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MFS MUNICIPAL INCOME TRUST  
Form N-CSRS  
July 07, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-4841

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MFS MUNICIPAL INCOME TRUST

-----  
(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

-----  
(Address of principal executive offices) (Zip code)

Susan S. Newton  
Massachusetts Financial Services Company  
500 Boylston Street  
Boston, Massachusetts 02116

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(Name and address of agents for service)

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

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Date of fiscal year end: October 31

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Date of reporting period: April 30, 2006

ITEM 1. REPORTS TO STOCKHOLDERS.

MFS(R) MUTUAL FUNDS  
SEMIANNUAL REPORT

4/30/06

MFS(R) MUNICIPAL INCOME TRUST

A path for pursuing opportunity

M F S (SM)  
INVESTMENT MANAGEMENT (R)



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experienced violence. As a result, energy prices have bounced up and down, with crude oil prices at one point topping a record \$70 per barrel.

Such cycles are not uncommon and in fact have almost become the norm in our everyday lives. What does all of this mean to you as an investor? In times like these, it helps to know that you're working with a seasoned investment professional who has experience to guide you through difficult times. At MFS(R), we believe our investment management team has the knowledge and confidence to navigate through difficult cycles and at the same time see through adversity to find investment opportunities for our clients and shareholders.

Our investment management process, honed over 80 years, combines a unique concept of teamwork with our unwavering focus on the long term. We firmly believe that the best way to realize long-term financial goals - be it a college education, a comfortable retirement, or a secure family legacy - is to follow a three-pronged approach that focuses on longer time horizons. Allocate holdings across the major asset classes - including stocks, bonds, and cash. Diversify within each class to take advantage of different market segments and investing styles. Rebalance assets regularly to maintain a desired asset allocation. Of course, these strategies cannot guarantee a profit or protect against a loss. This long-term approach requires diligence and patience, two traits that in our experience are essential to capitalizing on the many opportunities the financial markets can offer - through both up and down economic cycles.

Respectfully,

/s/ Robert J. Manning

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

June 15, 2006

The opinions expressed in this letter are those of MFS, and no forecasts can be guaranteed.

### PORTFOLIO COMPOSITION

#### PORTFOLIO STRUCTURE (i)

Bonds	99.7%
Cash & Other Net Assets	0.3%

#### TOP FIVE BOND INDUSTRIES (i)

Healthcare Revenue - Hospitals	27.7%
-----	-----
Healthcare Revenue - Long-Term Care	8.9%
-----	-----
Utilities - Investor Owned	7.0%
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Industrial Revenue - Paper	4.5%
-----	-----
Tobacco	4.5%
-----	-----

#### CREDIT QUALITY OF BONDS (r)

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AAA	16.9%
-----	-----
AA	2.8%
-----	-----
A	10.3%
-----	-----
BBB	31.9%
-----	-----
BB	7.7%
-----	-----
B	4.9%
-----	-----
CCC	5.0%
-----	-----
Not Rated	20.5%
-----	-----

### PORTFOLIO FACTS

Average Duration (d)	6.9
-----	-----
Average Life (m)	16.4 yrs.
-----	-----
Average Maturity (m)	18.4 yrs.
-----	-----
Average Credit Quality of Rated Securities (a)	BBB+
-----	-----
Average Short Term Credit Quality	A-1
-----	-----

- (a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating agencies.
- (d) Duration is a measure of how much a bond price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a fund with a 5-year duration is likely to lose about 5.00% of its value.
- (i) For purposes of this graphical presentation, the bond component includes both accrued interest amounts and the equivalent exposure from any derivative holdings, if applicable.
- (m) The average maturity shown is calculated using the final stated maturity on the portfolio's holdings without taking into account any holdings which have been pre-refunded to an earlier date or which have a mandatory put date prior to the stated maturity. The average life shown takes into account these earlier dates.
- (r) Each security is assigned a rating from Moody's Investors Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned a rating by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in a "AAA"-rating category. Percentages are based on the total market value of investments as of 4/30/06.

Percentages are based on net assets, including preferred shares, as of 4/30/06, unless otherwise noted.

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

### PORTFOLIO MANAGERS' PROFILES

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

Gary A. Lasman, CFA, is Vice President of MFS Investment Management (R) (MFS(R)) and is a Municipal Fixed Income Portfolio Manager. Prior to joining the firm in 2002, Gary served as an Assistant Portfolio Manager and Senior Municipal Analyst for Liberty Funds Group. He served as a Vice President for Thomson Financial Services and a Senior Account Manager for The Industrial Indemnity Financial Corporation. He also served as an Associate for Laventhol & Horwath. Gary has a bachelor's degree from Trinity College and holds the Chartered Financial Analyst (CFA) designation. He is a member of the Boston Security Analysts Society, Inc.

Note to Shareholders: Effective April 2006, Gary Lasman became co-manager of the fund.

### PERFORMANCE SUMMARY THROUGH 4/30/06

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

### PRICE SUMMARY

Six months ended 4/30/06

	Date	Price
Net asset value per share	4/30/06	\$7.95
	10/31/05	\$7.92
New York Stock Exchange Price	4/30/06	\$8.23
	3/09/06(high) (t)	\$8.39
	11/14/05(low) (t)	\$7.54
	10/31/05	\$8.27

### TOTAL RETURNS VS BENCHMARK

Six months ended 4/30/06

New York Stock Exchange Price (r)	2.73%
Net asset value (r)	3.67%
Lehman Brothers Municipal Bond Index (f)	1.56%

(f) Source: FactSet Research Systems, Inc.

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

(t) For the period November 1, 2005 through April 30, 2006.

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### INDEX DEFINITION

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

It is not possible to invest directly in an index.

### NOTES TO PERFORMANCE SUMMARY

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

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

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

### KEY RISK CONSIDERATIONS

The portfolio's yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest rates fall. Debt securities with longer maturity dates will be subject to greater price fluctuations than those with shorter maturities. Municipal instruments can be volatile and significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers and/or insurers of municipal instruments. These conditions may include, for example, constitutional or statutory limits on an issuer's ability to raise revenues or increase taxes, anticipated or actual budget deficits or other financial difficulties, or changes in the credit quality of municipal issuers in the state. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value. Derivatives may involve risks different from, and greater than, those of the underlying indicator's in whose value the derivative is based. The value of the derivative may move in unexpected ways and result in unanticipated losses and increased volatility if the value of the underlying indicator(s) does not move in the direction or the extent anticipated. Lower quality debt securities involve substantially greater risk of default and their value can decline significantly over time. When you sell your shares, they may be worth more or less than the amount you paid for them.

These risks may increase share price volatility.

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

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### DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the plan on your behalf. If the nominee does not offer the plan, you may wish to request that your shares be re-registered in your own name so that you can participate.

There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the trust. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the commissions. The automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

To enroll in or withdraw from the plan, or if you have any questions, call 1-800-637-2304 any business day from 8 a.m. to 8 p.m. Eastern time. Please have available the name of the trust and your account and Social Security numbers. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the plan, you can receive the value of the reinvested shares in one of two ways: a check for the value of the full and fractional shares, or a certificate for the full shares and a check for the fractional shares.

### PORTFOLIO OF INVESTMENTS (unaudited) - 4/30/06

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

#### Municipal Bonds - 140.6%

ISSUER	SHARES/PAR	VALUE (\$)
<b>Airport &amp; Port Revenue - 5.0%</b>		
Chicago, IL, O'Hare International Airport Rev. RITES, XLCA, 7.417%, 2022 (v) (z)	\$ 1,500,000	\$ 1,740,52
Chicago, IL, O'Hare International Airport Rev., Third Lien, "A", FGIC, 5%, 2033	345,000	353,21
Chicago, IL, O'Hare International Airport Rev., Third Lien, "A", MBIA, 5%, 2029	1,385,000	1,421,20
New York City, NY, City Industrial Development Agency, Special Facilities Rev. (Terminal One Group), 5.5%, 2024	275,000	287,12
Oklahoma City, OK, Airport Trust Rev., FSA, 5.75%, 2016	3,125,000	3,292,12
Port Authority, NY, Special Obligations Rev. (JFK International), MBIA, 5.75%, 2022	7,000,000	7,321,16
Seattle, WA, Airport Trust Rev., FGIC, 5.625%, 2018	1,500,000	1,583,86

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		\$ 15,999,22
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Chemicals - 0.7%		
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Red River Authority, TX, Pollution Control Rev. (Celanese Project), 6.7%, 2030	\$ 1,920,000	\$ 2,062,34
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General Obligations - General Purpose - 2.0%		
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Kane Kendall County, IL, Capital Appreciation, "E", FGIC, 0%, 2023	\$ 1,945,000	\$ 807,89
Kane Kendall County, IL, Capital Appreciation, "E", FGIC, 0%, 2025	1,915,000	713,05
Lake County, IL, Land Acquisition & Development, 5.75%, 2017	1,000,000	1,078,74
New York City, NY, "M", 5%, 2035	3,800,000	3,870,98
		-----
		\$ 6,470,66
-----		
General Obligations - Schools - 1.1%		
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Aledo, TX, Independent School District, School Building, "A", PSF, 5.125%, 2033	\$ 955,000	\$ 989,42
De Soto, TX, Independent School District, School Building, PSF, 0%, 2031	555,000	148,61
De Soto, TX, Independent School District, School Building, PSF, 0%, 2034	415,000	94,25
De Soto, TX, Independent School District, School Building, PSF, 0%, 2036	555,000	113,17
Ennis, TX, Independent School District, Capital Appreciation, "N", PSF, 0%, 2028	290,000	91,78
Ennis, TX, Independent School District, Capital Appreciation, "N", PSF, 0%, 2029	560,000	174,46
Ennis, TX, Independent School District, Capital Appreciation, "N", PSF, 0%, 2031	555,000	148,61
Leander, TX, Independent School District, Capital Appreciation, Refunding, School Building, FGIC, 0%, 2026	1,285,000	450,21
Leander, TX, Independent School District, Capital Appreciation, Refunding, School Building, FGIC, 0%, 2031	1,295,000	336,53
Royse City, TX, Independent School District, School Building, PSF, 0%, 2027	955,000	320,25
Royse City, TX, Independent School District, School Building, PSF, 0%, 2028	960,000	303,84
Royse City, TX, Independent School District, School Building, PSF, 0%, 2029	965,000	289,39
		-----
		\$ 3,460,57
-----		
Healthcare Revenue - Hospitals - 39.3%		
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Alexander City, AL, Special Care Facilities Financing Authority Medical Facilities Rev. (Russell Hospital Corp.), "A", 5.75%, 2036	\$ 600,000	\$ 607,06
Allegheny County, PA, Hospital Development Authority Rev. (South Hills Health Systems), "B", 6.75%, 2025	500,000	537,12
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), 9.25%, 2030	2,000,000	2,382,68
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), "B", 9.25%, 2022	1,000,000	1,191,34
Arkansas Development Finance Authority Rev. (Washington Regional Medical Center), 7.25%, 2010 (c)	500,000	559,64



