current and 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 instrument has not complied with the applicable tax requirements, interest from the security could become taxable, the security could decline in value, and distributions made by the fund could be taxable to shareholders. The fund invests 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.

In April 2015, FASB issued Accounting Standards Update 2015-03, Interest – Imputation of Interest (Topic 835-30) – Simplifying the Presentation of Debt Issuance Costs (ASU 2015-03). For entities that issue debt which is carried at an amount other than fair value, ASU 2015-03 changes the accounting for debt issuance costs. Although still evaluating the potential impacts of ASU 2015-03, management expects that the effects of the fund's adoption will be limited to the reclassification of any unamortized debt issuance costs on the fund's Statement of Assets and Liabilities and the modification of related accounting policy financial statement disclosures. ASU

---

**Table of Contents**

*Notes to Financial Statements continued*

2015-03 will first be effective for annual reporting periods beginning after December 15, 2015, and interim periods within those annual periods.

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

**Investment Valuations** Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the

**Table of Contents***Notes to Financial Statements continued*

security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts. The following is a summary of the levels used as of October 31, 2015 in valuing the fund's assets or liabilities:

<b>Investments at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Municipal Bonds	\$	\$413,265,567	\$	\$413,265,567
Mutual Funds	2,655,468			2,655,468
Total Investments	\$2,655,468	\$413,265,567	\$	\$415,921,035
<b>Other Financial Instruments</b>				
Futures Contracts	\$(74,717)	\$	\$	\$(74,717)

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

**Derivatives** The fund uses derivatives for different purposes, primarily to increase or decrease exposure to a particular market or segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments. Derivatives are used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost.

The derivative instruments used by the fund were futures contracts. The fund's period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

**Table of Contents**

*Notes to Financial Statements continued*

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2015 as reported in the Statement of Assets and Liabilities:

<b>Risk</b>	<b>Derivative Contracts</b>	<b>Fair Value (a) Liability Derivatives</b>
Interest Rate	Interest Rate Futures	\$(74,717)

(a) The value of futures contracts includes cumulative appreciation (depreciation) as reported in the fund's Portfolio of Investments. Only the current day variation margin for futures contracts is separately reported within the fund's Statement of Assets and Liabilities.

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2015 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$(480,575)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended October 31, 2015 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$36,255

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, uncleared derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an ISDA Master Agreement on a bilateral basis. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. Upon an event of default or a termination of the ISDA Master Agreement, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the clearing broker and the clearing house for cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options). For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets

**Table of Contents**

*Notes to Financial Statements continued*

and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

**Futures Contracts** The fund entered into futures contracts which may be used to hedge against or obtain broad market exposure, interest rate exposure, or to manage duration. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures contracts is realized.

The fund bears the risk of interest rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

**Inverse Floaters** The fund invests in municipal inverse floating rate securities which are structured by the issuer (known as primary market inverse floating rate securities) or by an investment banker utilizing municipal bonds which have already been issued (known as secondary market inverse floating rate securities) to have variable rates of interest which typically move in the opposite direction of short term interest rates. A secondary market inverse floating rate security is created when an investment banker transfers a fixed rate municipal bond to a special purpose trust, and causes the trust to (a) issue floating rate certificates to third parties, in an amount equal to a fraction of the par amount of the deposited bonds (these certificates usually pay tax-exempt interest at short-term interest rates that typically reset weekly; and the certificate holders typically, on seven days notice, have the option to tender their certificates to the investment banker or another party for redemption at par plus accrued interest), and (b) issue inverse floating rate certificates (sometimes referred to as inverse floaters). If the holders of the inverse floaters transfer 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 holders of the floating rate certificates under the provisions of the trust, which amounts are paid solely from the assets of the trust, reflected as

---

**Table of Contents***Notes to Financial Statements continued*

liabilities of the fund in the Statement of Assets and Liabilities under the caption, Payable to the holders of the floating rate certificates from trust assets. The carrying value of the fund's payable to the holders of the floating rate certificates from trust assets as reported in the fund's Statement of Assets and Liabilities approximates its fair value. The value of the payable to the holders of the floating rate certificates from trust assets as of the reporting date is considered level 2 under the fair value hierarchy disclosure. At October 31, 2015, the fund's payable to the holders of the floating rate certificates from trust assets was \$6,263,000 and the interest rate on the floating rate certificates issued by the trust was 0.02%. For the year ended October 31, 2015, the average payable to the holders of the floating rate certificates from trust assets was \$12,675,687 at a weighted average interest rate of 0.05%. Interest expense and fees relate to interest payments made to the holders of certain floating rate certificates and associated fees, both of which are made from trust assets. Interest expense and fees are recorded as incurred. For the year ended October 31, 2015, interest expense and fees related to self-deposited inverse floaters amounted to \$79,729 and is included in Interest expense and fees in the Statement of Operations. Primary and externally deposited inverse floaters held by the fund are not accounted for as secured borrowings.

**Statement of Cash Flows** Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and does not include any short term investments.

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

**Investment Transactions and Income** Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. Interest payments received in additional securities are recorded on the ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

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

**Table of Contents***Notes to Financial Statements continued*

Legal fees and other related expenses incurred to preserve and protect the value of a security owned are added to the cost of the security; other legal fees are expensed. Capital infusions made directly to the security issuer, which are generally non-recurring, incurred to protect or enhance the value of high-yield debt securities, are reported as additions to the cost basis of the security. Costs that are incurred to negotiate the terms or conditions of capital infusions or that are expected to result in a plan of reorganization are reported as realized losses. Ongoing costs incurred to protect or enhance an investment, or costs incurred to pursue other claims or legal actions, are expensed.

**Fees Paid Indirectly** Prior to October 1, 2015, the fund's custody fee could be reduced by a credit earned under an arrangement that measured the value of U.S. dollars deposited with the custodian by the fund. The amount of the credit, for the year ended October 31, 2015, is shown as a reduction of total expenses in the Statement of Operations.

**Tax Matters and Distributions** The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable and tax-exempt income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

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, secured borrowings, and non-deductible expenses that result from the treatment of VMTPS as equity for tax purposes.

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

	<b>10/31/15</b>	<b>10/31/14</b>
Ordinary income (including any short-term capital gains)	\$290,190	\$626,669
Tax-exempt income	17,292,596	17,581,056
Total distributions	\$17,582,786	\$18,207,725



**Table of Contents***Notes to Financial Statements continued*

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

<b>As of 10/31/15</b>	
Cost of investments	\$384,248,055
Gross appreciation	31,841,527
Gross depreciation	(6,431,547)
Net unrealized appreciation (depreciation)	\$25,409,980
Undistributed ordinary income	58,362
Undistributed tax-exempt income	2,834,615
Capital loss carryforwards	(25,790,193)
Other temporary differences	(383,019)

Under the Regulated Investment Company Modernization Act of 2010 (the Act), net capital losses recognized for fund fiscal years beginning after October 31, 2011 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses (post-enactment losses). Previously, net capital losses were carried forward for eight years and treated as short-term losses (pre-enactment losses). As a transition rule, the Act requires that all post-enactment net capital losses be used before pre-enactment net capital losses.

As of October 31, 2015, the fund had capital loss carryforwards available to offset future realized gains as follows:

<b>Pre-enactment losses which expire as follows:</b>	
10/31/16	\$(3,401,503)
10/31/17	(6,820,113)
10/31/18	(7,829,561)
10/31/19	(5,299,510)
Total	\$(23,350,687)
<b>Post-enactment losses which are characterized as follows:</b>	
Short-Term	\$(2,439,506)

**(3) Transactions with Affiliates**

**Investment Adviser** The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.40% of the fund's average weekly net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares) and 6.32% of gross income. Gross income is calculated based on tax elections that generally include the amortization of premium and exclude the accretion of 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 year ended October 31, 2015 was equivalent to an annual effective rate of 0.72% of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares).

---

**Table of Contents**

*Notes to Financial Statements continued*

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs and investment-related expenses (including interest expenses and fees associated with investments in inverse floating rate instruments), other than the auction rate preferred shares service fee such that fund operating expenses do not exceed 0.90% annually of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until October 31, 2016. For the year ended October 31, 2015, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

**Transfer Agent** The fund engages Computershare Trust Company, N.A. ( Computershare ) as the sole transfer agent for the fund's common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended October 31, 2015, these fees paid to MFSC amounted to \$15,459.

**Administrator** MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares). The administrative services fee incurred for the year ended October 31, 2015 was equivalent to an annual effective rate of 0.0182% of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares).

**Trustees and Officers Compensation** The fund pays compensation to independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The fund does not pay compensation directly to Trustees or officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and Trustees of the fund are officers or directors of MFS and MFSC.

Prior to December 31, 2001, the fund had an unfunded defined benefit plan ( DB plan ) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. The DB plan resulted in a pension expense of \$5,248 and is included in Independent Trustees compensation in the Statement of Operations for the year ended October 31, 2015. The liability for deferred retirement benefits payable to certain independent Trustees under the DB plan amounted to \$21,613 at October 31, 2015, and is included in Payable for independent Trustees compensation in the Statement of Assets and Liabilities.

