

MFS MUNICIPAL INCOME TRUST

Form N-CSR

December 28, 2016

[Table of Contents](#)

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

**Washington, D.C. 20549**

**FORM N-CSR**

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

Investment Company Act file number 811-04841

**MFS MUNICIPAL INCOME TRUST**

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

**Christopher R. Bohane**

**Massachusetts Financial Services Company**

**111 Huntington Avenue**

**Boston, Massachusetts 02199**

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2016

**Table of Contents**

**ITEM 1. REPORTS TO STOCKHOLDERS.**

**Table of Contents**

**ANNUAL REPORT**

October 31, 2016

**MFS® MUNICIPAL INCOME TRUST**

MFM-ANN

**Table of Contents**

**MFS® MUNICIPAL INCOME TRUST**

New York Stock Exchange Symbol: **MFM**

<u>Letter from the Chairman</u>	1
<u>Portfolio composition</u>	2
<u>Management review</u>	4
<u>Performance summary</u>	7
<u>Portfolio managers profiles</u>	9
<u>Dividend reinvestment and cash purchase plan</u>	10
<u>Portfolio of investments</u>	11
<u>Statement of assets and liabilities</u>	55
<u>Statement of operations</u>	56
<u>Statements of changes in net assets</u>	57
<u>Statement of cash flows</u>	58
<u>Financial highlights</u>	59
<u>Notes to financial statements</u>	61
<u>Report of independent registered public accounting firm</u>	74
<u>Results of shareholder meeting</u>	75
<u>Trustees and officers</u>	76
<u>Board review of investment advisory agreement</u>	81
<u>Proxy voting policies and information</u>	85
<u>Quarterly portfolio disclosure</u>	85
<u>Further information</u>	85
<u>Information about fund contracts and legal claims</u>	86
<u>Federal tax information</u>	86
<u>MFS® privacy notice</u>	87
<u>Contact information</u> back cover	

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

**Table of Contents**

**LETTER FROM THE CHAIRMAN**

Dear Shareholders:

Despite June's unexpected vote by the United Kingdom to leave the European Union and the surprising result in the U.S. presidential election, most markets proved resilient

in the wake of these events. U.S. shares quickly reversed post-Brexit declines and rallied to record highs during August. Global interest rates remain very low, with most central banks maintaining extremely accommodative monetary policies to reinvigorate slow-growing economies against a backdrop of low inflation. Low interest rates continue to benefit risky assets such as equities, as investors are forced to accept greater risks in search of satisfactory returns in a low-return environment. U.S. investment-grade and high-yield bonds have benefited from low, and even negative, yields overseas.

Emblematic of the sluggish global growth environment is a pronounced slowdown in the growth of global trade. Despite the slowdown, emerging market equities have held up well, withstanding geopolitical shocks such as an attempted coup in Turkey and the impeachment and removal of the president of Brazil. The U.S. Federal Reserve's go-slow approach to rate hikes and economic stimulus abroad have helped support markets.

At MFS®, we believe in a patient, long-term approach to investing. Viewing investments with a long lens makes it possible to filter out short-term market noise and focus on achieving solid risk-adjusted returns over a full market cycle.

In our view, such an approach, along with the professional guidance of a financial advisor, will help you reach your investment objectives.

Respectfully,

**Robert J. Manning**

Chairman

MFS Investment Management

December 15, 2016

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

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

Healthcare Revenue Hospitals	24.0%
Healthcare Revenue Long Term Care	17.4%
Tobacco	10.1%
Water & Sewer Utility Revenue	9.2%
Universities Colleges	8.4%
Universities Secondary Schools	7.8%
Miscellaneous Revenue Other	7.6%
Industrial Revenue Airlines	5.1%
Tax Assessment	5.0%
General Obligations General Purpose	4.8%

**Composition including fixed income credit quality (a)(i)**

AAA	4.5%
AA	12.7%
A	31.9%
BBB	31.3%
BB	14.2%
B	10.6%
CCC	2.7%
CC	1.4%
C	0.3%
D	0.5%
Not Rated (j)	25.7%
Cash & Cash Equivalents	(36.5)%
Other	0.7%

**Portfolio facts (i)**

Average Duration (d)	7.8
Average Effective Maturity (m)	17.8 yrs.

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

---

**Table of Contents**

*Portfolio Composition continued*

- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move. This calculation is based on net assets applicable to common shares as of 10/31/16.
- (i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
- (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (2.8)%, which reduce the fund's interest rate exposure but not its credit exposure.
- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity. This calculation is based on gross assets, which consists of net assets applicable to common shares plus the value of preferred shares, as of 10/31/16.

From time to time Cash & Cash Equivalents may be negative due to the aggregate liquidation value of variable rate municipal term preferred shares and/or timing of cash receipts.

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

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

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

Percentages are based on net assets applicable to common shares as of 10/31/16.