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Athens County, OH, Hospital Facilities Rev. (O'Bleness Memorial Hospital), "A", 7.125%, 2033	1,500,000	1,610,44
Baldwin County, AL, Eastern Shore Health Care Authority Rev. (Thomas Hospital), 5.75%, 2008 (c)	700,000	738,60
Birmingham, AL, Baptist Medical Center, Special Care Facilities Rev. (Baptist Health Systems, Inc.), "A", 5%, 2030	490,000	473,20
Brookhaven, NY, Civic Facilities Rev. (Memorial Hospital Medical Center, Inc.), 7.75%, 2010	695,000	735,61
California Valley Health Systems, COP, 6.875%, 2023	720,000	724,58
Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women's Christian Assn.), "A", 6.35%, 2017	235,000	238,01
Chautauqua County, NY, Industrial Development Agency, Civic Facilities Rev. (Women's Christian Assn.), "A", 6.4%, 2029	980,000	975,15
Chemung County, NY, Civic Facilities Rev. (St. Joseph's Hospital-Elmira), "A", 6%, 2013	490,000	495,00
Chemung County, NY, Civic Facilities Rev. (St. Joseph's Hospital-Elmira), "B", 6.35%, 2013	120,000	123,60
Chester County, PA, Health & Educational Facilities Rev. (Chester County Hospital), 6.75%, 2021	1,625,000	1,760,78
Citrus County, FL, Hospital Development Authority Rev. (Citrus Memorial Hospital), 6.25%, 2023	955,000	1,020,01
Coffee County, GA, Hospital Authority Rev. (Coffee Regional Medical Center, Inc.), 5%, 2026	40,000	39,19
Colorado Health Facilities Authority Rev. (Parkview Medical Center), 6.5%, 2020	1,230,000	1,338,60
Colorado Health Facilities Authority Rev. (Parkview Medical Center), 6.6%, 2025	1,000,000	1,086,10
Colorado Health Facilities Authority Rev. (Portercare Adventist Health Systems), 6.625%, 2011 (c)	675,000	773,73
Crittenden County, AR, Hospital Rev., 7%, 2020	1,030,000	1,033,12
Cuyahoga County, OH, Hospital Facilities Rev. (Canton, Inc.), 7.5%, 2030	1,330,000	1,463,17
Delaware Health Facilities Authority Rev. (Nanticoke Memorial Hospital), 5.625%, 2032	1,250,000	1,308,46
Denver, CO, Health & Hospital Authority Rev., 5.25%, 2013	635,000	642,18
Denver, CO, Health & Hospital Authority Rev., 5.375%, 2018	1,500,000	1,522,08
Denver, CO, Health & Hospital Authority Rev., 5.375%, 2028	860,000	857,17
Denver, CO, Health & Hospital Authority Rev., "A", 6%, 2023	250,000	263,64
District of Columbia, Health & Hospital Authority Rev. (Medstar University Hospital), "D", 6.875%, 2007 (c)	1,200,000	1,230,10
Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.2%, 2025	250,000	254,38
Gaylord, MI, Hospital Finance Authority Rev. (Otsego Memorial Hospital), 6.5%, 2031	295,000	304,00
Grand Forks, ND, Health Care Authority Rev. (Altru Health Systems Obligated Group), 7.125%, 2024	755,000	833,25
Gulfport, MS, Hospital Facilities Rev. (Memorial Hospital), 5.75%, 2031	1,000,000	1,020,01
Highlands County, FL, Health Facilities Authority Rev. (Adventist/Sunbelt Hospital), 6%, 2011 (c)	900,000	1,003,83
Houston County, AL, Health Care Authority Rev., AMBAC, 6.25%, 2030	2,000,000	2,161,54
Huntsville, AL, Health Care Authority Rev., 5.625%, 2026	875,000	906,56
Illinois Development Finance Authority, Hospital Authority Rev. (Adventist/Sunbelt Hospital), 5.65%, 2009 (c)	1,750,000	1,869,00
Illinois Health Facilities Authority Rev. (Centegra Health Systems), 5.25%, 2018	1,000,000	1,009,55
Indiana Health Facilities Financing Authority, Hospital Rev. (Clarian Health), "A", 5%, 2039	1,110,000	1,112,47
Indiana Health Facilities Financing Authority, Hospital Rev. (Community Hospital), "A", AMBAC, 5%, 2035	1,780,000	1,822,73
Indiana Health Facilities Financing Authority, Hospital Rev.		

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(Munster Medical Research Foundation, Inc.), 6.375%, 2031	3,990,000	4,219,14
Indiana Health Facilities Financing Authority, Hospital Rev. (Riverview Hospital), 6.125%, 2031	1,000,000	1,039,25
Johnson City, TN, Health & Educational Facilities, Hospital Rev. (Mountain States Health), "A", 5.5%, 2036	355,000	367,83
Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.5%, 2029	440,000	451,11
Joplin, MO, Industrial Development Authority Health Facilities Rev. (Freeman Health Systems), 5.75%, 2035	475,000	501,13
Kentucky Economic Development Finance Authority, Health Systems Rev. (Norton Healthcare, Inc.), 6.5%, 2020	5,000,000	5,405,65
Knox County, TN, Health Educational Housing Facilities Board, Hospital Facilities Rev. (Baptist Health Systems), 6.5%, 2031	1,725,000	1,827,84
Lauderdale County & Florence, AL, Health Care Authority Rev. (Coffee Health Group), MBIA, 5.625%, 2021	3,000,000	3,225,09
Lufkin, TX, Health Facilities Rev. (Memorial Health System of East Texas), 5.7%, 2008 (c)	995,000	1,046,73
Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.75%, 2025	1,000,000	1,047,92
Macomb County, MI, Hospital Finance Authority Rev. (Mount Clemens General Hospital), 5.875%, 2034	905,000	949,48
Madison County, ID, Hospital Rev., COP, 5.25%, 2030	240,000	241,47
Madison County, ID, Hospital Rev., COP, 5.25%, 2037	310,000	311,91
Maryland Health & Higher Educational Facilities Authority Rev. (Medstar Health), 5.5%, 2033	380,000	392,72
Maryland Health & Higher Educational Facilities Authority Rev. (North Arundel Hospital), 6.5%, 2010 (c)	1,500,000	1,670,31
Massachusetts Health & Educational Facilities Authority Rev. (Berkshire Health Systems), 6.25%, 2031	1,900,000	2,006,41
Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), 6.5%, 2012	600,000	648,03
Massachusetts Health & Educational Facilities Authority Rev. (Caritas Christi), 5.7%, 2015	500,000	518,91
Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), 5.25%, 2018	1,400,000	1,399,97
Massachusetts Health & Educational Facilities Authority Rev. (Northern Berkshire Health), "B", 6.375%, 2034	640,000	661,90
Massachusetts Health & Educational Facilities Authority Rev. (Saints Memorial Medical Center), 6%, 2023	465,000	467,67
Massachusetts Health & Educational Facilities Authority Rev. (University of Massachusetts), "D", 5%, 2033	605,000	596,99
Miami Beach, FL, Health Facilities Rev. (Mount Sinai Medical Center), 6.75%, 2029	810,000	895,94
Miami Beach, FL, Health Facilities Rev. (Mount Sinai Medical Center), "A", 6.7%, 2019	995,000	1,091,56
Mississippi Business Finance Corp., Health Facilities Rev. (Rush Medical Foundation, Inc.), 5.625%, 2023	845,000	832,93
Mississippi Hospital Equipment, Health Facilities Rev. (Rush Medical Foundation, Inc.), 5.4%, 2007	105,000	105,55
Monongalia County, WV, Building Commission Hospital Rev. (Monongalia General Hospital), "A", 5%, 2030	425,000	415,64
Monroe County, NY, Industrial Development Agency, Civic Facilities Rev. (Highland Hospital of Rochester), 5%, 2025	65,000	65,13
Montgomery, AL, Special Care Facilities, Financing Authority Rev. (Baptist Health), "A-2", MBIA, 0% to 2007, 5% to 2014 (c)	1,725,000	1,683,82
Montgomery, AL, Special Care Facilities, Financing Authority Rev. (Baptist Health), "C", 5.25%, 2014 (c)	760,000	822,95
Mount Lebanon, PA, Hospital Authority Rev. (St. Clair Memorial Hospital), 5.625%, 2032	435,000	450,86
Nassau County, NY, Industrial Development Agency, Civic		

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Facilities Rev. (North Shore Health System), 5.625%, 2010 Nassau County, NY, Industrial Development Agency, Civic	620,000	640,03
Facilities Rev. (North Shore Health System), 5.875%, 2011 New Hampshire Health & Educational Facilities Authority Rev. (Covenant Health), 6.5%, 2017	485,000	508,46
New Hampshire Higher Educational & Health Facilities Authority Rev. (Catholic Medical Center), 6.125%, 2032	870,000	965,56
New Jersey Health Care Facilities, Financing Authority Rev. (Children's Specialized Hospital), "A", 5.5%, 2030	1,000,000	1,033,26
New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter's University Hospital), 6.875%, 2030	245,000	252,01
New York City, NY, Health & Hospital Corp. Rev., "A", 5.25%, 2017	3,000,000	3,254,37
New York City, NY, Industrial Development Agency, Civic Facilities Rev. (Staten Island University Hospital), "A", 6.375%, 2031	700,000	725,12
New York State Dormitory Authority Rev., Non State Supported Debt (Mt. Sinai NYU Health), 5.5%, 2026	500,000	507,21
New York State Dormitory Authority Rev., Non State Supported Debt (Mt. Sinai NYU Health), "C", 5.5%, 2026	635,000	644,23
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036	500,000	507,27
North Texas Health Facilities Development Corp. Rev. (United Regional Health Care System, Inc.), 6%, 2023	490,000	494,43
Ohio County, WV, County Commission Health System Rev. (Ohio Valley Medical Center), 5.75%, 2013	1,000,000	1,066,33
Oklahoma Development Finance Authority Rev. (Comanche County Hospital), 6.6%, 2031	850,000	809,35
Rhode Island Health & Education Building Rev., Hospital Financing (Lifespan Obligated Group), 6.5%, 2012 (c)	1,665,000	1,808,34
Rhode Island State Health & Educational Building Unrefunded (Hospital Lifespan), 6.375%, 2021	505,000	576,90
Rhode Island State Health & Educational Building, (Hospital Financing Lifespan), 6.375%, 2012 (c)	245,000	270,01
Royston, GA, Hospital Authority Rev. (Ty Cobb Healthcare Systems, Inc.), 6.375%, 2014	1,560,000	1,771,34
Salt Lake City, UT, Hospital Authority Rev. INFLOS, AMBAC, ETM (Intermountain Health Care), 9.616%, 2020 (c)(v)	955,000	979,27
Shelby County, TN, Educational & Hospital Facilities Board Hospital Rev. (Methodist Healthcare), 6.375%, 2012 (c)	600,000	602,08
Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.25%, 2012 (c)	625,000	710,21
Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.25%, 2018 (c)	315,000	355,75
Shelby County, TN, Educational & Housing Facilities Board Hospital Rev. (Methodist Healthcare), 6.375%, 2019 (c)	185,000	208,93
South Carolina Jobs & Economic Development Authority Rev. (Bon Secours Health Systems, Inc.), "A", 5.625%, 2030	375,000	426,12
South Carolina Jobs & Economic Development Authority, Hospital Facilities Rev. (Palmetto Health Alliance), 6.25%, 2031	710,000	738,47
South Carolina Medical University, Hospital Facilities Rev., "A", MBIA, 5%, 2031	835,000	895,08
South Dakota Health & Education Facilities Authority Rev. (Prairie Lakes Health Care System), 5.625%, 2032	685,000	700,33
Southwestern Illinois Development Authority Rev. (Anderson Hospital), 5.5%, 2020	670,000	685,53
Southwestern Illinois Development Authority Rev. (Anderson Hospital), 5.625%, 2029	60,000	62,06
Springfield, TN, Health & Educational Facilities Rev. (Northcrest Medical Center), 5.25%, 2018	870,000	888,42
Steubenville, OH, Hospital Authority Rev. (Trinity Health Center), 6.5%, 2030	1,400,000	1,373,87
	1,300,000	1,411,02