**Other** This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees

**Table of Contents**

*Notes to Financial Statements continued*

solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the year ended October 31, 2015, the fee paid by the fund under this agreement was \$1,211 and is included in Miscellaneous expense in the Statement of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. Income earned on this investment is included in Dividends from underlying affiliated funds in the Statement of Operations. This money market fund does not pay a management fee to MFS.

**(4) Portfolio Securities**

For the year ended October 31, 2015, purchases and sales of investments, other than short-term obligations, aggregated \$61,847,307 and \$74,622,817, respectively.

**(5) Shares of Beneficial Interest**

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The fund reserves the right to repurchase shares of beneficial interest of the fund subject to Trustee approval. During the year ended October 31, 2015 and the year ended October 31, 2014, the fund did not repurchase any shares. During the year ended October 31, 2015 and the year ended October 31, 2014, there were no transactions in fund shares.

**(6) Line of Credit**

The fund and certain other funds managed by MFS participate in a \$1.25 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Overnight Federal Reserve funds rate or daily one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the Overnight Federal Reserve funds rate plus an agreed upon spread. For the year ended October 31, 2015, the fund's commitment fee and interest expense were \$1,002 and \$0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

**Table of Contents***Notes to Financial Statements continued***(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers**

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

	<b>Beginning</b>	<b>Acquisitions</b>	<b>Dispositions</b>	<b>Ending</b>
	<b>Shares/Par</b>	<b>Shares/Par</b>	<b>Shares/Par</b>	<b>Shares/Par</b>
<b>Underlying Affiliated Fund</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
MFS Institutional Money Market Portfolio	2,518,260	69,192,881	(69,055,673)	2,655,468

  

	<b>Realized</b>	<b>Capital Gain</b>	<b>Dividend</b>	<b>Ending</b>
	<b>Gain (Loss)</b>	<b>Distributions</b>	<b>Income</b>	<b>Value</b>
MFS Institutional Money Market Portfolio	\$	\$	\$5,165	\$2,655,468

**(8) Preferred Shares**

The fund has 157 shares issued and outstanding of Auction Rate Preferred Shares (ARPS), series T, and 134 shares of ARPS, series TH. Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. If the ARPS are unable to be remarketed on a remarketing date as part of the auction process, the fund would be required to pay the maximum applicable rate on ARPS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on ARPS rated aa3/AA- or better is equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate.

Since February 2008, regularly scheduled auctions for ARPS issued by closed end funds, including this fund, have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the previously defined maximum rate. During the year ended October 31, 2015, the ARPS dividend rates ranged from 0.08% to 0.21% for series T and from 0.09% to 0.24% for series TH. For the year ended October 31, 2015, the average dividend rate was 0.13% for both series T and series TH. These developments with respect to ARPS do not affect the management or investment policies of the fund. However, one implication of these auction failures for common shareholders is that the fund's cost of leverage will be higher than it otherwise would have been had the auctions continued to be successful. As a result, the fund's future common share earnings may be lower than they otherwise would have been.

The fund pays an annual service fee to broker-dealers with customers who are beneficial owners of the ARPS. The service fee is equivalent to 0.25% of the applicable ARPS liquidation value while the ARPS auctions are successful or to 0.15% or less, varying by broker-dealer, while the auctions are failing. The outstanding ARPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends. The ARPS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied.

---

**Table of Contents***Notes to Financial Statements continued*

In addition to ARPS, the fund has 4,259 shares issued and outstanding of Variable Rate Municipal Term Preferred Shares (VMTPS), series 2016/9. The outstanding VMTPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends, but generally solely for the purpose of decreasing the leverage of the fund. The VMTPS are subject to a mandatory term redemption date of September 30, 2016 unless extended through negotiation with the private investors. There is no assurance that the term of the VMTPS will be extended or that the VMTPS will be replaced with any other preferred shares or other form of leverage upon the redemption of the VMTPS. Six months prior to the term redemption date of the VMTPS, the fund is required to begin to segregate liquid assets with the fund's custodian to fund the redemption. Dividends on the VMTPS are cumulative and are set weekly to a fixed spread against the Securities Industry and Financial Markets Association Municipal Swap Index. During the year ended October 31, 2015, the VMTPS dividend rates ranged from 1.26% to 1.36%. For the year ended October 31, 2015, the average dividend rate was 1.29%.

In the fund's Statement of Assets and Liabilities, the VMTPS aggregate liquidation preference is shown as a liability since they have a stated mandatory redemption date. Dividends paid to VMTPS are treated as interest expense and recorded as incurred. For the year ended October 31, 2015, interest expense related to VMTPS amounted to \$1,386,475 and is included in Interest expense and fees in the Statement of Operations. Costs directly related to the issuance of the VMTPS are considered debt issuance costs which have been deferred and are being amortized into expense over the life of the VMTPS. The period-end carrying value for the VMTPS in the fund's Statement of Assets and Liabilities is its liquidation value which approximates its fair value and its fair value would be considered level 2 under the fair value hierarchy.

Under the terms of a purchase agreement between the fund and the investor in VMTPS, there are investment-related requirements that are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies. In addition, the fund is subject to certain restrictions on its investments imposed by guidelines of the rating agencies that rate the ARPS and the VMTPS, which guidelines may be changed by the applicable rating agency, in its sole discretion, from time to time. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the fund by the Investment Company Act of 1940 (the "1940 Act"). Such restrictions may limit the investment flexibility that might otherwise be pursued by the fund if the VMTPS were not outstanding.

The fund is required to maintain certain asset coverage with respect to the ARPS and VMTPS as defined in the fund's governing documents and the 1940 Act and, as such, is not permitted to declare common share dividends unless the fund's ARPS and VMTPS have a minimum asset coverage ratio of 200% after declaration of the common share dividends. With respect to the payment of dividends and as to the distribution of assets of the fund, ARPS and VMTPS rank on parity with each other, and are both senior in priority to the fund's outstanding common shares. To the extent that investments are purchased by the fund with proceeds from the issuance of preferred shares, including ARPS and VMTPS, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. Changes in the value of the fund's portfolio will

**Table of Contents**

*Notes to Financial Statements continued*

be borne entirely by the common shareholders. It is possible that the fund will be required to sell assets at a time when it may be disadvantageous to do so in order to redeem preferred shares to comply with asset coverage or other restrictions including those imposed by the rating agencies that rate the preferred shares. There is no assurance that the fund's leveraging strategy will be successful.

66

**Table of Contents**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and the Shareholders of MFS Municipal Income Trust:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Municipal Income Trust (the Fund ) as of October 31, 2015, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2015, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Municipal Income Trust as of October 31, 2015, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

December 15, 2015

**Table of Contents****RESULTS OF SHAREHOLDER MEETING**

(unaudited)

At the annual meeting of shareholders of MFS Municipal Income Trust, which was held on October 1, 2015, the following actions were taken:

**Item 1:** To elect the following individuals as Trustees, elected by the holders of common and preferred shares together:

<b>Nominee</b>	<b>For</b>	<b>Number of Shares</b>	<b>Withheld Authority</b>
Robert E. Butler	35,106,688.459		1,278,122.631
David H. Gunning	35,019,537.448		1,365,273.642
Robin A. Stelmach	35,118,929.011		1,265,882.079

**Item 2:** To elect the following individuals as Trustees, elected by the holders of preferred shares only:

<b>Nominee</b>	<b>For</b>	<b>Number of Shares</b>	<b>Withheld Authority</b>
John P. Kavanaugh	4,452		0
Laurie J. Thomsen	4,452		0



**Table of Contents****TRUSTEES AND OFFICERS IDENTIFICATION AND BACKGROUND**

The Trustees and Officers of the Trust, as of December 1, 2015, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

Name, Age	Position(s)			Principal	
	Held with Fund	Trustee/Officer Since <sup>(h)</sup>	Term Expiring	Occupations During the Past Five Years	Other Directorships <sup>(i)</sup>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 52)	Trustee	February 2004	2016	Massachusetts Financial Services Company, Chairman, Co-Chief Executive Officer and Director; Chief Investment Officer (until 2010)	N/A
Robin A. Stelmach <sup>(k)</sup> (age 54)	Trustee and President	January 2014	2018	Massachusetts Financial Services Company,  Executive Vice President and Chief Operating Officer	N/A
<b>INDEPENDENT TRUSTEES</b>					
David H. Gunning (age 73)	Trustee and Chair of Trustees	January 2004	2018 <sup>(m)</sup>	Private investor	Lincoln Electric Holdings, Inc., Director; Development Alternatives, Inc., Director/Non-Executive Chairman
Steven E. Buller (age 64)	Trustee	February 2014	2017	Chairman, Financial Accounting Standards Advisory Council; Standing Advisory Group, Public Company Accounting Oversight Board, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014)	N/A