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

**Table of Contents**

**MANAGEMENT REVIEW**

**Summary of Results**

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

For the twelve months ended October 31, 2016, common shares of the fund provided a total return of 8.02%, at net asset value and 11.08%, at market value. This compares with a return of 4.06% for the fund's benchmark, the Bloomberg Barclays Municipal Bond Index (formerly Barclays Municipal Bond Index).

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

**Market Environment**

Sluggish global growth weighed on both developed and emerging market ( EM ) economies during the reporting period. The US Federal Reserve ( Fed ) began its long-anticipated monetary tightening cycle in the middle of the period, but the tightening cycle has proved to be more gradual than initially anticipated. Globally, central bank policy remained highly accommodative, which forced many government, and even some corporate, bond yields into negative territory. During the second half of the period, the United Kingdom voted to leave the European Union ( EU ), beginning a multi-year process of negotiation in order to achieve Brexit . While markets initially reacted to the vote with alarm, the spillover to European and EM was relatively short-lived, although risks of further hits to EU cohesiveness could re-emerge.

During much of the reporting period, US earnings headwinds expanded beyond the energy, materials and industrial sectors, to include most sectors of the market. Headwinds eased somewhat at the end of the period as stabilizing oil prices pushed energy earnings higher relative to expectations. The sharp rise in the US dollar also weighed on earnings early in the period, though the dollar largely stabilized late in the period. US consumer spending held up well during the second half of the period amid a modest increase in real wages and low gasoline prices. Demand for autos reached near-record territory before plateauing late in the period, while the housing market continued its recovery. Slow global trade continued to mirror slow global growth, particularly for many EM countries. That said, EM countries began to show signs of a modest upturn in activity along with adjustment in their external accounts. These improved conditions appeared to have reassured investors and contributed to record inflows into the asset class during July and August as negative yields for an increasing share of developed market bonds drove yield-hungry investors further out on the risk spectrum. Similar investor inflows were experienced in the high grade and high yield corporate markets.



---

**Table of Contents**

*Management Review continued*

US Treasury yields generally fell during the reporting period, with a number of factors contributing to the decline, including uneven economic growth and uncertainty over the impact of Brexit. These factors also lowered market expectations for additional increases in short-term interest rates from the Fed, which put further downward pressure on longer-term yields.

According to data from the Fed, 10-year US Treasury yields started the reporting period at 2.20%, fell to as low as 1.37% in the wake of Brexit, and finished the reporting period at 1.84%.

The broader US investment grade municipal bond market provided positive total returns during the period, as measured by the Bloomberg Barclays Municipal Bond Index. However, investment grade municipal bonds generally lagged taxable bonds amid a strong recovery in credit spreads in areas such as investment grade and high yield corporate debt.

Municipal market performance was generally the result of the same themes we have seen over the past couple of years – declining interest rates, stable fundamentals and continued demand for higher-yielding investments. However, increased supply and a drift higher in interest rates towards the end of the reporting period led to some softness in the performance of the municipal market.

Generally, fundamentals remained stable for the majority of municipal issuers, and as a result, tax-equivalent yields appeared attractive relative to overall credit quality. However, markets remain concerned about underfunded public employee pension systems and other benefits promised to public employees and the political difficulties in enacting reform.

**Factors Affecting Performance**

Relative to the Bloomberg Barclays Municipal Bond Index, favorable security selection, particularly within the *health, tobacco* and *credit enhanced* sectors, benefited performance. Additionally, positive security selection within the B , BBB , and <sup>(r)</sup> ~~A~~ credit quality segments and a lesser exposure to AA rated bonds aided relative results.

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

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

Respectfully,

Gary Lasman  
Portfolio Manager

Geoffrey Schechter  
Portfolio Manager

(r) Bonds rated BBB , Baa , or higher are considered investment grade; bonds rated BB , Ba , or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using the

**Table of Contents**

*Management Review continued*

following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated.

The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

**Table of Contents**

**PERFORMANCE SUMMARY THROUGH 10/31/16**

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

**Price Summary for MFS Municipal Income Trust**

		Date	Price
	Net Asset Value	10/31/16	\$7.53
		10/31/15	\$7.35
	New York Stock Exchange Price	10/31/16	\$6.88
Year		7/08/16 (high) (t)	\$7.62
Ended		11/09/15 (low) (t)	\$6.43
10/31/16		10/31/15	\$6.53

**Total Returns vs Benchmark**

	MFS Municipal Income Trust at	
	New York Stock Exchange Price (r)	11.08%
	Net Asset Value (r)	8.02%
Year	Bloomberg Barclays Municipal Bond Index (f)	
Ended		
10/31/16		4.06%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2015 through October 31, 2016

**Benchmark Definition**

Bloomberg Barclays Municipal Bond Index (formerly known as Barclays Municipal Bond Index) a market capitalization-weighted index that measures the performance of the tax-exempt bond market.

It is not possible to invest directly in an index.