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Stillwater, OK, Medical Center Authority, 5.625%, 2023	1,000,000	1,042,41
Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare), 6.25%, 2020	3,085,000	3,248,62
Texas Metro Health Facilities Development Corp., Metro Health Facilities Development Rev. (Wilson N. Jones Memorial Hospital), 7.2%, 2021	700,000	726,70
Texas Metro Health Facilities Development Corp., Metro Health Facilities Development Rev. (Wilson N. Jones Memorial Hospital), 7.25%, 2031	1,000,000	1,036,09
Tom Green County, TX, Health Facilities Rev. (Shannon Health System), 6.75%, 2021	1,250,000	1,343,35
Upper Illinois River Valley Development, Health Facilities Rev. (Morris Hospital), 6.625%, 2031	600,000	648,13
Valley, AL, Special Care Facilities, Financing Authority Rev. (Lanier Memorial Hospital), 5.6%, 2016	600,000	599,10
Wapello County, IA, Hospital Authority Rev. (Ottumwa Regional Health Center), 6.375%, 2031	1,500,000	1,569,19
Washington County, AR, Hospital Rev., Regional Medical Center, "A", 5%, 2035	250,000	243,65
Washington County, AR, Hospital Rev., Regional Medical Center, "B", 5%, 2025	1,000,000	1,004,85
Weirton, WV, Municipal Hospital Building, Commission Rev. (Weirton Hospital Medical Center), 6.375%, 2031	1,115,000	1,144,04
Weslaco, TX, Health Facilities Rev. (Knapp Medical Center), 6.25%, 2032	1,000,000	1,051,94
West Plains, MO, Industrial Development Authority Rev. (Ozarks Medical Center), 6.75%, 2024	170,000	174,83
West Shore Pennsylvania, Hospital Authority Rev. (Holy Spirit Hospital), 6.2%, 2026	1,250,000	1,321,80
Wichita, KS, Hospital Authority Rev. (Via Christi Health System), 6.25%, 2020	1,500,000	1,648,29
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.875%, 2030	1,000,000	1,133,36
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), MBIA, 5.25%, 2017	5,000,000	5,183,70
Wisconsin Health & Educational Facilities Authority Rev. (Marshfield Clinic), "A", 5.375%, 2034	490,000	498,72
Yonkers, NY, Industrial Development Agency, Civic Facilities Rev. (St. John's Riverside Hospital), 6.8%, 2016	710,000	740,75
Yonkers, NY, Industrial Development Agency, Civic Facilities Rev. (St. John's Riverside Hospital), "A", 7.125%, 2031	490,000	509,04
Yonkers, NY, Industrial Development Agency, Civic Facilities Rev. (St. Joseph's Hospital), "C", 6.2%, 2020	750,000	742,00
		\$ 124,871,87
Healthcare Revenue - Long Term Care - 12.5%		
Abilene, TX, Health Facilities Development Co., Retirement Facilities Rev. (Sears Methodist Retirement), "A", 7%, 2033	\$ 345,000	\$ 369,90
Arizona Health Facilities Authority Rev. (The Terraces Project), 7.75%, 2033	750,000	843,17
Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 7.75%, 2006	65,000	64,86
Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.125%, 2016	1,085,000	1,033,39
Bell County, TX, Health Facilities Development Rev. (Advanced Living Technology), 8.5%, 2026	2,405,000	2,250,11
Bridgeport, CT, Senior Living Facility Rev. (3030 Park Retirement Community), 7.25%, 2035	1,020,000	861,26
Bucks County, PA, Industrial Development Authority Rev. (Ann's Choice, Inc.), 6.125%, 2025	430,000	439,03

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Cambria County, PA, Industrial Development Authority Rev. (Beverly Enterprises, Inc.), 10%, 2012	400,000	477,39
Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032	585,000	600,36
Clarion, PA, Industrial Development Authority Rev. (Beverly Enterprises, Inc.), 7.5%, 2012	1,000,000	1,013,16
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), "B", 6.125%, 2033	1,000,000	1,065,34
Colorado Health Facilities Authority Rev. (Evangelical Lutheran), 6.9%, 2025	3,000,000	3,366,24
Cumberland County, PA, Municipal Authority Rev. (Wesley), "A", 7.25%, 2013 (c)	720,000	859,26
Cumberland County, PA, Municipal Authority Rev. (Wesley), "A", 7.25%, 2035	280,000	298,87
Franklin County, OH, Healthcare Facilities Rev. (Ohio Presbyterian), 7.125%, 2029	1,000,000	1,084,77
Fulton County, GA, Residential Care Facilities (Canterbury Court), "A", 6.125%, 2034	330,000	341,26
Greenville County, SC, Hospital Rev. (Chestnut Hill), "A", 8%, 2015	2,125,000	2,126,48
Hawaii Department of Budget & Finance, Special Purpose Rev. (Kahala Nui Senior Living Community), 8%, 2033	500,000	573,26
Illinois Finance Authority Rev. (Clare at Water Tower), "A", 6%, 2025	490,000	502,21
Illinois Finance Authority Rev. (Landing at Plymouth Place), "A", 6%, 2037	490,000	502,51
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives Project), 5.75%, 2018	895,000	878,86
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives Project), 9.25%, 2025	1,645,000	1,947,87
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), 6.875%, 2032	500,000	534,97
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), "B", 6.25%, 2026	500,000	507,96
Maine Health & Higher Educational Facilities Rev. (Piper Shores), 7.5%, 2009 (c)	800,000	863,48
Millbrae, CA, Residential Facilities Rev. (Magnolia of Millbrae), "A", 7.375%, 2027	1,880,000	1,958,28
Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 10.5%, 2020	2,175,000	2,178,63
Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 2036	1,195,000	1,196,92
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	250,000	262,38
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	510,000	535,66
New Jersey Economic Development Authority Rev. (Courthouse Convalescent Center), "A", 8.7%, 2014	650,000	650,76
New Jersey Economic Development Authority Rev. (Lions Gate), "A", 5.875%, 2037	310,000	315,77
New Jersey Health Care Facilities Financing Authority Rev. (Cherry Hill), 8%, 2027	1,000,000	1,030,98
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), "A", 6%, 2025	125,000	126,85
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), "A", 6.125%, 2035	90,000	91,35
Reedley, CA, COP (Mennonite Home), 7.5%, 2006 (c)	2,705,000	2,799,08
Shelby County, TN, Health Educational Rev. (Germantown Village), 7.25%, 2034	820,000	870,85
Sterling, IL (Hoosier Care), 7.125%, 2034	710,000	673,18
Suffolk County, NY, Industrial Development Agency (Medford Hamlet Assisted Living), 6.375%, 2039	500,000	492,27

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Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.5%, 2025	460,000	449,460
Travis County, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Querencia Barton Creek), 5.65%, 2035	695,000	677,630
Washington County, FL, Industrial Development Authority Rev. (Washington County), 10%, 2016	860,000	861,720
Wilksburg, PA, Municipal Authority Health Rev. (Monroeville Christian/Judea), 8.25%, 2007 (c)	980,000	1,043,620
		\$ 39,621,510
Human Services - 2.7%		
Cheneyville, LA, Westside Habilitation Center Rev., 8.375%, 2013	\$ 1,310,000	\$ 1,324,500
Iowa Finance Authority, Community Provider (Boys & Girls Home), 6.25%, 2028	500,000	473,270
Lehigh County, PA, General Purpose Authority (Kidspace Corp.), 6%, 2023	3,000,000	2,819,190
New York City, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 2017	1,030,000	1,057,990
New York City, NY, Industrial Development Agency, Civic Facility Rev. (A Very Special Place), "A", 5.75%, 2029	1,000,000	934,940
Orange County, FL, Health Facilities Authority Rev. (GF/Orlando Healthcare Facilities), 8.75%, 2011	510,000	540,080
Orange County, FL, Health Facilities Authority Rev. (GF/Orlando Healthcare Facilities), 9%, 2031	1,000,000	1,101,560
Osceola County, FL, Industrial Development Authority Rev. (Community Provider), 7.75%, 2017	454,000	454,910
		\$ 8,706,450
Industrial Revenue - Airlines - 5.9%		
Alliance Airport Authority, Inc., TX, Special Facilities Rev. (AMR Corp.), 7.5%, 2029	\$ 965,000	\$ 931,490
Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 7.25%, 2030	2,515,000	2,362,210
Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 6.375%, 2035	4,040,000	3,368,060
Houston, TX, Airport Systems Rev., Special Facilities (Continental, Inc.), "E", 6.75%, 2029	1,700,000	1,722,860
Los Angeles, CA, Regional Airport Lease Rev. (AMR Corp.), 7.5%, 2024	850,000	908,600
New Jersey Economic Development Authority (Continental Airlines, Inc.), 7.2%, 2030	1,595,000	1,606,830
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029	505,000	492,770
New York City, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 7.25%, 2008	160,000	161,770
New York City, NY, Industrial Development Agencies Rev. (Continental Airlines, Inc.), 8%, 2012	300,000	308,010
New York City, NY, Industrial Development Agency Rev. (American Airlines, Inc.), 7.625%, 2025	4,025,000	4,410,390
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), "B", 5.65%, 2035	40,000	39,830
Tulsa, OK, Municipal Airport Trust Rev. (AMR Corp.), "B", 6%, 2035	2,500,000	2,508,550
		\$ 18,821,420

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### Industrial Revenue - Chemicals - 0.3%

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Sweetwater County, WY, Solid Waste Disposal Rev. (FMC Corp.), 5.6%, 2035	\$	985,000		\$	1,028,56
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### Industrial Revenue - Environmental Services - 3.7%

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California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Browning Ferris, Inc.), "A", 5.8%, 2016	\$	1,000,000		\$	974,31
California Statewide Community Development Authority, Solid Waste Facilities Rev. (Republic Services, Inc.), "A", 4.95%, 2012		1,000,000			1,025,91
Gloucester County, NJ, Solid Waste Resource Recovery Rev. (Waste Management, Inc.), 6.85%, 2029		850,000			926,42
Gulf Coast Waste Disposal Authority, TX, (Waste Mangement of Texas), "A", 5.2%, 2028		445,000			444,42
Henrico County, VA, Industrial Development Authority Rev. (Browning Ferris, Inc.), 5.45%, 2014		1,750,000			1,688,08
Illinois Development Finance Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), 5.85%, 2007		4,500,000			4,556,83
Nevada Department of Business Rev. (Republic Services, Inc.), 5.625%, 2026		750,000			801,78
New Morgan, PA, Industrial Development Authority, Solid Waste Disposal Rev. (New Morgan Landfill Co., Inc./Browning Ferris, Inc.), 6.5%, 2019		1,000,000			1,004,22
State of New Hampshire Business Finance Authority Solid Waste Disposal, Rev., 5.2%, 2027		445,000			445,00
				\$	11,866,98