**Table of Contents***Trustees and Officers continued*

Name, Age	Position(s)		Term	Principal	
	Held with Fund	Trustee/Officer Since <sup>(h)</sup>		Occupations During the Past Five Years	Other Directorships <sup>(i)</sup>
Robert E. Butler (age 74)	Trustee	January 2006	2018 <sup>(n)</sup>	Consultant investment company industry regulatory and compliance matters	N/A
Maureen R. Goldfarb (age 60)	Trustee	January 2009	2016	Private investor	N/A
William R. Gutow (age 74)	Trustee	December 1993	2017 <sup>(n)</sup>	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman	Texas Donuts, Vice Chairman (until 2010)
Michael Hegarty (age 70)	Trustee	December 2004	2017	Private investor	Rouse Properties Inc., Director; Capmark Financial Group Inc., Director
John P. Kavanaugh (age 61)	Trustee	January 2009	2016	Private investor	N/A
Maryanne L. Roepke (age 59)	Trustee	May 2014	2016	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen (age 58)	Trustee	March 2005	2016	Private investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010)	The Travelers Companies, Director; Dycom Industries, Inc., Director
Robert W. Uek (age 74)	Trustee	January 2006	2017 <sup>(n)</sup>	Consultant to investment company industry	N/A
<b>OFFICERS</b>					
Christopher R. Bohane <sup>(k)</sup> (age 41)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Kino Clark <sup>(k)</sup> (age 47)	Assistant Treasurer	January 2012	N/A	Massachusetts Financial Services Company, Vice President	N/A

**Table of Contents***Trustees and Officers continued*

Name, Age	Position(s)			Principal	
	Held with Fund	Trustee/Officer Since <sup>(h)</sup>	Term Expiring	Occupations During the Past Five Years	Other Directorships <sup>(i)</sup>
Kristin V. Collins <sup>(k)</sup> (age 42)	Assistant Secretary and Assistant Clerk	September 2015	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Thomas H. Connors <sup>(k)</sup> (age 56)	Assistant Secretary and Assistant Clerk	September 2012	N/A	Massachusetts Financial Services Company,  Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012)	N/A
Ethan D. Corey <sup>(k)</sup> (age 52)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo <sup>(k)</sup> (age 47)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Brian E. Langenfeld <sup>(k)</sup> (age 42)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Kenneth Paek <sup>(k)</sup> (age 41)	Assistant Treasurer	February 2015	N/A	Massachusetts Financial Services Company, Vice President; Cohen & Steers, Vice President/Head of Fund Administration (until 2014)	N/A
Susan A. Pereira <sup>(k)</sup> (age 45)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A

**Table of Contents***Trustees and Officers continued*

Name, Age	Position(s)			Principal	
	Held with Fund	Trustee/Officer Since <sup>(h)</sup>	Term Expiring	Occupations During the Past Five Years	Other Directorships <sup>(i)</sup>
Kasey L. Phillips <sup>(k)</sup> (age 44)	Assistant Treasurer	September 2012	N/A	Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012)	N/A
Mark N. Polebaum <sup>(k)</sup> (age 63)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A
Matthew A. Stowe <sup>(k)</sup> (age 41)	Assistant Secretary and Assistant Clerk	October 2014	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Frank L. Tarantino (age 71)	Independent Senior Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel <sup>(k)</sup> (age 45)	Assistant Secretary and Assistant Clerk	October 2007	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
Martin J. Wolin <sup>(k)</sup> (age 48)	Chief Compliance Officer	July 2015 <sup>(k)</sup>	N/A	Massachusetts Financial Services Company, Senior Vice President and Chief Compliance Officer (since July 2015); Mercer (financial service provider), Chief Risk and Compliance Officer, North America and Latin America (until June 2015)	N/A
James O. Yost <sup>(k)</sup> (age 55)	Deputy Treasurer	September 1990	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A

(h) Date first appointed to serve as Trustee/officer of an MFS Fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Mr. Manning served as Advisory Trustee. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds. Ms. Stelmach was appointed as President of the Funds as of October 1, 2014.

---

**Table of Contents**

*Trustees and Officers continued*

- (j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).
- (k) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of a position with MFS. The address of MFS is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.
- (m) With respect to Mr. Gunning, the Board has agreed to a one-year extension of his ability to serve as a Trustee from January 1, 2016 through December 31, 2016, subject to Board approval for a second one-year extension for the 2017 calendar year pursuant to the retirement policy.
- (n) With respect to Messrs. Butler, Gutow and Uek, the Board has agreed to a one-year extension of each Trustee's ability to serve as a Trustee from January 1, 2016 through December 31, 2016 pursuant to the retirement policy.

The Trust holds annual shareholder meetings for the purpose of electing Trustees, and Trustees are elected for fixed terms. Two Trustees, each holding a term of one year, are elected annually by holders of the Trust's preferred shares. The remaining Trustees are currently divided into three classes, each having a term of three years which term expires on the date of the third annual meeting following the election to office of the Trustee's class. Each year the term of one class expires. Each Trustee and officer will serve until next elected or his or her earlier death, resignation, retirement or removal.

Messrs. Butler, Kavanaugh, Uek and Ms. Thomsen and Roepke are members of the Fund's Audit Committee.

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of December 1, 2015, the Trustees served as board members of 138 funds within the MFS Family of Funds.

**Investment Adviser**

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

**Portfolio Managers**

Gary Lasman  
Geoffrey Schechter

**Custodian**

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

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

**Table of Contents**

**BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested ( independent ) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2015 ( contract review meetings ) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds ). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Senior Officer, a senior officer appointed by and reporting to the independent Trustees.

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

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Lipper Inc., an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2014 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe ), (ii) information provided by Lipper Inc. on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Lipper Inc. (the Lipper expense group ), (iii) information provided by MFS on the advisory fees of comparable portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund, (v) information regarding MFS financial results and financial condition, including MFS and certain of its affiliates estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS institutional business, (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel providing investment

**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Lipper Inc. was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

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

Based on information provided by Lipper Inc. and MFS, the Trustees reviewed the Fund's total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund's common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2014, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund's common shares ranked 5th out of a total of 10 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 3rd out of a total of 10 funds for the one-year period and 5th out of a total of 10 funds for the five-year period ended December 31, 2014. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to the Barclays Municipal Bond Index. The Fund outperformed the Barclays Municipal Bond Index for each of the one-, three-, and five-year periods ended December 31, 2014 (one-year: 18.5% total return for the Fund versus 9.1% total return for the benchmark; three-year: 10.0% total return for the Fund versus 4.3% total return for the benchmark; five-year: 9.7% total return for the Fund versus 5.2% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

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

**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

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

The Trustees also considered the advisory fees charged by MFS to any institutional separate accounts advised by MFS ( "separate accounts" ) and unaffiliated investment companies for which MFS serves as subadviser ( "subadvised funds" ) that have comparable investment strategies to the Fund. In comparing these fees, the Trustees considered information provided by MFS as to the generally broader scope of services provided by MFS to the Fund, as well as the more extensive regulatory burdens imposed on MFS in managing the Fund, in comparison to separate accounts and subadvised funds.

The Trustees considered that, as a closed-end fund, the Fund is unlikely to experience meaningful asset growth. As a result, the Trustees did not view the potential for realization of economies of scale as the Fund's assets grow to be a material factor in their deliberations. The Trustees noted that they would consider economies of scale in the future in the event the Fund experiences significant asset growth, such as through a material increase in the market value of the Fund's portfolio securities.

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

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

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

The Trustees also considered the nature, quality, cost, and extent of administrative services provided to the Fund by MFS under agreements other than the investment



**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

advisory agreement. The Trustees also considered the nature, extent and quality of certain other services MFS performs or arranges for on the Fund's behalf, which may include securities lending programs, directed expense payment programs, class action recovery programs, and MFS interaction with third-party service providers, principally custodians and sub-custodians. The Trustees concluded that the various non-advisory services provided by MFS and its affiliates on behalf of the Fund were satisfactory.

The Trustees also considered benefits to MFS from the use of the Fund's portfolio brokerage commissions, if applicable, to pay for investment research and various other factors. Additionally, the Trustees considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the Fund.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2015.

## **Table of Contents**

### PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

### QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund's Form N-Q is also available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the fund's Form N-Q also 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.

### FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS funds on the MFS web site (*mfs.com*). This information is available by visiting the Market Commentary and Announcements sub sections in the Market Outlooks section of *mfs.com* or by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

Additional information about the fund (e.g. performance, dividends and the fund's price history) is also available by clicking on the fund's name under Closed-End Funds in the Products section of *mfs.com*.

### FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2015 income tax forms in January 2016. The following information is provided pursuant to provisions of the Internal Revenue Code.

Of the dividends paid from net investment income during the fiscal year, 98.35% is designated as exempt interest dividends for federal income tax purposes. If the fund has earned income on private activity bonds, a portion of the dividends paid may be considered a tax preference item for purposes of computing a shareholder's alternative minimum tax.

**Table of Contents**

rev. 3/11

**FACTS**

**WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?**

**Why?**

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

**What?**

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

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

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

**How?**

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

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

For nonaffiliates to market to you

No

We don't share

**Questions?**

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

**Table of Contents**

Page 2

**Who we are**

**Who is providing this notice?**

MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., MFS Fund Distributors, Inc., MFS Heritage Trust Company, and MFS Service Center, Inc.