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### Industrial Revenue - Metals - 0.2%

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Mobile County, AL, Industrial Development Authority Rev. (Ipsco, Inc.), 6.875%, 2030	\$	650,000		\$	689,77
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### Industrial Revenue - Other - 5.1%

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Gulf Coast, TX, Industrial Development Authority (Valero Energy Corp.), 5.6%, 2031	\$	1,750,000		\$	1,796,84
Gulf Coast, TX, Waste Disposal Rev. (Valero Energy Corp.), 6.65%, 2032		1,000,000			1,083,17
Hardeman County, TN, Correctional Facilities Rev., 7.75%, 2017		2,220,000			2,291,44
Madison County, FL, Rev. (Twin Oaks Project), "A", 6%, 2025		565,000			576,55
New Jersey Economic Development Authority, Economic Development Rev. (Holt Hauling & Warehousing), 8.4%, 2015 (q)		1,000,000			910,00
New Jersey Economic Development Authority, Economic Development Rev. (Holt Hauling & Warehousing), 8.6%, 2017 (q)		1,000,000			910,00
Park Creek Metropolitan District, CO, Rev., Custodial Receipts, CR-1, 7.875%, 2032 (a)		1,270,000			1,400,88
Park Creek Metropolitan District, CO, Rev., Custodial Receipts, CR-2, 7.875%, 2032 (a)		580,000			639,77
Pennsylvania Economic Development Financing Authority, Finance Authority Facilities Rev. (Amtrak), "A", 6.25%, 2031		2,000,000			2,116,74
Philadelphia, PA, Industrial Development Authority Rev. (Host Marriott LP), 7.75%, 2017		3,255,000			3,275,44
Port Corpus Christi, TX, Industrial Development Authority Rev. (Citgo Petroleum Corp.), 8.25%, 2031		700,000			732,48
Tooele County, UT, Hazardous Waste Treatment Rev. (Union					

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Pacific Corp.), 5.7%, 2026	385,000	402,37
		\$ 16,135,71
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Industrial Revenue - Paper - 6.4%		
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Bedford County, VA, Industrial Development Authority Rev. (Nekoosa Packaging), "A", 6.55%, 2025	\$ 1,000,000	\$ 1,029,08
Butler, AL, Industrial Development Board, Solid Waste Disposal Rev. (Georgia Pacific Corp.), 5.75%, 2028	155,000	151,73
Columbus County, NC, Industrial Facilities & Pollution Control Financing Authority (International Paper, Co.), "A", 6.15%, 2021	5,000,000	5,145,45
Delta County, MI, Economic Development Corp., Environmental Improvements Rev. (Mead Westvaco Escanaba), "A", 6.25%, 2012 (c)	1,000,000	1,127,65
Delta County, MI, Economic Development Corp., Environmental Improvements Rev. (Mead Westvaco Escanaba), "B", 6.45%, 2012 (c)	500,000	564,84
Effingham County, GA, Development Authority, Solid Waste Disposal Rev. (Fort James), 5.625%, 2018	850,000	834,22
Hodge, LA, Utilities Rev. (Stone Container Corp.), 7.45%, 2024	3,335,000	3,730,06
Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 2022	2,000,000	2,357,72
Navajo County, AZ, Industrial Development Authority (Stone Container Corp.), 7.2%, 2027	880,000	910,87
Onondaga County, NY, Industrial Development Authority Rev., Solid Waste Disposal Rev. (Solvay Paperboard LLC), 6.8%, 2014	1,000,000	1,045,48
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 2019	1,815,000	1,815,47
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), "A", 6.375%, 2019	700,000	700,35
York County, SC, Pollution Control Rev. (Bowater, Inc.), "A", 7.4%, 2010	830,000	831,94
		\$ 20,244,88
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Miscellaneous Revenue - Entertainment & Tourism - 0.9%		
<hr/>		
California Statewide Communities Development Authority Rev., East Valley Tourist (Cabazon Casino), "A", 9.25%, 2020 (a)	\$ 1,155,000	\$ 1,259,50
Mississippi Development Bank, Special Obligation (Diamond Lakes Utilities), 6.25%, 2017	1,000,000	1,019,14
New York City, NY, City Industrial Development Agency Rev., Liberty IAC/InterActiveCorp, 5%, 2035	620,000	605,33
		\$ 2,883,97
<hr/>		
Miscellaneous Revenue - Other - 2.3%		
<hr/>		
Austin, TX, Convention Center (Convention Enterprises, Inc.), "A", 6.6%, 2021	\$ 400,000	\$ 422,37
Austin, TX, Convention Center (Convention Enterprises, Inc.), "A", 6.7%, 2028	600,000	634,23
Baltimore, MD, Convention Center Hotel Rev., "B", 5.875%, 2039	295,000	308,07
Cleveland Cuyahoga County, OH, Port Authority Rev. (Cleveland City), "B", 4.5%, 2030	1,320,000	1,287,76
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Fairmount), "B", 5.125%, 2025	190,000	191,92
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Myers		



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University), "E", 5.6%, 2025	135,000	139,71
Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 2024	1,130,000	1,219,44
Gallery Certificate Trust, PA, Parking Rev., FSA, 4.5%, 2013 (a)	785,000	770,49
San Antonio, TX, Convention Center, Hotel Financial Corp., Contract Rev. (Empowerment Zone), "A", AMBAC, 5%, 2034	695,000	702,09
Southwestern Illinois Development Authority Rev., Solid Waste Disposal Rev., 5.9%, 2014	310,000	312,35
Summit County, OH, Port Authority Building (Seville), "A", 5.1%, 2025	205,000	206,62
Summit County, OH, Port Authority Building (Twinsburg Township), "D", 5.125%, 2025	160,000	161,61
Summit County, OH, Port Authority Building (Workforce Policy Board), "F", 4.875%, 2025	915,000	907,58
Toledo Lucas County, OH, Port Authority Development Rev. (Northwest Ohio Bond Fund), "C", 5.125%, 2025	90,000	89,28
		-----
		\$ 7,353,58

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Multi-Family Housing Revenue - 5.0%

Bay County, FL, Housing Finance Authority, Multi-family Rev. (Andrews Place II Apartments), FSA, 5%, 2035	\$ 210,000	\$ 210,43
Bay County, FL, Housing Finance Authority, Multi-family Rev. (Andrews Place II Apartments), FSA, 5.1%, 2046	390,000	390,79
Bexar County TX, Multi-Family Housing Rev. (American Opportunity Housing), "A", MBIA, 5.7%, 2021	1,250,000	1,296,81
Charter Mac Equity Issuer Trust, 7.1%, 2009	1,000,000	1,075,98
Charter Mac Equity Issuer Trust, 6%, 2019 (a)	2,000,000	2,153,68
Eaglebend, CO, Affordable Housing Corp., Multi-Family Rev. (Housing Project), "A", 6.4%, 2017	1,000,000	997,39
Florida Multi-Family Housing Finance Agency Rev. (Center Court Apartments), 8.5%, 2006 (c)	830,000	852,60
GMAC Municipal Mortgage Trust, "B-1", 5.6%, 2039 (a)	1,000,000	1,024,77
GMAC Municipal Mortgage Trust, "C-1", 5.7%, 2040 (a)	500,000	495,99
Indianapolis, IN, Multi-Family Rev. (Cambridge Station Apartments II), FNMA, 5.25%, 2039	465,000	469,52
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational & Housing Facilities Board Rev. (Berkshire Place), GNMA, 6%, 2023	500,000	520,52
Munimae, TE, Bond Subsidiary LLC, 6.875%, 2009	2,000,000	2,138,84
Munimae, TE, Bond Subsidiary LLC, 5.4%, 2049 (a)	1,000,000	996,61
North Charleston, SC, Housing Authority Rev. (Horizon Village), "A", GNMA, 5.15%, 2048	445,000	431,60
San Bernardino County, CA (Equity Residential/Redlands), "A", 5.2%, 2029	2,000,000	2,040,18
Seattle, WA, Housing Authority Rev., Capped Fund Program (High Rise Rehab), "I", FSA, 5%, 2025	670,000	664,23
		-----
		\$ 15,759,96

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Sales & Excise Tax Revenue - 0.2%

Desloge, MO, Tax Increment Rev. (U.S. Highway 67 Street Redevelopment), 5.2%, 2020	\$ 500,000	\$ 495,79
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Single Family Housing - Local - 2.6%

Cook County, IL, Single Family Mortgage Rev., "A", 0%, 2015	\$ 55,000	\$ 12,67
Corpus Christi, TX, Housing Finance Authority Rev., "B", 0%, 2011	2,580,000	1,555,35

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Dallas, TX, Housing Finance Corp., Single Family Mortgage Rev., MBIA, 0%, 2016	2,820,000	967,88
Jefferson Parish, LA, Single Family Mortgage Rev., GNMA, 6.625%, 2023	285,000	292,75
Jefferson Parish, LA, Single Family Mortgage Rev., GNMA, 6.75%, 2030	425,000	440,10
Jefferson Parish, LA, Single Family Mortgage Rev., GNMA, 6.3%, 2032	735,000	762,56
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", FNMA, 5.55%, 2037	1,000,000	1,059,47
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 6.45%, 2029	450,000	461,21
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A", GNMA, 5.65%, 2037	780,000	820,75
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-1", GNMA, 5.75%, 2037	280,000	296,10
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., "A-5", GNMA, 5.9%, 2037	205,000	221,44
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., Mortgage Backed Securities Program, "A-2", GNMA, 5.6%, 2029	725,000	768,67
Sedgwick & Shawnee Counties, KS, Single Family Housing Rev., Mortgage Backed Securities Program, "A-2",GNMA, 5.75%, 2037	555,000	587,96
		-----
		\$ 8,246,95

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 Single Family Housing - State - 2.7%

Colorado Housing & Finance Authority Rev., "A-2", 7.15%, 2014	\$ 8,000	\$ 8,14
Colorado Housing & Finance Authority Rev., "A-2", AMBAC, 6.6%, 2028	365,000	375,42
Colorado Housing & Finance Authority Rev., "C-2", 5.9%, 2023	200,000	207,89
Colorado Housing & Finance Authority Rev., "C-2", FHA, 6.6%, 2032	200,000	206,14
Colorado Housing & Finance Authority Rev., "C-3", FHA, 6.375%, 2033	90,000	92,07
Colorado Housing & Finance Authority Rev., "D-2", 6.9%, 2029	430,000	443,89
Georgia Housing & Finance Authority Rev., 5.65%, 2021	2,490,000	2,536,01
Louisiana Housing Finance Agency, Single Family Mortgage Rev., GNMA, 6.4%, 2032	160,000	162,30
Minnesota Housing Finance Agency Rev., Residential Housing Finance, "B", 4.8%, 2023	225,000	226,11
Missouri State Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.35%, 2032	330,000	338,51
Missouri State Housing Development Commission, Single Family Mortgage Rev. (Home Loan Program), GNMA, 6.85%, 2032	170,000	175,61
Nebraska Investment Finance Authority Single Family Mortgage Rev., 0%, 2015	5,900,000	2,509,80
Nebraska Investment Finance Authority, "C", GNMA, 6.25%, 2021	460,000	472,21
New Hampshire Housing Finance Authority Rev., "B", 5.875%, 2030	100,000	100,74
Texas Affordable Housing Corp., Single Family Mortgage Rev., "B", 5.25%, 2039	745,000	766,22
		-----
		\$ 8,621,12