**What we do**

**How does MFS protect my personal information?**

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

**How does MFS collect my personal information?**

We collect your personal information, for example, when you

open an account or provide account information

direct us to buy securities or direct us to sell your securities

make a wire transfer

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

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

Federal law gives you the right to limit only

sharing for affiliates everyday business purposes information about your creditworthiness

affiliates from using your information to market to you

sharing for nonaffiliates to market to you

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

**Definitions**

**Affiliates**

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

**Nonaffiliates**

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

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

**Joint Marketing**

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

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

*MFS doesn't jointly market.*

**Other important information**

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

**Table of Contents**

**CONTACT US**

**TRANSFER AGENT, REGISTRAR, AND**

**DIVIDEND DISBURSING AGENT**

**CALL**

1-800-637-2304

9 a.m. to 5 p.m. Eastern time

**WRITE**

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MFM**

**Table of Contents**

**ITEM 2. CODE OF ETHICS.**

The Registrant has adopted a Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act and as defined in Form N-CSR that applies to the Registrant's principal executive officer and principal financial and accounting officer. During the period covered by this report, the Registrant has not amended any provision in its Code of Ethics (the "Code") that relates to an element of the Code's definitions enumerated in paragraph (b) of Item 2 of this Form N-CSR. During the period covered by this report, the Registrant did not grant a waiver, including an implicit waiver, from any provision of the Code.

A copy of the Code of Ethics is filed as an exhibit to this Form N-CSR.

**ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.**

Messrs. Robert E. Butler, John P. Kavanaugh and Robert W. Uek and Meses. Maryanne L. Roepke and Laurie J. Thomsen, members of the Audit Committee, have been determined by the Board of Trustees in their reasonable business judgment to meet the definition of "audit committee financial expert" as such term is defined in Form N-CSR. In addition, Messrs. Butler, Kavanaugh and Uek and Meses. Roepke and Thomsen are "independent" members of the Audit Committee (as such term has been defined by the Securities and Exchange Commission in regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002). The Securities and Exchange Commission has stated that the designation of a person as an audit committee financial expert pursuant to this Item 3 on the Form N-CSR does not impose on such a person any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the Audit Committee and the Board of Trustees in the absence of such designation or identification.

**ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

**Items 4(a) through 4(d) and 4(g):**

The Board of Trustees has appointed Deloitte & Touche LLP ("Deloitte") to serve as independent accountants to the Registrant (hereinafter the "Registrant" or the "Fund"). The tables below set forth the audit fees billed to the Fund as well as fees for non-audit services provided to the Fund and/or to the Fund's investment adviser, Massachusetts Financial Services Company ("MFS") and to various entities either controlling, controlled by, or under common control with MFS that provide ongoing services to the Fund ("MFS Related Entities").

For the fiscal years ended October 31, 2015 and 2014, audit fees billed to the Fund by Deloitte were as follows:

	<b>Audit Fees</b>	
	<b>2015</b>	<b>2014</b>
<b>Fees billed by Deloitte:</b>		
MFS Municipal Income Trust	59,104	57,780



**Table of Contents**

For the fiscal years ended October 31, 2015 and 2014, fees billed by Deloitte for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2015	2014	2015	2014	2015	2014
<b>Fees billed by Deloitte:</b>						
To MFS Municipal Income Trust	10,000	15,000	7,423	7,299	436	1,668

	Audit-Related Fees <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2015	2014	2015	2014	2015	2014
<b>Fees billed by Deloitte:</b>						
To MFS and MFS Related Entities of MFS Municipal Income Trust <sup>*</sup>	628,289	1,671,337	0	0	5,000	0

	Aggregate Fees for Non-audit Services	
	2015	2014
<b>Fees Billed by Deloitte:</b>		
To MFS Municipal Income Trust, MFS and MFS Related Entities <sup>#</sup>	651,148	1,698,642

<sup>\*</sup> This amount reflects the fees billed to MFS and MFS Related Entities for non-audit services relating directly to the operations and financial reporting of the Fund (portions of which services also related to the operations and financial reporting of other funds within the MFS Funds complex).

<sup>#</sup> This amount reflects the aggregate fees billed by Deloitte for non-audit services rendered to the Fund and for non-audit services rendered to MFS and the MFS Related Entities.

<sup>1</sup> The fees included under **Audit-Related Fees** are fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under **Audit Fees**, including accounting consultations, agreed-upon procedure reports, attestation reports, comfort letters and internal control reviews.

<sup>2</sup> The fees included under **Tax Fees** are fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews and tax distribution and analysis.

<sup>3</sup> The fees included under **All Other Fees** are fees for products and services provided by Deloitte other than those reported under **Audit Fees**, **Audit-Related Fees** and **Tax Fees**, including fees for services related to review of internal controls and review of Rule 38a-1 compliance program.

**Item 4(e)(1):**

Set forth below are the policies and procedures established by the Audit Committee of the Board of Trustees relating to the pre-approval of audit and non-audit related services:

To the extent required by applicable law, pre-approval by the Audit Committee of the Board is needed for all audit and permissible non-audit services rendered to the Fund and all permissible non-audit services rendered to MFS or MFS Related Entities if the services

**Table of Contents**

relate directly to the operations and financial reporting of the Registrant. Pre-approval is currently on an engagement-by-engagement basis. In the event pre-approval of such services is necessary between regular meetings of the Audit Committee and it is not practical to wait to seek pre-approval at the next regular meeting of the Audit Committee, pre-approval of such services may be referred to the Chair of the Audit Committee for approval; provided that the Chair may not pre-approve any individual engagement for such services exceeding \$50,000 or multiple engagements for such services in the aggregate exceeding \$100,000 between such regular meetings of the Audit Committee. Any engagement pre-approved by the Chair between regular meetings of the Audit Committee shall be presented for ratification by the entire Audit Committee at its next regularly scheduled meeting.

**Item 4(e)(2):**

None, or 0%, of the services relating to the Audit-Related Fees, Tax Fees and All Other Fees paid by the Fund and MFS and MFS Related Entities relating directly to the operations and financial reporting of the Registrant disclosed above were approved by the audit committee pursuant to paragraphs (c)(7)(i)(C) of Rule 2-01 of Regulation S-X (which permits audit committee approval after the start of the engagement with respect to services other than audit, review or attest services, if certain conditions are satisfied).

**Item 4(f):** Not applicable.

**Item 4(h):** The Registrant's Audit Committee has considered whether the provision by a Registrant's independent registered public accounting firm of non-audit services to MFS and MFS Related Entities that were not pre-approved by the Committee (because such services were provided prior to the effectiveness of SEC rules requiring pre-approval or because such services did not relate directly to the operations and financial reporting of the Registrant) was compatible with maintaining the independence of the independent registered public accounting firm as the Registrant's principal auditors.

**ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.**

The Registrant has an Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Messrs. Robert E. Butler, John P. Kavanaugh, and Robert W. Uek and Meses. Maryanne L. Roepke and Laurie J. Thomsen.

**ITEM 6. SCHEDULE OF INVESTMENTS**

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

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

---

**Table of Contents**

**MASSACHUSETTS FINANCIAL SERVICES COMPANY**

**PROXY VOTING POLICIES AND PROCEDURES**

**February 1, 2015**

Massachusetts Financial Services Company, MFS Institutional Advisors, Inc., MFS International (UK) Limited, MFS Heritage Trust Company, MFS Investment Management (Canada) Limited, MFS Investment Management Company (Lux) S.à r.l., MFS International Singapore Pte. Ltd., MFS Investment Management K.K., and MFS other subsidiaries that perform discretionary investment management activities (collectively, MFS ) have adopted proxy voting policies and procedures, as set forth below ( MFS Proxy Voting Policies and Procedures ), with respect to securities owned by the clients for which MFS serves as investment adviser and has the power to vote proxies, including the pooled investment vehicles sponsored by MFS (the MFS Funds ). References to clients in these policies and procedures include the MFS Funds and other clients of MFS, such as funds organized offshore, sub-advised funds and separate account clients, to the extent these clients have delegated to MFS the responsibility to vote proxies on their behalf under the MFS Proxy Voting Policies and Procedures.

The MFS Proxy Voting Policies and Procedures include:

- A. Voting Guidelines;
- B. Administrative Procedures;
- C. Records Retention; and
- D. Reports.

**A. *VOTING GUIDELINES***

**1. General Policy; Potential Conflicts of Interest**

MFS policy is that proxy voting decisions are made in what MFS believes to be the best long-term economic interests of MFS clients, and not in the interests of any other party or in MFS corporate interests, including interests such as the distribution of MFS Fund shares and institutional client relationships.

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

## **Table of Contents**

As a general matter, MFS votes consistently on similar proxy proposals across all shareholder meetings. However, some proxy proposals, such as certain excessive executive compensation, environmental, social and governance matters, are analyzed on a case-by-case basis in light of all the relevant facts and circumstances of the proposal. Therefore, MFS may vote similar proposals differently at different shareholder meetings based on the specific facts and circumstances of the issuer or the terms of the proposal. In addition, MFS also reserves the right to override the guidelines with respect to a particular proxy proposal when such an override is, in MFS' best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS' clients.

MFS also generally votes consistently on the same matter when securities of an issuer are held by multiple client accounts, unless MFS has received explicit voting instructions to vote differently from a client for its own account. From time to time, MFS may also receive comments on the MFS Proxy Voting Policies and Procedures from its clients. These comments are carefully considered by MFS when it reviews these guidelines and revises them as appropriate.

These policies and procedures are intended to address any potential material conflicts of interest on the part of MFS or its subsidiaries that are likely to arise in connection with the voting of proxies on behalf of MFS' clients. If such potential material conflicts of interest do arise, MFS will analyze, document and report on such potential material conflicts of interest (see Sections B.2 and D below), and shall ultimately vote the relevant proxies in what MFS believes to be the best long-term economic interests of its clients. The MFS Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential material conflicts of interest.

MFS is also a signatory to the United Nations Principles for Responsible Investment. In developing these guidelines, MFS considered environmental, social and corporate governance issues in light of MFS' fiduciary obligation to vote proxies in the best long-term economic interest of its clients.

## 2. MFS' Policy on Specific Issues

### Election of Directors

MFS believes that good governance should be based on a board with at least a simple majority of directors who are independent of management, and whose key committees (e.g., compensation, nominating, and audit committees) consist

## **Table of Contents**

entirely of independent directors. While MFS generally supports the board's nominees in uncontested or non-contentious elections, we will not support a nominee to a board of a U.S. issuer (or issuer listed on a U.S. exchange) if, as a result of such nominee being elected to the board, the board would consist of a simple majority of members who are not independent or, alternatively, the compensation, nominating (including instances in which the full board serves as the compensation or nominating committee) or audit committees would include members who are not independent.

MFS will also not support a nominee to a board if we can determine that he or she attended less than 75% of the board and/or relevant committee meetings in the previous year without a valid reason stated in the proxy materials or other company communications. In addition, MFS may not support some or all nominees standing for re-election to a board if we can determine: (1) the board or its compensation committee has re-priced or exchanged underwater stock options since the last annual meeting of shareholders and without shareholder approval; (2) the board or relevant committee has not taken adequately responsive action to an issue that received majority support or opposition from shareholders; (3) the board has implemented a poison pill without shareholder approval since the last annual meeting and such poison pill is not on the subsequent shareholder meeting's agenda, (including those related to net-operating loss carry-forwards); (4) the board or relevant committee has failed to adequately oversee risk by allowing the hedging and/or significant pledging of company shares by executives; or (5) there are governance concerns with a director or issuer.

MFS may not support certain board nominees of U.S. issuers under certain circumstances where MFS deems compensation to be egregious due to pay-for-performance issues and/or poor pay practices. Please see the section below titled "MFS Policy on Specific Issues - Advisory Votes on Executive Compensation" for further details.

MFS evaluates a contested or contentious election of directors on a case-by-case basis considering the long-term financial performance of the company relative to its industry, management's track record, the qualifications of all nominees, and an evaluation of what each side is offering shareholders.

## **Majority Voting and Director Elections**

MFS votes for reasonably crafted proposals calling for directors to be elected with an affirmative majority of votes cast and/or the elimination of the plurality standard for electing directors (including binding resolutions requesting that the board amend the company's bylaws), provided the proposal includes a carve-out for a plurality voting standard when there are more director nominees than board seats (*e.g.*, contested elections) ( "Majority Vote Proposals" ).

## **Table of Contents**

### **Classified Boards**

MFS generally supports proposals to declassify a board (i.e.; a board in which only one-third of board members is elected each year) for all issuers other than for certain closed-end investment companies. MFS generally opposes proposals to classify a board for issuers other than for certain closed-end investment companies.

### **Proxy Access**

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company's proxy statement ( Proxy Access ) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent's rationale for seeking Proxy Access.

### **Stock Plans**

MFS opposes stock option programs and restricted stock plans that provide unduly generous compensation for officers, directors or employees, or that could result in excessive dilution to other shareholders. As a general guideline, MFS votes against restricted stock, stock option, non-employee director, omnibus stock plans and any other stock plan if all such plans for a particular company involve potential dilution, in the aggregate, of more than 15%. However, MFS will also vote against stock plans that involve potential dilution, in aggregate, of more than 10% at U.S. issuers that are listed in the Standard and Poor's 100 index as of December 31 of the previous year. In the cases where a stock plan amendment is seeking qualitative changes and not additional shares, MFS will vote its shares on a case-by-case basis.

## **Table of Contents**

MFS also opposes stock option programs that allow the board or the compensation committee to re-price underwater options or to automatically replenish shares without shareholder approval. MFS also votes against stock option programs for officers, employees or non-employee directors that do not require an investment by the optionee, that give free rides on the stock price, or that permit grants of stock options with an exercise price below fair market value on the date the options are granted. MFS will consider proposals to exchange existing options for newly issued options, restricted stock or cash on a case-by-case basis, taking into account certain factors, including, but not limited to, whether there is a reasonable value-for-value exchange and whether senior executives are excluded from participating in the exchange.

MFS supports the use of a broad-based employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are acquired for no less than 85% of their market value and do not result in excessive dilution.

### **Shareholder Proposals on Executive Compensation**

MFS believes that competitive compensation packages are necessary to attract, motivate and retain executives. However, MFS also recognizes that certain executive compensation practices can be excessive and not in the best, long-term economic interest of a company's shareholders. We believe that the election of an issuer's board of directors (as outlined above), votes on stock plans (as outlined above) and advisory votes on pay (as outlined below) are typically the most effective mechanisms to express our view on a company's compensation practices.

MFS generally opposes shareholder proposals that seek to set rigid restrictions on executive compensation as MFS believes that compensation committees should retain some flexibility to determine the appropriate pay package for executives. Although we support linking executive stock option grants to a company's performance, MFS also opposes shareholder proposals that mandate a link of performance-based pay to a specific metric. MFS generally supports reasonably crafted shareholder proposals that (i) require the issuer to adopt a policy to recover the portion of performance-based bonuses and awards paid to senior executives that were not earned based upon a significant negative restatement of earnings unless the company already has adopted a satisfactory policy on the matter, (ii) expressly prohibit the backdating of stock options, and (iii) prohibit the acceleration of vesting of equity awards upon a broad definition of a change-in-control (e.g.; single or modified single-trigger).

## **Table of Contents**

### **Advisory Votes on Executive Compensation**

MFS will analyze advisory votes on executive compensation on a case-by-case basis. MFS will vote against an advisory vote on executive compensation if MFS determines that the issuer has adopted excessive executive compensation practices and will vote in favor of an advisory vote on executive compensation if MFS has not determined that the issuer has adopted excessive executive compensation practices. Examples of excessive executive compensation practices may include, but are not limited to, a pay-for-performance disconnect, employment contract terms such as guaranteed bonus provisions, unwarranted pension payouts, backdated stock options, overly generous hiring bonuses for chief executive officers, unnecessary perquisites, or the potential reimbursement of excise taxes to an executive in regards to a severance package. In cases where MFS (i) votes against consecutive advisory pay votes, or (ii) determines that a particularly egregious excessive executive compensation practice has occurred, then MFS may also vote against certain or all board nominees. MFS may also vote against certain or all board nominees if an advisory pay vote for a U.S. issuer is not on the agenda, or the company has not implemented the advisory vote frequency supported by a plurality/ majority of shareholders.

MFS generally supports proposals to include an advisory shareholder vote on an issuer's executive compensation practices on an annual basis.

### **Golden Parachutes**

From time to time, MFS may evaluate a separate, advisory vote on severance packages or golden parachutes to certain executives at the same time as a vote on a proposed merger or acquisition. MFS will support an advisory vote on a severance package on a case-by-case basis, and MFS may vote against the severance package regardless of whether MFS supports the proposed merger or acquisition.

Shareholders of companies may also submit proxy proposals that would require shareholder approval of severance packages for executive officers that exceed certain predetermined thresholds. MFS votes in favor of such shareholder proposals when they would require shareholder approval of any severance package for an executive officer that exceeds a certain multiple of such officer's annual compensation that is not determined in MFS's judgment to be excessive.

### **Anti-Takeover Measures**

In general, MFS votes against any measure that inhibits capital appreciation in a stock, including proposals that protect management from action by shareholders. These types of proposals take many forms, ranging from poison pills and shark repellents to super-majority requirements.