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 Solid Waste Revenue - 1.7%

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 Delaware County, PA, Industrial Development Authority Rev.,

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Resource Recovery Facilities, (American Ref-fuel), "A", 6.5%, 2008	\$	1,600,000		\$	1,653,39
Massachusetts Development Finance Agency Rev. (Ogden Haverhill Associates), 6.7%, 2014		725,000			790,51
Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), 5.6%, 2019		2,850,000			2,942,56
				-----	\$ 5,386,47
<hr style="border-top: 1px dashed black;"/>					
State & Local Agencies - 1.9%					
<hr style="border-top: 1px dashed black;"/>					
Chicago, IL, Public Building Commission, Building Rev., RITES, FGIC, 9.307%, 2016 (v) (z)	\$	1,300,000		\$	1,519,57
Chicago, IL, Public Building Commission, Building Rev., RITES, FGIC, 9.307%, 2017 (v) (z)		1,050,000			1,232,36
College Park, GA, Industrial Development Authority Rev. (Civic Center), AMBAC, 5.75%, 2010 (c)		1,000,000			1,098,30
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, "B", 5.375%, 2010 (c)		2,000,000			2,125,66
				-----	\$ 5,975,89
<hr style="border-top: 1px dashed black;"/>					
Student Loan Revenue - 0.2%					
<hr style="border-top: 1px dashed black;"/>					
Access to Loans for Learning, California Student Loan Rev., 7.95%, 2030	\$	650,000		\$	680,71
<hr style="border-top: 1px dashed black;"/>					
Tax - Other - 1.8%					
<hr style="border-top: 1px dashed black;"/>					
Black Hawk, CO, Device Tax Rev., 5.625%, 2021	\$	250,000		\$	252,03
Dade County, FL, Special Obligations Rev., Capital Appreciation Bond, "B", AMBAC, 0%, 2008 (c)		15,080,000			3,085,21
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.5%, 2024		340,000			354,23
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.75%, 2029		615,000			651,81
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.5%, 2031		270,000			280,39
New Jersey Economic Development Authority Rev. Cigarette Tax, 5.75%, 2034		410,000			432,00
Virgin Islands Public Finance Authority Rev., 6%, 2006		250,000			252,03
Virgin Islands Public Finance Authority Rev., "E", 5.875%, 2018		500,000			524,57
				-----	\$ 5,832,31
<hr style="border-top: 1px dashed black;"/>					
Tax Assessment - 5.3%					
<hr style="border-top: 1px dashed black;"/>					
Allegheny County, PA, Redevelopment Authority Rev. (Pittsburgh Mills), 5.1%, 2014	\$	235,000		\$	241,35
Allegheny County, PA, Redevelopment Authority Rev. (Pittsburgh Mills), 5.6%, 2023		150,000			156,59
Arborwood Community Development District, Florida Capital Improvement Rev. (Master Infrastructure Projects), "A", 5.35%, 2036		630,000			624,22
Arborwood Community Development District, Florida Capital Improvement Rev. (Master Infrastructure Projects), "B", 5.1%, 2014		250,000			246,79
Atlanta, GA, Tax Allocation (Eastside Project), "B", 5.6%, 2030		815,000			830,46
Atlanta, GA, Tax Allocation (Princeton Lakes Project), 5.5%, 2031		555,000			555,21

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Capital Region Community Development District, FL, Capital Improvement Rev., "B", 5.95%, 2006	65,000	65,000
Chicago IL, Ryan Garfield Tax Increment Allocation, 10.125%, 2007	425,000	424,920
Concord Station Community Development District, FL, Capital Improvement Rev., 5%, 2015	290,000	286,310
Concorde Estates Community Development District, FL, Capital Improvement Rev., "B", 5%, 2011	620,000	617,880
Fishhawk Community Development District, FL, 5.125%, 2009	740,000	737,380
Katy, TX, Development Authority Rev., 5.8%, 2011	825,000	849,020
Katy, TX, Development Authority Rev., "B", 6%, 2018	925,000	952,890
Killarney, FL, Community Development District, "B", 5.125%, 2009	375,000	373,670
Lakes by the Bay South Community Development District, FL, Special Assessment, "B", 5.3%, 2009	1,025,000	1,022,470
Lancaster County, SC, Assessment Rev. (Sun City Carolina Lakes), 5.45%, 2037	110,000	111,110
Markham, IL, Tax Increment Rev., 9%, 2012	935,000	936,990
Middle Village Community Development District, FL, Special Assessment, "B", 5%, 2009	395,000	394,310
New Port Tampa Bay Community Development District, FL, Special Assessment, "B", 5.3%, 2012	440,000	436,750
North Springs Improvement District, FL, Special Assessment Rev. (Parkland Golf Country Club), "B-1", 5.125%, 2015	350,000	346,020
North Springs Improvement District, FL, Special Assessment Rev. (Parkland Golf Country Club), "B-2", 5.125%, 2015	165,000	163,220
Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), "A", 5.9%, 2035	250,000	255,820
Old Palm Community Development District, FL, Special Assessment (Palm Beach Gardens), "B", 5.375%, 2014	360,000	361,350
Panther Trace, FL, Community Development District Rev., "B", 5%, 2010	980,000	972,950
Parkway Center, FL, Community Development District Rev., "B", 5.625%, 2014	1,260,000	1,271,710
Paseo, FL, Community Development District, "B", 4.875%, 2010	505,000	498,070
Preserve at Wilderness Lake, FL, Community Development District, Capital Improvement, "B", 5%, 2009	185,000	184,640
Prince George's County, MD, Special Obligations (National Harbor Project), 5.2%, 2034	245,000	242,930
Reunion East Community Development District, FL, Special Assessment, 5.9%, 2007	100,000	100,220
Sterling Hill Community Development District, FL, Capital Improvement Rev., 5.5%, 2010	350,000	350,220
Tuscany Reserve Community Development District, FL, "B", 5.25%, 2016	510,000	509,350
Villasol Community Development District, FL, Special Assessment Rev., "B", 5.375%, 2008	365,000	365,010
Watergrass Community Development District, FL, Special Assessment Rev., "B", 4.875%, 2010	935,000	926,930
West Villages Improvement District, FL, Rev. (Special Assessment - Unit of Development No. 3), 5.5%, 2037	480,000	481,530
		\$ 16,893,450
-----		
Tobacco - 6.3%		
-----		
Badger, WI, Tobacco Asset Securitization Corp., 6.125%, 2027	\$ 4,065,000	\$ 4,288,160
California County, CA, Tobacco Securitization Corp., Tobacco Settlement, L.A. County, "A", 0%, 2041	485,000	376,620
California Statewide Financing Authority, Tobacco Settlement, 5.625%, 2029	1,775,000	1,833,340

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Children's Trust Fund, Tobacco Settlement Rev., Puerto Rico, "A", 0%, 2050	4,000,000	261,72
Children's Trust Fund, Tobacco Settlement Rev., Puerto Rico, "B", 0%, 2055	4,000,000	138,68
District of Columbia, Tobacco Settlement, 6.25%, 2024	1,150,000	1,218,67
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement, 7.8%, 2042	1,000,000	1,184,84
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement, "A", 5%, 2021	720,000	724,48
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement, "A-1", 6.25%, 2033	785,000	853,07
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement, "A-1", 6.625%, 2040	125,000	138,15
Iowa Tobacco Settlement Authority, Tobacco Settlement Rev., Asset Backed, "B", 5.3%, 2011 (c)	2,000,000	2,124,74
Iowa Tobacco Settlement Authority, Tobacco Settlement Rev., Asset Backed, "B", 0% to 2007, 5.6% to 2034	1,635,000	1,521,23
Louisiana Tobacco Settlement Authority, 5.5%, 2030	1,435,000	1,489,07
New Jersey Tobacco Settlement Authority, 5.75%, 2032	950,000	985,72
Rockland Tobacco Asset Securitization Corp., NY, Tobacco Asset Backed, "C", 0%, 2060	11,045,000	191,63
South Carolina Tobacco Settlement Authority, 6.375%, 2028	1,075,000	1,148,56
South Carolina Tobacco Settlement Authority, "B", 6%, 2022	1,260,000	1,319,32
Tobacco Settlement Financing Corp., 5.625%, 2037	50,000	51,09
Tobacco Settlement Financing Corp., 7%, 2041	15,000	17,04
Washington Tobacco Settlement Authority, 6.5%, 2026	155,000	168,61
		\$ 20,034,80
<hr style="border-top: 1px dashed black;"/>		
Toll Roads - 1.0%		
<hr style="border-top: 1px dashed black;"/>		
E-470 Public Highway Authority, Colorado Rev., Capital Appreciation, "B", MBIA, 0%, 2027	\$ 4,115,000	\$ 1,370,04
Niagara Falls, NY, Bridge Commission, Toll Rev., RITES, FGIC, 6.476%, 2015 (v)(z)	1,500,000	1,728,81
		\$ 3,098,85
<hr style="border-top: 1px dashed black;"/>		
Transportation - Special Tax - 2.8%		
<hr style="border-top: 1px dashed black;"/>		
Missouri Highways & Transportation Commission, State Road Rev., "A", 5.625%, 2018	\$ 4,500,000	\$ 4,804,83
Telluride, CO, Real Estate Transfer Assessment Rev. (Gondola Transit Co.), ETM, 11.5%, 2012 (c)	2,900,000	3,954,58
		\$ 8,759,41
<hr style="border-top: 1px dashed black;"/>		
Universities - Colleges - 2.9%		
<hr style="border-top: 1px dashed black;"/>		
California Educational Facilities Authority Rev. (L.A. College of Chiropractic), 5.6%, 2017	\$ 750,000	\$ 723,16
Houston, TX, Community College Systems, MBIA, 7.875%, 2025	2,500,000	3,002,85
Illinois Educational Facilities Authority Rev. (Augustana College), "A", 5.625%, 2022	400,000	420,03
Illinois Finance Authority Rev. (Illinois Institute of Technology), "A", 5%, 2036	480,000	481,46
Louisiana State University (Health Sciences Center Project), MBIA, 6.375%, 2031	2,500,000	2,735,62
Private Colleges & Universities Authority, GA, Rev. (Mercer University Project), "A", 5.375%, 2029	240,000	244,43
Savannah, GA, Economic Development Authority Rev. (College		

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of Art & Design, Inc.), 6.5%, 2009 (c)	625,000	683,36
University of Arkansas, University Rev. (UAMS Campus), "B", MBIA, 5%, 2034	300,000	309,21
University of Colorado Enterprise Systems Rev., Refunding & Improvement, FGIC, 5%, 2030	635,000	656,03
		\$ 9,256,18

### Universities - Secondary Schools - 1.1%

California Statewide Communities, Development Authority Rev. (Escondido Charter High School), 7.5%, 2023	\$ 570,000	\$ 604,24
California Statewide Communities, Development Authority Rev. (Escondido Charter High School), 7.5%, 2036	1,000,000	1,056,77
Maryland Industrial Development Financing Authority, Economic Development Authority Rev., (Our Lady of Good Council), "A", 6%, 2035	150,000	158,60
Michigan Municipal Bond Authority Rev. (YMCA Service Learning Academy), 7.625%, 2021	1,000,000	1,061,59
Pima County, AZ, Industrial Development Authority Education Rev. (Arizona Charter Schools), "C", 6.75%, 2031	500,000	519,17
		\$ 3,400,38