## **Table of Contents**

MFS generally votes for proposals to rescind existing poison pills and proposals that would require shareholder approval to adopt prospective poison pills, unless the company already has adopted a clearly satisfactory policy on the matter. MFS may consider the adoption of a prospective poison pill or the continuation of an existing poison pill if we can determine that the following two conditions are met: (1) the poison pill allows MFS clients to hold an aggregate position of up to 15% of a company's total voting securities (and of any class of voting securities); and (2) either (a) the poison pill has a term of not longer than five years, provided that MFS will consider voting in favor of the poison pill if the term does not exceed seven years and the poison pill is linked to a business strategy or purpose that MFS believes is likely to result in greater value for shareholders; or (b) the terms of the poison pill allow MFS clients the opportunity to accept a fairly structured and attractively priced tender offer (e.g. a chewable poison pill that automatically dissolves in the event of an all cash, all shares tender offer at a premium price). MFS will also consider on a case-by-case basis proposals designed to prevent tenders which are disadvantageous to shareholders such as tenders at below market prices and tenders for substantially less than all shares of an issuer.

MFS will consider any poison pills designed to protect a company's net-operating loss carryforwards on a case-by-case basis, weighing the accounting and tax benefits of such a pill against the risk of deterring future acquisition candidates.

### **Reincorporation and Reorganization Proposals**

When presented with a proposal to reincorporate a company under the laws of a different state, or to effect some other type of corporate reorganization, MFS considers the underlying purpose and ultimate effect of such a proposal in determining whether or not to support such a measure. MFS generally votes with management in regards to these types of proposals, however, if MFS believes the proposal is in the best long-term economic interests of its clients, then MFS may vote against management (e.g. the intent or effect would be to create additional inappropriate impediments to possible acquisitions or takeovers).

### **Issuance of Stock**

There are many legitimate reasons for the issuance of stock. Nevertheless, as noted above under Stock Plans, when a stock option plan (either individually or when aggregated with other plans of the same company) would substantially dilute the existing equity (e.g. by approximately 10-15% as described above), MFS generally votes against the plan. In addition, MFS typically votes against proposals where management is asking for authorization to issue common or preferred stock with no reason stated (a blank check) because the unexplained authorization could work as a potential anti-takeover device. MFS may also vote against the authorization or issuance of common or preferred stock if MFS determines that the requested authorization is excessive or not warranted.

## **Table of Contents**

### **Repurchase Programs**

MFS supports proposals to institute share repurchase plans in which all shareholders have the opportunity to participate on an equal basis. Such plans may include a company acquiring its own shares on the open market, or a company making a tender offer to its own shareholders.

### **Cumulative Voting**

MFS opposes proposals that seek to introduce cumulative voting and for proposals that seek to eliminate cumulative voting. In either case, MFS will consider whether cumulative voting is likely to enhance the interests of MFS clients as minority shareholders.

### **Written Consent and Special Meetings**

The right to call a special meeting or act by written consent can be a powerful tool for shareholders. As such, MFS supports proposals requesting the right for shareholders who hold at least 10% of the issuer's outstanding stock to call a special meeting. MFS also supports proposals requesting the right for shareholders to act by written consent.

### **Independent Auditors**

MFS believes that the appointment of auditors for U.S. issuers is best left to the board of directors of the company and therefore supports the ratification of the board's selection of an auditor for the company. Some shareholder groups have submitted proposals to limit the non-audit activities of a company's audit firm or prohibit *any* non-audit services by a company's auditors to that company. MFS opposes proposals recommending the prohibition or limitation of the performance of non-audit services by an auditor, and proposals recommending the removal of a company's auditor due to the performance of non-audit work for the company by its auditor. MFS believes that the board, or its audit committee, should have the discretion to hire the company's auditor for specific pieces of non-audit work in the limited situations permitted under current law.

### **Other Business**

MFS generally votes against other business proposals as the content of any such matter is not known at the time of our vote.

## **Table of Contents**

### **Adjourn Shareholder Meeting**

MFS generally supports proposals to adjourn a shareholder meeting if we support the other ballot items on the meeting's agenda. MFS generally votes against proposals to adjourn a meeting if we do not support the other ballot items on the meeting's agenda.

### **Environmental, Social and Governance ( ESG ) Issues**

MFS believes that a company's ESG practices may have an impact on the company's long-term economic financial performance and will generally support proposals relating to ESG issues that MFS believes are in the best long-term economic interest of the company's shareholders. For those ESG proposals for which a specific policy has not been adopted, MFS considers such ESG proposals on a case-by-case basis. As a result, it may vote similar proposals differently at various shareholder meetings based on the specific facts and circumstances of such proposal.

MFS generally supports proposals that seek to remove governance structures that insulate management from shareholders (*i.e.*, anti-takeover measures) or that seek to enhance shareholder rights. Many of these governance-related issues, including compensation issues, are outlined within the context of the above guidelines. In addition, MFS typically supports proposals that require an issuer to reimburse successful dissident shareholders (who are not seeking control of the company) for reasonable expenses that such dissident incurred in soliciting an alternative slate of director candidates. MFS also generally supports reasonably crafted shareholder proposals requesting increased disclosure around the company's use of collateral in derivatives trading. MFS typically supports proposals for an independent board chairperson. However, we may not support such proposals if we determine there to be an appropriate and effective counter-balancing leadership structure in place (e.g.; a strong, independent lead director with an appropriate level of powers and duties). For any governance-related proposal for which an explicit guideline is not provided above, MFS will consider such proposals on a case-by-case basis and will support such proposals if MFS believes that it is in the best long-term economic interest of the company's shareholders.

MFS generally supports proposals that request disclosure on the impact of environmental issues on the company's operations, sales, and capital investments. However, MFS may not support such proposals based on the facts and circumstances surrounding a specific proposal, including, but not limited to, whether (i) the proposal is unduly costly, restrictive, or burdensome, (ii) the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that environmental matters pose to the company's operations, sales and capital investments, or (iii) the proposal seeks a level of disclosure that exceeds that provided by the company's industry peers. MFS will analyze all other environmental proposals on a case-by-case basis and will support such proposals if MFS believes such proposal is in the best long-term economic interest of the company's shareholders.

## **Table of Contents**

MFS will analyze social proposals on a case-by-case basis. MFS will support such proposals if MFS believes that such proposal is in the best long-term economic interest of the company's shareholders. Generally, MFS will support shareholder proposals that (i) seek to amend a company's equal employment opportunity policy to prohibit discrimination based on sexual orientation and gender identity; and (ii) request additional disclosure regarding a company's political contributions (including trade organizations and lobbying activity) (unless the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that such contributions pose to the company's operations, sales and capital investments).

The laws of various states or countries may regulate how the interests of certain clients subject to those laws (e.g. state pension plans) are voted with respect to social issues. Thus, it may be necessary to cast ballots differently for certain clients than MFS might normally do for other clients.

## **Foreign Issuers**

MFS generally supports the election of a director nominee standing for re-election in uncontested or non-contentious elections unless it can be determined that (1) he or she failed to attend at least 75% of the board and/or relevant committee meetings in the previous year without a valid reason given in the proxy materials; (2) since the last annual meeting of shareholders and without shareholder approval, the board or its compensation committee has re-priced underwater stock options; or (3) since the last annual meeting, the board has either implemented a poison pill without shareholder approval or has not taken responsive action to a majority shareholder approved resolution recommending that the poison pill be rescinded. In such circumstances, we will vote against director nominee(s). Also, certain markets outside of the U.S. have adopted best practice guidelines relating to corporate governance matters (e.g. the United Kingdom's Corporate Governance Code). Many of these guidelines operate on a comply or explain basis. As such, MFS will evaluate any explanations by companies relating to their compliance with a particular corporate governance guideline on a case-by-case basis and may vote against the board nominees or other relevant ballot item if such explanation is not satisfactory. In some circumstances, MFS may submit a vote to abstain from certain director nominees or the relevant ballot items if we have concerns with the nominee or ballot item, but do not believe these concerns rise to the level where a vote against is warranted.

MFS generally supports the election of auditors, but may determine to vote against the election of a statutory auditor in certain markets if MFS reasonably believes that the statutory auditor is not truly independent.

## **Table of Contents**

Some international markets have also adopted mandatory requirements for all companies to hold shareholder votes on executive compensation. MFS will vote against such proposals if MFS determines that a company's executive compensation practices are excessive, considering such factors as the specific market's best practices that seek to maintain appropriate pay-for-performance alignment and to create long-term shareholder value. We may alternatively submit an abstention vote on such proposals in circumstances where our executive compensation concerns are not as severe.

Many other items on foreign proxies involve repetitive, non-controversial matters that are mandated by local law. Accordingly, the items that are generally deemed routine and which do not require the exercise of judgment under these guidelines (and therefore voted with management) for foreign issuers include, but are not limited to, the following: (i) receiving financial statements or other reports from the board; (ii) approval of declarations of dividends; (iii) appointment of shareholders to sign board meeting minutes; (iv) discharge of management and supervisory boards; and (v) approval of share repurchase programs (absent any anti-takeover or other concerns). MFS will evaluate all other items on proxies for foreign companies in the context of the guidelines described above, but will generally vote against an item if there is not sufficient information disclosed in order to make an informed voting decision. For any ballot item where MFS wishes to express a more moderate level of concern than a vote of against, we will cast a vote to abstain.