### Utilities - Cogeneration - 2.0%

Alaska Industrial Development Export Authority, Power Rev., Upper Lynn Canal Regional Power, 5.8%, 2018	\$ 830,000	\$ 799,24
Carbon County, PA, Industrial Development Authority Rev. (Panther Creek Partners), 6.65%, 2010	2,055,000	2,160,54
Klamath Falls, OR, Electric Rev. (Klamath Cogeneration), 6%, 2025	2,260,000	1,810,48
Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Colver), "G", 5.125%, 2015	350,000	341,47
Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), 6.4%, 2009	350,000	347,49
Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), 6.5%, 2013	1,000,000	986,72
		\$ 6,445,96

### Utilities - Investor Owned - 10.0%

Brazos River Authority, TX, Authority Texas Rev. (Reliant Energy, Inc.), "A", 5.375%, 2019	\$ 500,000	\$ 506,58
Brazos River Authority, TX, Authority Texas Rev. (Reliant Energy, Inc.), "B", AMBAC, 5.125%, 2020	2,000,000	2,065,66
Brazos River Authority, TX, Pollution Control Rev. (Texas Utility Co.), "B", 6.3%, 2032	315,000	341,58
Brazos River Authority, TX, Pollution Control Rev. (Texas Utility Co.), "C", 6.75%, 2038	715,000	793,42
Calcasieu Parish, LA, Industrial Development Board, Pollution Control Rev. (Entergy Gulf States, Inc.), 5.45%, 2010	1,250,000	1,268,12
Clark County, NV, Industrial Development Rev. (Southwest Gas Corp.), "A", AMBAC, 4.85%, 2035	1,055,000	1,032,29
Connecticut Development Authority, Pollution Control Rev. (Connecticut Light & Power Co.), 5.85%, 2028	2,000,000	2,110,54
Connecticut Development Authority, Pollution Control Rev. (Connecticut Light & Power Co.), 5.95%, 2028	2,270,000	2,389,90

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Farmington, NM, Pollution Control Rev. (New Mexico Public Service), 5.8%, 2022	2,105,000	2,134,34
Farmington, NM, Pollution Control Rev. (New Mexico Public Service), "A", 6.3%, 2016	2,195,000	2,275,51
Forsyth, MT, Pollution Control Rev. (Northwestern Corp.), AMBAC, 4.65%, 2023	970,000	967,65
Forsyth, MT, Pollution Control Rev. (Portland General), 5.2%, 2033	230,000	235,82
Matagorda County, TX (Centerpoint Energy), 5.6%, 2027	1,500,000	1,544,61
Matagorda County, TX, Pollution Control Rev. (Reliant Energy), 5.95%, 2030	1,655,000	1,692,20
Mecklenburg County, VA, Industrial Development Authority Rev. (UAE Mecklenburg LP), 6.5%, 2017	800,000	871,41
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), 6%, 2021	1,000,000	1,037,65
Ohio Air Quality Development Authority, Pollution Control Rev. (Cleveland Electric), "B", 6%, 2020	3,000,000	3,116,70
Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), "A", 6.1%, 2025	650,000	652,66
Pittsylvania County, VA, Industrial Development Authority Rev., 7.5%, 2014	3,000,000	3,046,02
Port Morrow, OR, Pollution Control Rev. (Portland General Electric), 5.2%, 2033	550,000	566,88
Trinity River Authority, TX, Pollution Control Rev. (TXU Electric Co.), 6.25%, 2028	500,000	540,33
West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2015	1,500,000	1,510,17
West Feliciana Parish, LA, Pollution Control Rev. (Gulf States Utilities Co.), 5.8%, 2016	1,000,000	1,005,15
		\$ 31,705,25
Utilities - Municipal Owned - 2.4%		
North Carolina Eastern Municipal Power Agency, Power Systems Rev., "B", 5.55%, 2014	\$ 2,150,000	\$ 2,267,99
North Carolina Municipal Power Agency (Catawba Electric Rev.), "B", 6.5%, 2020	2,000,000	2,178,04
Seattle, WA, Municipal Light & Power Rev., 5.625%, 2017	3,000,000	3,201,99
Southern California Public Power Authority (Transmission Project Rev.), RIBS, 8.167%, 2012 (v)	100,000	100,29
		\$ 7,748,31
Water & Sewer Utility Revenue -2.6%		
Everett, WA, Water & Sewer Rev., MBIA, 5%, 2027	\$ 280,000	\$ 290,56
Louisville & Jefferson, KY, District Sewer & Drain System, "A", FGIC, 5.25%, 2037	865,000	917,36
Magnolia, TX, Water & Sewer System Rev., 5.15%, 2031	205,000	205,13
Mississippi Development Bank Special Obligations, Grenada, MS, Water & Sewer Systems Project, "N", FSA, 5%, 2030	710,000	731,84
New York City, NY, Municipal Water & Sewer Finance Authority Rev., 5.5%, 2010 (c)	5,000,000	5,393,45
Upland, CA, Public Financing Authority Rev., Water Systems Improvement, AMBAC, 5%, 2033	850,000	867,36
		\$ 8,405,72
TOTAL MUNICIPAL BONDS (IDENTIFIED COST, \$421,723,359)		\$ 446,965,16
Floating Rate Demand Notes - 0.1%		

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New Castle, PA, Area Hospital Authority (Jameson Memorial Hospital), 3.9%, due 5/03/06, at Identified Cost	\$	125,000	\$	125,000
TOTAL INVESTMENTS (IDENTIFIED COST, \$421,848,359) (k)			\$	447,090,16
Other Assets, Less Liabilities - 3.4%				10,787,71
PREFERRED SHARES (ISSUED BY THE TRUST) - (44.1)%			\$	(140,059,17
NET ASSETS APPLICABLE TO COMMON SHARES - 100.0%			\$	317,818,70

INTEREST RATE SWAPS

EXPIRATION	CURRENCY	NOTIONAL PRINCIPAL AMOUNT OF CONTRACT	CASH FLOWS PAID BY THE FUND	CASH FLOWS RECEIVED BY THE FUND	UNREALIZED APPRECIATION (DEPRECIATION)
08/29/2016	USD	\$45,000,000	Fixed - 10 Year BMA Swap Index (3.927%)	Floating - 7 Day BMA Swap Index	\$616,718
05/16/2018	USD	\$25,000,000	Fixed - 12 Year BMA Swap Index (3.797%)	Floating - 7 Day BMA Swap Index	789,943
					\$1,406,661

At April 30, 2006 the trust had sufficient cash and/or securities to cover any commitments under these derivative contracts.

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$8,741,708, representing 2.8% of net assets applicable to common shares.
- (c) Refunded bond.
- (k) As of April 30, 2006, the trust held securities fair valued in accordance with the policies adopted by the Board of Trustees, aggregating \$446,965,162 and 99.97% of market value provided by an independent pricing service using an evaluated bid.
- (q) Interest received was less than stated coupon rate.
- (v) Inverse floating rate security.
- (z) Restricted securities (excluding 144A issues) are not registered under the Securities Act of 1933 and are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities subsequently are registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The trust holds the following restricted securities:

RESTRICTED SECURITIES	ACQUISITION DATE	ACQUISITION COST	CURRENT MARKET VALUE	TOTAL NET A APPLICA COMMON
Chicago, IL, O'Hare International Airport Rev., RITES, XLCA, 7.417%, 2022	8/21/2003	\$1,599,510	\$1,740,528	
Chicago, IL, Public Building Commission, Building Rev., RITES, FGIC, 9.307%, 2016	3/11/1999	1,403,610	1,519,570	
Chicago, IL, Public Building Commission, Building Rev., RITES, FGIC, 9.307%, 2017	3/11/1999	1,123,542	1,232,364	
Niagara Falls, NY, Bridge Commission,				



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Toll Rev., RITES, FGIC, 6.476%, 2015	5/21/1999	1,609,680	1,728,810
-----			
Total Restricted Securities			\$6,221,272
-----			

The following abbreviations are used in the Portfolio of Investments and are defined:

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

### Insurers

AMBAC	AMBAC Indemnity Corp.
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FNMA	Federal National Mortgage Assn.
FSA	Financial Security Assurance, Inc.
GNMA	Government National Mortgage Assn.
MBIA	MBIA Insurance Corp.
PSF	Permanent School Fund
XLCA	XL Capital Insurance Co.

### Inverse Floaters

INFLOS	Inverse Floating Security
RIBS	Residual Interest Bonds
RITES	Residual Interest Tax-Exempt Security

SEE NOTES TO FINANCIAL STATEMENTS

## FINANCIAL STATEMENTS                      Statement of Assets and Liabilities (unaudited)

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

AT 4/30/06

### ASSETS

-----	
Investments, at value (identified cost, \$421,848,359)	\$447,090,162
Cash	2,147,036
Receivable for investments sold	2,548,197
Interest receivable	8,360,383
Unrealized appreciation on interest rate swap agreements	1,406,661
Other assets	2,180
-----	
Total assets	\$461,554,619
-----	

### LIABILITIES

-----	
Payable to dividend disbursing agent - common shares	\$162,873
Payable for investments purchased	3,228,281
Payable to affiliates	
Management fee	29,101
Transfer agent and dividend disbursing costs	19,556
Administrative services fee	767
Payable for independent trustees' compensation	128,844
Accrued expenses and other liabilities	107,323
-----	

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Total liabilities	\$3,676,745
-----	
PREFERRED SHARES	
-----	
Series T and Series TH auction preferred shares (5,600 shares issued and outstanding at \$25,000 per share) at liquidation value plus cumulative unpaid dividends	\$140,059,172
-----	
Net assets applicable to common shares	\$317,818,702
-----	
NET ASSETS CONSIST OF:	
-----	
Paid-in capital - common shares	\$313,457,019
Unrealized appreciation (depreciation) on investments	26,648,464
Accumulated net realized gain (loss) on investments	(27,167,331)
Undistributed net investment income	4,880,550
-----	
Net assets applicable to common shares	\$317,818,702
-----	
Preferred shares, at value (5,600 shares issued and outstanding at \$25,000 per share)	140,000,000
-----	
Net assets including preferred shares	\$457,818,702
-----	
Common shares of beneficial interest outstanding (40,039,453 shares issued less 55,500 treasury shares)	39,983,953
-----	
Net asset value per share (net assets of \$317,818,702 / 39,983,953 shares of beneficial interest outstanding)	\$7.95
-----	

SEE NOTES TO FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS

### Statement of Operations (unaudited)

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

SIX MONTHS ENDED 4/30/06

### NET INVESTMENT INCOME

Interest income	\$13,598,074
-----	
Expenses	
Management fee	\$1,745,081
Transfer agent and dividend disbursing costs	54,761
Administrative services fee	28,495
Independent trustees' compensation	22,334
Stock exchange fee	17,692
Preferred shares remarketing agent fee	173,704
Custodian fee	56,606
Shareholder communications	45,957
Auditing fees	38,484
Legal fees	4,787
Miscellaneous	66,733
-----	