In accordance with local law or business practices, some foreign companies or custodians prevent the sale of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

## **Table of Contents**

From time to time, governments may impose economic sanctions which may prohibit us from transacting business with certain companies or individuals. These sanctions may also prohibit the voting of proxies at certain companies or on certain individuals. In such instances, MFS will not vote at certain companies or on certain individuals if it determines that doing so is in violation of the sanctions.

In limited circumstances, other market specific impediments to voting shares may limit our ability to cast votes, including, but not limited to, late delivery of proxy materials, untimely vote cut-off dates, power of attorney and share re-registration requirements, or any other unusual voting requirements. In these limited instances, MFS votes securities on a best efforts basis in the context of the guidelines described above.

## **B. ADMINISTRATIVE PROCEDURES**

### **1. MFS Proxy Voting Committee**

The administration of these MFS Proxy Voting Policies and Procedures is overseen by the MFS Proxy Voting Committee, which includes senior personnel from the MFS Legal and Global Investment Support Departments. The Proxy Voting Committee does not include individuals whose primary duties relate to client relationship management, marketing, or sales. The MFS Proxy Voting Committee:

- a. Reviews these MFS Proxy Voting Policies and Procedures at least annually and recommends any amendments considered to be necessary or advisable;
- b. Determines whether any potential material conflict of interest exists with respect to instances in which MFS (i) seeks to override these MFS Proxy Voting Policies and Procedures; (ii) votes on ballot items not governed by these MFS Proxy Voting Policies and Procedures; (iii) evaluates an excessive executive compensation issue in relation to the election of directors; or (iv) requests a vote recommendation from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); and
- c. Considers special proxy issues as they may arise from time to time.

### **2. Potential Conflicts of Interest**

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or its subsidiaries that could arise in connection with the voting of proxies on behalf of MFS clients. Due to the client focus of our investment management business, we believe that the potential for actual material conflict of interest issues is small. Nonetheless, we have developed precautions to

## **Table of Contents**

assure that all proxy votes are cast in the best long-term economic interest of shareholders.<sup>3</sup> Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and MFS client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or its subsidiaries to unduly influence MFS voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

In cases where proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding these MFS Proxy Voting Policies and Procedures, (ii) matters presented for vote are not governed by these MFS Proxy Voting Policies and Procedures, (iii) MFS evaluates a potentially excessive executive compensation issue in relation to the election of directors or advisory pay or severance package vote, (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); or (v) MFS evaluates a director nominee who also serves as a director of the MFS Funds (collectively, Non-Standard Votes ); the MFS Proxy Voting Committee will follow these procedures:

- a. Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the MFS Significant Distributor and Client List );
- b. If the name of the issuer does not appear on the MFS Significant Distributor and Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;
- c. If the name of the issuer appears on the MFS Significant Distributor and Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS clients, and not in MFS corporate interests; and

<sup>3</sup> For clarification purposes, note that MFS votes in what we believe to be the best, long-term economic interest of our clients entitled to vote at the shareholder meeting, regardless of whether other MFS clients hold short positions in the same issuer.

---

**Table of Contents**

- d. For all potential material conflicts of interest identified under clause (c) above, the MFS Proxy Voting Committee will document: the name of the issuer, the issuer's relationship to MFS, the analysis of the matters submitted for proxy vote, the votes as to be cast and the reasons why the MFS Proxy Voting Committee determined that the votes were cast in the best long-term economic interests of MFS clients, and not in MFS corporate interests. A copy of the foregoing documentation will be provided to MFS Conflicts Officer.

The members of the MFS Proxy Voting Committee are responsible for creating and maintaining the MFS Significant Distributor and Client List, in consultation with MFS distribution and institutional business units. The MFS Significant Distributor and Client List will be reviewed and updated periodically, as appropriate.

If an MFS client has the right to vote on a matter submitted to shareholders by Sun Life Financial, Inc. or any of its affiliates (collectively Sun Life), MFS will cast a vote on behalf of such MFS client pursuant to the recommendations of Institutional Shareholder Services, Inc. (ISS) benchmark policy, or as required by law.

Except as described in the MFS Fund's prospectus, from time to time, certain MFS Funds (the top tier fund) may own shares of other MFS Funds (the underlying fund). If an underlying fund submits a matter to a shareholder vote, the top tier fund will generally vote its shares in the same proportion as the other shareholders of the underlying fund. If there are no other shareholders in the underlying fund, the top tier fund will vote in what MFS believes to be in the top tier fund's best long-term economic interest. If an MFS client has the right to vote on a matter submitted to shareholders by a pooled investment vehicle advised by MFS, MFS will cast a vote on behalf of such MFS client in the same proportion as the other shareholders of the pooled investment vehicle.

**3. Gathering Proxies**

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the shares beneficially owned by MFS clients, usually to the client's proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer's explanation of the items to be voted upon.

MFS, on behalf of itself and certain of its clients (including the MFS Funds) has entered into an agreement with an independent proxy administration firm pursuant to which the proxy administration firm performs various proxy vote related administrative services such as vote processing and recordkeeping functions. Except as noted below, the proxy administration firm for MFS and its clients, including the MFS Funds, is ISS. The proxy administration firm for MFS Development Funds, LLC is Glass, Lewis & Co., Inc. (Glass Lewis); Glass Lewis and ISS are each hereinafter referred to as the Proxy Administrator).



## **Table of Contents**

The Proxy Administrator receives proxy statements and proxy ballots directly or indirectly from various custodians, logs these materials into its database and matches upcoming meetings with MFS Fund and client portfolio holdings, which are input into the Proxy Administrator's system by an MFS holdings data-feed. Through the use of the Proxy Administrator system, ballots and proxy material summaries for all upcoming shareholder meetings are available on-line to certain MFS employees and members of the MFS Proxy Voting Committee.

It is the responsibility of the Proxy Administrator and MFS to monitor the receipt of ballots. When proxy ballots and materials for clients are received by the Proxy Administrator, they are input into the Proxy Administrator's on-line system. The Proxy Administrator then reconciles a list of all MFS accounts that hold shares of a company's stock and the number of shares held on the record date by these accounts with the Proxy Administrator's list of any upcoming shareholder meeting of that company. If a proxy ballot has not been received, the Proxy Administrator contacts the custodian requesting the reason as to why a ballot has not been received.

### ***4. Analyzing Proxies***

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant further consideration or (iii) circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will utilize research from Glass Lewis to identify such issues. MFS analyzes such issues independently and does not necessarily vote with the ISS or Glass Lewis recommendations on these issues. MFS may also use other research tools in order to identify the circumstances described above. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

## **Table of Contents**

As a general matter, portfolio managers and investment analysts have little involvement in most votes taken by MFS. This is designed to promote consistency in the application of MFS voting guidelines, to promote consistency in voting on the same or similar issues (for the same or for multiple issuers) across all client accounts, and to minimize the potential that proxy solicitors, issuers, or third parties might attempt to exert inappropriate influence on the vote. In limited types of votes (e.g. mergers and acquisitions, capitalization matters, potentially excessive executive compensation issues, or shareholder proposals relating to environmental and social issues), a representative of MFS Proxy Voting Committee may consult with or seek recommendations from MFS portfolio managers or investment analysts.<sup>4</sup> However, the MFS Proxy Voting Committee would ultimately determine the manner in which all proxies are voted.

As noted above, MFS reserves the right to override the guidelines when such an override is, in MFS best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS clients. Any such override of the guidelines shall be analyzed, documented and reported in accordance with the procedures set forth in these policies.

### **5. Voting Proxies**

In accordance with its contract with MFS, the Proxy Administrator also generates a variety of reports for the MFS Proxy Voting Committee, and makes available on-line various other types of information so that the MFS Proxy Voting Committee or proxy team may review and monitor the votes cast by the Proxy Administrator on behalf of MFS clients.

For those markets that utilize a record date to determine which shareholders are eligible to vote, MFS generally will vote all eligible shares pursuant to these guidelines regardless of whether all (or a portion of) the shares held by our clients have been sold prior to the meeting date.

### **6. Securities Lending**

From time to time, the MFS Funds or other pooled investment vehicles sponsored by MFS may participate in a securities lending program. In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting's record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS

<sup>4</sup> From time to time, due to travel schedules and other commitments, an appropriate portfolio manager or research analyst may not be available to provide a vote recommendation. If such a recommendation cannot be obtained within a reasonable time prior to the cut-off date of the shareholder meeting, the MFS Proxy Voting Committee may determine to abstain from voting.

**Table of Contents**

will report to the appropriate board of the MFS Funds those instances in which MFS is not able to timely recall the loaned securities. MFS generally does not recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

**7. Engagement**

The MFS Proxy Voting Policies and Procedures are available on [www.mfs.com](http://www.mfs.com) and may be accessed by both MFS clients and the companies in which MFS clients invest. From time to time, MFS may determine that it is appropriate and beneficial for representatives from the MFS Proxy Voting Committee to engage in a dialogue or written communication with a company or other shareholders regarding certain matters on the company's proxy statement that are of concern to shareholders, including environmental, social and governance matters. A company or shareholder may also seek to engage with representatives of the MFS Proxy Voting Committee in advance of the company's formal proxy solicitation to review issues more generally or gauge support for certain contemplated proposals.