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Total expenses		\$2,254,634
Fees paid indirectly	(19,646)	
Reduction of expenses by investment adviser	(1,085)	
Net expenses		\$2,233,903
Net investment income		\$11,364,171
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized gain (loss) (identified cost basis)		
Investment transactions	\$260,225	
Swap transactions	1,392,477	
Net realized gain (loss) on investments		\$1,652,702
Change in unrealized appreciation (depreciation)		
Investments	\$1,221,732	
Swap transactions	(868,656)	
Net unrealized gain (loss) on investments		\$353,076
Net realized and unrealized gain (loss) on investments		\$2,005,778
Distributions declared from preferred shares		\$(2,138,316)
Change in net assets from operations		\$11,231,633

SEE NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Statements of Changes in Net Assets

This statement describes the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

	SIX MONTHS ENDED 4/30/06 (UNAUDITED)	YEAR ENDED 10/31/05
CHANGE IN NET ASSETS		
FROM OPERATIONS		
Net investment income	\$11,364,171	\$23,600,281
Net realized gain (loss) on investments	1,652,702	(9,378,554)
Net unrealized gain (loss) on investments	353,076	12,923,488
Distributions declared from preferred shares	(2,138,316)	(3,025,056)
Change in net assets from operations	\$11,231,633	\$24,120,159
DISTRIBUTIONS DECLARED TO SHAREHOLDERS		
From net investment income	\$(10,265,277)	\$(21,742,129)

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Net asset value of shares issued to common shareholders in reinvestment of distributions	\$656,359	\$993,010
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Total change in net assets	\$1,622,715	\$3,371,040
<hr style="border-top: 1px dashed black;"/>		
NET ASSETS APPLICABLE TO COMMON SHARES		
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At beginning of period	\$316,195,987	\$312,824,947
At end of period (including undistributed net investment income of \$4,880,550 and \$5,919,972, respectively)	\$317,818,702	\$316,195,987
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SEE NOTES TO FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS

### Financial Highlights

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

	SIX MONTHS ENDED 4/30/06 (UNAUDITED)	2005	2004	YEARS ENDED 10/31 2003
Net asset value, beginning of period	\$7.92	\$7.86	\$7.69	\$7.61
<hr style="border-top: 1px dashed black;"/>				
INCOME (LOSS) FROM INVESTMENT OPERATIONS				
<hr style="border-top: 1px dashed black;"/>				
Net investment income (d)	\$0.28	\$0.59	\$0.60	\$0.61
Net realized and unrealized gain (loss) on investments	0.06	0.10	0.16	0.04
Distributions declared to shareholders on preferred shares	(0.05)	(0.08)	(0.04)	(0.04)
<hr style="border-top: 1px dashed black;"/>				
Total from investment operations	\$0.29	\$0.61	\$0.72	\$0.61
<hr style="border-top: 1px dashed black;"/>				
LESS DISTRIBUTIONS DECLARED TO SHAREHOLDERS				
<hr style="border-top: 1px dashed black;"/>				
From net investment income, common shares	\$(0.26)	\$(0.55)	\$(0.55)	\$(0.53)
<hr style="border-top: 1px dashed black;"/>				
Preferred shares offering cost charged to paid-in capital	\$--	\$--	\$--	\$--
<hr style="border-top: 1px dashed black;"/>				
Net asset value, end of period	\$7.95	\$7.92	\$7.86	\$7.69
<hr style="border-top: 1px dashed black;"/>				
Common share market value, end of period	\$8.23	\$8.27	\$7.83	\$7.49
<hr style="border-top: 1px dashed black;"/>				
Total return at common market value (%) (p) (r) (s)	2.73 (n)	13.18	12.22	12.51
<hr style="border-top: 1px dashed black;"/>				

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RATIOS (%) (TO AVERAGE NET ASSETS  
APPLICABLE TO COMMON SHARES)  
AND SUPPLEMENTAL DATA:

Expenses before expense reductions (f) (p)	1.43 (a)	1.44	1.46	1.51
Expenses after expense reductions (f) (p)	1.43 (a)	1.44	1.46	1.51
Net investment income (p)	7.23 (a)	7.45	7.70	7.98
Portfolio turnover	9	14	9	11
Net assets at end of period (000 Omitted)	\$317,819	\$316,196	\$312,825	\$305,383

Financial Highlights - continued

	SIX MONTHS	YEARS ENDED 10/31		
	ENDED 4/30/06 (UNAUDITED)	2005	2004	2003
SUPPLEMENTAL RATIOS (%)				
Ratio of expenses to average net assets including preferred shares (f) (p)	1.00 (a)	0.99	1.00	1.03
Preferred shares dividends	1.36 (a)	0.95	0.49	0.48
Net investment income available to common shares	5.87 (a)	6.49	7.22	7.50
SENIOR SECURITIES:				
Total preferred shares outstanding	5,600	5,600	5,600	5,600
Asset coverage per preferred share (k)	\$81,764	\$81,464	\$80,862	\$79,533
Involuntary liquidation preference per preferred share	\$25,000	\$25,000	\$25,000	\$25,000
Approximate market value per preferred share	\$25,000	\$25,000	\$25,000	\$25,000

(a) Annualized.

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

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

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

(n) Not annualized.

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

(r) Certain expenses have been reduced without which performance would have been lower.

(s) From time to time the trust may receive proceeds from litigation settlements, without which performance would have been lower.

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (unaudited)

(1) BUSINESS AND ORGANIZATION

MFS Municipal Income Trust (the trust) is a trust that is organized as a

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Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

### (2) SIGNIFICANT ACCOUNTING POLICIES

GENERAL - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The trust can invest up to 100% of its portfolio in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, the security could decline in value, interest from the security could become taxable and the trust may be required to issue Forms 1099-DIV.

INVESTMENT VALUATIONS - Debt instruments (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as reported by an independent pricing service. Values of debt instruments obtained from pricing services can utilize both dealer-supplied valuations and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. Short-term instruments with a maturity at issuance of 397 days or less are generally valued at amortized cost, which approximates market value. Swaps are generally valued at a broker-dealer bid quotation. Securities and other assets generally valued on the basis of information from an independent pricing service may also be valued at a broker-dealer quotation. The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the trust's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the trust's valuation policies and procedures, market quotations are not considered to be readily available for many types of debt instruments. These investments are generally valued at fair value based on information from independent pricing services. These valuations can be based on both dealer-supplied valuations and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data. The adviser may rely on independent pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the trust's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of investments used to determine the trust's net asset value may differ from quoted or published prices for the same investments.

DERIVATIVE RISK - The trust may invest in derivatives for hedging or non-

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hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the trust uses derivatives as an investment to gain market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost. Derivative instruments include swap agreements.

**SWAP AGREEMENTS** - The trust may enter into swap agreements. A swap is an exchange of cash payments between the trust and another party. Net cash payments are exchanged at specified intervals and are recorded as a realized gain or loss in the Statement of Operations. The value of the swap is adjusted daily and the change in value is recorded as unrealized appreciation or depreciation in the Statement of Operations. Risks may arise upon entering into these agreements from the potential inability of counterparties to meet the terms of their contract and from unanticipated changes in the value of the financial index on which the swap agreement is based.

**INTEREST RATE SWAP AGREEMENTS** - Interest rate swap agreements are agreements to exchange cash flows periodically based on a notional principal amount, such as the exchange of fixed rate interest payments for floating rate interest payments, which are based on a specific financial index, or the exchange of two distinct floating rate payments. The net receivable or payable associated with these payments is accrued daily and recorded as an unrealized gain or loss, and any payments received or made are recorded as realized gains or losses, in the Statement of Operations. The primary risk associated with interest rate swap agreements is that unfavorable changes in the fluctuation of interest rates could adversely impact the trust.

**INVESTMENT TRANSACTIONS AND INCOME** - Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. All premium and original issue discount is amortized or accreted for tax reporting purposes as required by federal income tax regulations. The trust may receive proceeds from litigation settlements involving its portfolio holdings. Any proceeds received are reflected in realized gain/loss in the Statement of Operations, or in unrealized gain/loss if the security is still held by the trust. Legal fees and other related expenses incurred to preserve and protect the value of a security owned are added to the cost of the security; other legal fees are expensed. Capital infusions made directly to the security issuer, which are generally non-recurring, incurred to protect or enhance the value of high-yield debt securities, are reported as additions to the cost basis of the security. Costs that are incurred to negotiate the terms or conditions of capital infusions or that are expected to result in a plan of reorganization are reported as realized losses. Ongoing costs incurred to protect or enhance an investment, or costs incurred to pursue other claims or legal actions, are expensed.

**FEES PAID INDIRECTLY** - The trust's custody fee is reduced according to an arrangement that measures the value of cash deposited with the custodian by the trust. This amount, for the six months ended April 30, 2006, is shown as a reduction of total expenses on the Statement of Operations.

**TAX MATTERS AND DISTRIBUTIONS** - The trust intends to continue to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable and tax-exempt income, including realized capital gains. Accordingly, no provision for federal income tax is required in the financial statements.

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted

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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 expiration of capital loss carryforwards, amortization and accretion of debt securities, defaulted bonds and capitalized workout expenses. The tax character of distributions made during the current period will be determined at fiscal year end.

The tax character of distributions declared to shareholders is as follows:

	OCTOBER 31, 2005	OCTOBER 31, 2004
Ordinary income (including any short-term capital gains)	\$60,086	\$171,028
Tax-exempt income	24,707,099	23,043,028
Total distributions	\$24,767,185	\$23,214,056

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

AS OF APRIL 30, 2006	
Cost of investments	\$420,991,495
Gross appreciation	27,920,016
Gross depreciation	(1,821,349)
Net unrealized appreciation (depreciation)	\$26,098,667
AS OF OCTOBER 31, 2005	
Undistributed tax-exempt income	6,143,813
Undistributed ordinary income	181,879
Capital loss carryforwards	(29,598,105)
Other temporary differences	1,869,597
Net unrealized appreciation (depreciation)	24,798,143

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

As of October 31, 2005, the trust had available capital loss carryforwards to offset future realized gains. Such losses expire as follows:

EXPIRATION DATE	
October 31, 2006	(1,383,806)
October 31, 2009	(2,847,429)
October 31, 2010	(2,883,947)
October 31, 2011	(10,944,821)
October 31, 2012	(1,858,513)
October 31, 2013	(9,679,589)
Total	\$(29,598,105)

### (3) TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISER - The trust has an investment advisory agreement with Massachusetts Financial Services Company (MFS) to provide overall investment advisory and administrative services, and general office facilities. The



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management fee is computed daily and paid monthly at an annual rate of 0.40% of the trust's average daily net assets and 6.32% of gross investment income. The management fee, from net assets and gross investment income, incurred for the six months ended April 30, 2006 was equivalent to an annual effective rate of 0.77% of the trust's average daily net assets including preferred shares.

TRANSFER AGENT - The trust pays a portion of transfer agent and dividend-disbursing costs to MFS Service Center, Inc. (MFSC), a wholly-owned subsidiary of MFS. MFSC receives a fee from the trust, for its services as registrar and dividend-disbursing agent. The agreement provides that the trust will pay MFSC an account maintenance fee of no more than \$9.00 and a dividend services fee of \$0.75 per reinvestment. For the six months ended April 30, 2006, these fees amounted to \$32,366. MFSC also receives payment from the trust for out-of-pocket expenses paid by MFSC on behalf of the trust. For the six months ended April 30, 2006, these costs amounted to \$15,030.