**C. RECORDS RETENTION**

MFS will retain copies of these MFS Proxy Voting Policies and Procedures in effect from time to time and will retain all proxy voting reports submitted to the Board of Trustees of the MFS Funds for the period required by applicable law. Proxy solicitation materials, including electronic versions of the proxy ballots completed by representatives of the MFS Proxy Voting Committee, together with their respective notes and comments, are maintained in an electronic format by the Proxy Administrator and are accessible on-line by the MFS Proxy Voting Committee. All proxy voting materials and supporting documentation, including records generated by the Proxy Administrator's system as to proxies processed, including the dates when proxy ballots were received and submitted, and the votes on each company's proxy issues, are retained as required by applicable law.

**Table of Contents**

***D. REPORTS***

**U.S. Registered MFS Funds**

MFS publicly discloses the proxy voting records of the U.S. registered MFS Funds on a quarterly basis. MFS will also report the results of its voting to the Board of Trustees of the U.S. registered MFS Funds. These reports will include: (i) a summary of how votes were cast (including advisory votes on pay and golden parachutes); (ii) a summary of votes against management's recommendation; (iii) a review of situations where MFS did not vote in accordance with the guidelines and the rationale therefore; (iv) a review of the procedures used by MFS to identify material conflicts of interest and any matters identified as a material conflict of interest; (v) a review of these policies and the guidelines; (vi) a review of our proxy engagement activity; (vii) a report and impact assessment of instances in which the recall of loaned securities of a U.S. issuer was unsuccessful; and (viii) as necessary or appropriate, any proposed modifications thereto to reflect new developments in corporate governance and other issues. Based on these reviews, the Trustees of the U.S. registered MFS Funds will consider possible modifications to these policies to the extent necessary or advisable.

**Other MFS Clients**

MFS may publicly disclose the proxy voting records of certain other clients (including certain MFS Funds) or the votes it casts with respect to certain matters as required by law. A report can also be printed by MFS for each client who has requested that MFS furnish a record of votes cast. The report specifies the proxy issues which have been voted for the client during the year and the position taken with respect to each issue and, upon request, may identify situations where MFS did not vote in accordance with the MFS Proxy Voting Policies and Procedures.

Except as described above, MFS generally will not divulge actual voting practices to any party other than the client or its representatives because we consider that information to be confidential and proprietary to the client. However, as noted above, MFS may determine that it is appropriate and beneficial to engage in a dialogue with a company regarding certain matters. During such dialogue with the company, MFS may disclose the vote it intends to cast in order to potentially effect positive change at a company in regards to environmental, social or governance issues.

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

**Portfolio Manager(s)**

Information regarding the portfolio manager(s) of the MFS Municipal Income Trust (the Fund) is set forth below. Each portfolio manager is primarily responsible for the day-to-day management of the Fund.

<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Gary A. Lasman	Portfolio Manager	2006	Investment Officer of MFS; employed in the investment area of MFS since 2002.
Geoffrey L. Schechter	Portfolio Manager	2004	Investment Officer of MFS; employed in the investment area of MFS since 1993.

**Table of Contents**

**Compensation**

Portfolio manager compensation is reviewed annually. As of December 31, 2015, portfolio manager total cash compensation is a combination of base salary and performance bonus:

*Base Salary* Base salary represents a smaller percentage of portfolio manager total cash compensation than performance bonus.

*Performance Bonus* Generally, the performance bonus represents more than a majority of portfolio manager total cash compensation.

The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter.

The quantitative portion is based on the pre-tax performance of assets managed by the portfolio manager over one-, three-, and five-year periods relative to peer group universes and/or indices ( benchmarks ). As of December 31, 2015, the following benchmarks were used to measure the following portfolio manager s performance for the Fund:

<b>Fund</b>	<b>Portfolio Manager</b>	<b>Benchmark(s)</b>
MFS Municipal Income Trust	Gary A. Lasman	Barclays Municipal Bond Index
	Geoffrey L. Schechter	Barclays Municipal Bond Index

Additional or different benchmarks, including versions of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Primary weight is given to portfolio performance over a three-year time period with lesser consideration given to portfolio performance over one- and five-year periods (adjusted as appropriate if the portfolio manager has served for less than five years).

The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management s assessment of overall portfolio manager contributions to investor relations and the investment process (distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests are awarded by management, on a discretionary basis, taking into account tenure at MFS, contribution to the investment process, and other factors.

Finally, portfolio managers also participate in benefit plans (including a defined contribution plan and health and other insurance plans) and programs available generally to other employees of MFS. The percentage such benefits represent of any portfolio manager s compensation depends upon the length of the individual s tenure at MFS and salary level, as well as other factors.

**Table of Contents**

**Ownership of Fund Shares**

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund's portfolio manager(s) as of the Fund's fiscal year ended October 31, 2015. The following dollar ranges apply:

N. None

A. \$1 - \$10,000

B. \$10,001 - \$50,000

C. \$50,001 - \$100,000

D. \$100,001 - \$500,000

E. \$500,001 - \$1,000,000

F. Over \$1,000,000

<b>Name of Portfolio Manager</b>	<b>Dollar Range of Equity Securities in Fund</b>
Gary A. Lasman	N
Geoffrey L. Schechter	N

**Other Accounts**

In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of October 31, 2015:

<b>Name</b>	<b>Registered Investment Companies*</b>		<b>Other Pooled Investment Vehicles</b>		<b>Other Accounts</b>	
	<b>Number of Accounts</b>	<b>Total Assets</b>	<b>Number of Accounts</b>	<b>Total Assets</b>	<b>Number of Accounts</b>	<b>Total Assets</b>
Gary A. Lasman	4	\$ 4.2 billion	0	N/A	0	N/A
Geoffrey L. Schechter	12	\$ 14.2 billion	2	\$ 551.9 million	0	N/A

\* Includes the Fund.

Advisory fees are not based upon performance of any of the accounts identified in the table above.

**Potential Conflicts of Interest**

MFS seeks to identify potential conflicts of interest resulting from a portfolio manager's management of both the Fund and other accounts, and has adopted policies and procedures designed to address such potential conflicts.

The management of multiple funds and accounts (including proprietary accounts) gives rise to conflicts of interest if the funds and accounts have different objectives and strategies, benchmarks, time horizons and fees as a portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. In certain instances there are securities which are suitable for the Fund's portfolio as well as for accounts of MFS or its subsidiaries with similar investment objectives. The Fund's trade allocation policies may give rise to conflicts of interest if the Fund's orders do not get fully executed or are delayed in getting executed due to being aggregated with those of other accounts of MFS or its subsidiaries. A portfolio manager may execute transactions for another fund or account that may adversely affect the value of the Fund's investments. Investments selected for funds or accounts other than the Fund may outperform investments selected for the Fund.

## Edgar Filing: MFS MUNICIPAL INCOME TRUST - Form N-CSR

When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed by MFS to be fair and equitable to each. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

MFS and/or a portfolio manager may have a financial incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor accounts other than the Fund, for instance, those that pay a higher advisory fee and/or have a performance adjustment and/or include an investment by the portfolio manager.

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

<b>Period</b>	<b>(a) Total number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs</b>
11/01/14-11/30/14	0	N/A	0	4,118,763
12/01/14-12/31/14	0	N/A	0	4,118,763
1/01/15-1/31/15	0	N/A	0	4,118,763
2/01/15-2/28/15	0	N/A	0	4,118,763
3/01/15-3/31/15	0	N/A	0	4,118,763
4/01/15-4/30/15	0	N/A	0	4,118,763
5/01/15-5/31/15	0	N/A	0	4,118,763
6/01/15-6/30/15	0	N/A	0	4,118,763
7/01/15-7/31/15	0	N/A	0	4,118,763
8/01/15-8/31/15	0	N/A	0	4,118,763
9/01/15-9/30/15	0	N/A	0	4,118,763
10/01/15-10/31/15	0	N/A	0	4,118,763
<b>Total</b>	<b>0</b>		<b>0</b>	

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1<sup>st</sup> 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 shares that may be purchased 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 shares available for purchase for the March 1, 2015 plan year is 4,118,763.

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

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



**Table of Contents**

**ITEM 11. CONTROLS AND PROCEDURES.**

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this 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 covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Table of Contents**

**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: Code of Ethics attached hereto.
  - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
  - (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons. Not applicable.
- (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.

**Table of Contents**

**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.

**Table of Contents**

SIGNATURES

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

Registrant MFS MUNICIPAL INCOME TRUST

By (Signature and Title)\* ROBIN A. STELMACH  
Robin A. Stelmach, President

Date: December 15, 2015

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)\* ROBIN A. STELMACH  
Robin A. Stelmach, President

(Principal Executive Officer)

Date: December 15, 2015

By (Signature and Title)\* DAVID L. DILORENZO  
David L. DiLorenzo, Treasurer

(Principal Financial Officer

and Accounting Officer)

Date: December 15, 2015

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