ADMINISTRATOR - MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to certain funds for which MFS acts as investment adviser. Under an administrative services agreement, the funds may partially reimburse MFS the costs incurred to provide these services, subject to review and approval by the Board of Trustees. Each fund is charged a fixed amount plus a fee based on calendar year average net assets. From July 1, 2005 through March 31, 2006, the trust's annual fixed amount was \$10,000. Effective April 1, 2006, the trust's annual fixed amount is \$17,500. The administrative services fee incurred for the six months ended April 30, 2006 was equivalent to an annual effective rate of 0.0126% of the trust's average daily net assets including preferred shares.

TRUSTEES' AND OFFICERS' COMPENSATION - The trust pays compensation to Independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The trust does not pay compensation directly to Trustees or to officers of the trust who are also officers of the investment adviser, all of whom receive remuneration for their services to the trust from MFS. Certain officers and Trustees of the trust are officers or directors of MFS and MFSC. The trust has an unfunded, defined benefit plan for retired Independent Trustees which resulted in a pension expense of \$3,415. This amount is included in Independent trustees' compensation for the six months ended April 30, 2006. The deferred liability for retirement benefits payable to retired Trustees amounted to \$124,013 at April 30, 2006, and is included in payable for independent trustees' compensation.

OTHER - This trust and certain other MFS funds (the funds) have entered into a services agreement (the Agreement) which provides for payment of fees by the funds to Tarantino LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) for the funds. The ICCO is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the Agreement with Tarantino LLC at any time under the terms of the Agreement. For the six months ended April 30, 2006, the fee paid to Tarantino LLC was \$1,324. MFS has agreed to reimburse the trust for a portion of the payments made by the funds to Tarantino LLC in the amount of \$1,085, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO.

#### (4) PORTFOLIO SECURITIES

Purchases and sales of investments, other than U.S. government securities, purchased option transactions, and short-term obligations, aggregated \$40,175,179 and \$39,116,722 respectively.

#### (5) SHARES OF BENEFICIAL INTEREST

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The trust's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized the repurchase by the trust of up to 10% annually of its own shares of beneficial interest. During the six months ended April 30, 2006, the trust did not repurchase any shares. Transactions in the trust were as follows:

	SIX MONTHS ENDED		YEAR ENDED	
	APRIL 30, 2006		OCTOBER 31, 2005	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares issued to shareholders in reinvestment of distributions	82,568	\$656,359	124,307	\$993,010
-----				

### (6) LINE OF CREDIT

The trust and other affiliated funds participate in a \$1 billion unsecured line of credit 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, at a rate equal to the Federal Reserve funds rate plus 0.35%. In addition, a commitment fee, based on the average daily, unused portion of the line of credit, is allocated among the participating funds at the end of each calendar quarter. The commitment fee allocated to the trust for the six months ended April 30, 2006 was \$1,101, and is included in miscellaneous expense on the Statement of Operations. The trust had no significant borrowings during the six months ended April 30, 2006.

### (7) AUCTION PREFERRED SHARES

The trust issued 2,800 shares of Auction Preferred Shares ("APS"), series T and 2,800 of Auction Preferred Shares, series TH. Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. During the six months ended April 30, 2006, the dividend rates ranged from 2.50% to 3.86%. The trust pays an annual fee equivalent to 0.25% of the preferred share liquidation value for remarketing efforts associated with the preferred auction. The APS are redeemable at the option of the trust in whole or in part at the redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends. The APS are also subject to mandatory redemption if certain requirements relating to their asset maintenance coverage are not satisfied. The trust is required to maintain certain asset coverage with respect to the APS as defined in the trust's By-Laws and the Investment Company Act of 1940.

### (8) CONCENTRATION OF CREDIT RISK

At April 30, 2006, 22.77% of securities in the portfolio of investments are backed by letters of credit or bond insurance of various financial institutions and financial guaranty assurance agencies. The percentage of investments insured by or supported (backed) by a letter of credit from any one institution or agency did not exceed 9.28% of total investments.

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of MFS Municipal Income Trust:

We have reviewed the accompanying statement of assets and liabilities of MFS Municipal Income Trust (the "Trust"), including the portfolio of investments, as of April 30, 2006, and the related statement of operations, changes in net assets, and financial highlights for the six-month period ended April 30, 2006. These interim financial statements and financial highlights are the

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responsibility of the Trust's management.

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

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

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended October 31, 2005, and financial highlights for each of the five years in the period ended October 31, 2005, and in our report dated December 22, 2005, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

DELOITTE & TOUCHE LLP

Boston, Massachusetts  
June 23, 2006

### BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

A discussion regarding the Board's most recent review and renewal of the Fund's investment advisory agreement is available by clicking on the fund's name under "Select a fund" on the MFS Web site ([mfs.com](http://mfs.com)).

### PROXY VOTING POLICIES AND INFORMATION

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

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

### QUARTERLY PORTFOLIO DISCLOSURE

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

Public Reference Room  
Securities and Exchange Commission  
100 F Street, NE, Room 1580  
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-202-551-5850. The trust's Form N-Q is available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and copies of this information may be obtained, upon

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payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section at the above address.

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

### CONTACT INFORMATION AND NUMBER OF SHAREHOLDERS

#### INVESTOR INFORMATION

Transfer Agent, Registrar and Dividend Disbursing Agent

Call 1-800-637-2304 any business day from 8 a.m. to 8 p.m. Eastern time

Write to: MFS Service Center, Inc.  
P.O. Box 55024  
Boston, MA 02205-5024

#### NUMBER OF SHAREHOLDERS

As of April 30, 2006, our records indicate that there are 3,088 registered shareholders and approximately 13,667 shareholders owning trust shares in "street" name, such as through brokers, banks, and other financial intermediaries.

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

MFS Service Center, Inc.  
P.O. Box 55024  
Boston, MA 02205-5024  
1-800-637-2304

M F S(SM)  
INVESTMENT MANAGEMENT(R)

MFS Investment Management(R)  
500 Boylston Street, Boston, MA 02116.

MFM-SEM-6/06 20M

#### ITEM 2. CODE OF ETHICS.

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

#### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for semi-annual reports.

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

Not applicable for semi-annual reports.

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

Not applicable for semi-annual reports.

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### ITEM 6. SCHEDULE OF INVESTMENTS

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

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

Not applicable for semi-annual reports.

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

General. Information regarding the portfolio managers of the MFS Municipal Income Trust (the "Fund") provided as of April 30, 2006 is set forth below.

PORTFOLIO MANAGER -----	PRIMARY ROLE -----	SINCE -----	TITLE AND FIVE YEAR HISTORY -----
Gary A. Lasman	Portfolio Manager	April 2006	Vice President of MFS; employed in the investment management area of MFS since 2002; Senior Municipal Analyst for Liberty Funds Group prior to 2002.
Geoffrey L. Schechter	Portfolio Manager	2004	Senior Vice President of MFS; employed in the investment management area of MFS since 1993

COMPENSATION. Portfolio manager total cash compensation as of April 30, 2006 is a combination of base salary and performance bonus:

- o Base Salary - Base salary represents a relatively smaller percentage of portfolio manager total cash compensation (generally below 33%) than incentive compensation.
- o Performance Bonus - Generally, incentive compensation represents a majority of portfolio manager total cash compensation. The performance bonus is based on a combination of quantitative and qualitative factors, with more weight given to the former (generally over 60%) and less weight given to the latter.

>> The quantitative portion is based on pre-tax performance of all of the accounts managed by the portfolio manager (which includes the Fund and any other accounts managed by the portfolio manager) over a one-, three- and five-year period relative to the appropriate Lipper peer group universe and/or one or more benchmark indices with respect to each account. The 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 shorter periods).

>> 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 the investment process (distinct from portfolio performance).

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Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests in MFS or its parent company 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 are provided with a benefits package including a defined contribution plan, health coverage and other insurance, which are available to other employees of MFS on substantially similar terms. The percentage of compensation provided by these benefits depends upon the length of the individual's tenure at MFS and salary level as well as other factors.

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 as of the Fund's semi-annual period ended April 30, 2006. 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

NAME OF PORTFOLIO MANAGER	DOLLAR RANGE OF EQUITY SECURITIES IN FUND
Gary A. Lasman	N
Geoffrey L. Schechter	N

OTHER ACCOUNTS. In addition to the Fund, the Fund's portfolio manager is responsible (either individually or jointly) for the day-to-day management of certain other accounts, the number and total assets of which as of the Fund's semi-annual period ended April 30, 2006 were as follows:

NAME	REGISTERED INVESTMENT COMPANIES		OTHER POOLED INVESTMENT VEHICLES		OTHER ACC
	NUMBER OF ACCOUNTS*	TOTAL ASSETS*	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF ACCOUNTS
Gary A. Lasman	2	\$1.9 billion	0	N/A	0
Geoffrey L. Schechter	9	\$6 billion	1	\$226 million	2

\* 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 seek 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.

In certain instances there may be securities which are suitable for the Fund's portfolio as well as for accounts with similar investment objectives of the Adviser or subsidiary of the Adviser. Securities transactions for the Fund and other accounts with similar investment objectives are generally executed on the

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same day, or the next day. Nevertheless, it may develop that a particular security is bought or sold for only one client even though it might be held by, or bought or sold for, other clients. Likewise, a particular security may be bought for one or more clients when one or more other clients are selling that same security.

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. It is recognized that in some cases this system could have a detrimental effect on the price or volume of the security as far as the Fund is concerned. In most cases, however, MFS believes that the Fund's ability to participate in volume transactions will produce better executions for the Fund.

MFS does not receive a performance fee for its management of the Fund. MFS and/or a portfolio manager may have an 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 fee.

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

----- MFS Municipal Income Trust -----				
PERIOD	(A) TOTAL NUMBER OF SHARES PURCHASED	(B) AVERAGE PRICE PAID PER SHARE	(C) TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS O R PROGRAMS	(D) MAXIMUM NUMBER (OR APPROXIMATE DOLLAR VALUE) OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS
11/1/05-11/30/05	0	n/a	0	3,979,505
12/1/05-12/31/05	0	n/a	0	3,979,505
1/1/06 - 1/31/06	0	n/a	0	3,979,505
2/1/06 - 2/28/06	0	n/a	0	3,979,505
3/1/06 - 3/31/06	0	n/a	0	3,994,370
4/1/06 - 4/30/06	0	n/a	0	3,994,370
TOTAL	0	n/a	0	

Note: The Board of Trustees approves procedures to repurchase Fund shares annually. The notification to shareholders of the program is included in the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1st of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of shares that may be repurchased in each annual period (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of Fund shares available for repurchase for the March 1, 2006 plan year are 3,994,370.

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

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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 7(d)(2)(ii)(G) of Schedule 14A or this Item.

### ITEM 11. CONTROLS AND PROCEDURES.

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

### ITEM 12. EXHIBITS.

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

### NOTICE

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



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SIGNATURES

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

(Registrant) MFS MUNICIPAL INCOME TRUST  
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By (Signature and Title)\* MARIA F. DWYER  
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Maria F. Dwyer, President

Date: June 23, 2006  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* MARIA F. DWYER  
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Maria F. Dwyer, President (Principal Executive Officer)

Date: June 23, 2006  
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By (Signature and Title)\* TRACY ATKINSON  
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Tracy Atkinson, Treasurer (Principal Financial Officer and Accounting Officer)

Date: June 23, 2006  
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\* Print name and title of each signing officer under his or her signature.