**Notes to Performance Summary**

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

**Table of Contents**

*Performance Summary continued*

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

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

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

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

**Table of Contents**

**PORTFOLIO MANAGERS PROFILES**

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

**Table of Contents**

**DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

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

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

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

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

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

10/31/16

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

**Municipal Bonds - 136.4%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Alabama - 1.9%</b>		
Alabama Incentives Financing Authority Special Obligation, A, 5%, 9/01/2037	\$ 100,000	\$ 113,392
Alexander City, AL, Special Care Facilities Financing Authority Medical Facilities Rev., A (Russell Hospital Corp.), 5.75%, 12/01/2036	600,000	595,590
Birmingham, AL, Special Care Facilities Financing Authority Rev. (Methodist Home for the Aging), 5.5%, 6/01/2030	180,000	200,401
Birmingham, AL, Special Care Facilities Financing Authority Rev. (Methodist Home for the Aging), 5.75%, 6/01/2035	190,000	212,553
Birmingham, AL, Special Care Facilities Financing Authority Rev. (Methodist Home for the Aging), 5.75%, 6/01/2045	270,000	299,130
Birmingham, AL, Special Care Facilities Financing Authority Rev. (Methodist Home for the Aging), 6%, 6/01/2050	285,000	320,095
Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2/01/2029	865,000	917,220
Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 1/01/2028	390,000	390,671
Huntsville-Redstone Village, AL, Special Care Facilities Financing Authority (Redstone Village Project), 5.5%, 1/01/2043	440,000	440,484
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/2025	15,000	11,228
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/2026	170,000	119,437
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/2029	245,000	140,405
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/2034	350,000	139,951
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/2035	660,000	246,418
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/2017	160,000	165,032
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/2018	165,000	173,844
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/2021	185,000	203,302
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/2023	275,000	304,948
Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 12/01/2039	290,000	318,298

11

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Alabama - continued</b>		
Selma, AL, Industrial Development Board Rev., Gulf Opportunity Zone (International Paper Co.), A , 5.375%, 12/01/2035	\$ 565,000	\$ 647,682
		\$ 5,960,081
<b>Alaska - 0.4%</b>		
Alaska Industrial Development & Export Authority Power Rev. (Snettisham Hydroelectric Project), 5%, 1/01/2030	\$ 125,000	\$ 141,908
Alaska Industrial Development & Export Authority Power Rev. (Snettisham Hydroelectric Project), 5%, 1/01/2031	180,000	203,328
Koyukuk, AK, Tanana Chiefs Conference, Healthcare Facilities Project, 7.75%, 10/01/2041	705,000	836,504
		\$ 1,181,740
<b>Arizona - 2.6%</b>		
Arizona Transportation Board Highway Rev., A , 5%, 7/01/2036	\$ 1,290,000	\$ 1,513,725
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Basis Schools Projects), A , 5%, 7/01/2035	240,000	256,512
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Basis Schools Projects), A , 5%, 7/01/2035	80,000	85,504
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Basis Schools Projects), A , 5%, 7/01/2045	380,000	401,873
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Basis Schools Projects), A , 5%, 7/01/2046	190,000	200,936
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Choice Academies, Inc. Project), 5.625%, 9/01/2042	345,000	371,289
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Great Hearts Academies Project), A , 5%, 7/01/2034	850,000	943,492
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Great Hearts Academies Project), A , 5%, 7/01/2036	100,000	111,919
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Great Hearts Academies Project), A , 5%, 7/01/2041	85,000	94,591
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Great Hearts Academies Project), A , 5%, 7/01/2044	530,000	582,656
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Great Hearts Academies Project), A , 5%, 7/01/2046	150,000	166,334
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Legacy Traditional Schools Project), 6.5%, 7/01/2034	270,000	310,327
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Legacy Traditional Schools Project), 5%, 7/01/2035	310,000	320,103
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Legacy Traditional Schools Project), 6.75%, 7/01/2044	430,000	499,677
Phoenix, AZ, Industrial Development Authority Education Facility Rev. (Legacy Traditional Schools Project), 5%, 7/01/2045	340,000	347,415



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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Arizona - continued</b>		
Phoenix, AZ, Industrial Development Authority Rev. (Guam Facilities Foundation, Inc.), 5.125%, 2/01/2034	\$ 675,000	\$ 681,662
Phoenix, AZ, Industrial Development Authority Rev. (Guam Facilities Foundation, Inc.), 5.375%, 2/01/2041	625,000	637,913
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/2042	225,000	246,337
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/2046	170,000	185,878
		\$ 7,958,143
<b>Arkansas - 0.5%</b>		
Arkansas Development Finance Authority Hospital Rev. (Washington Regional Medical Center), A, 5%, 2/01/2035	\$ 60,000	\$ 68,663
Arkansas Development Finance Authority Hospital Rev. (Washington Regional Medical Center), C, 5%, 2/01/2033	85,000	97,674
Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/2039	920,000	1,050,474
Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/2042	230,000	262,264
		\$ 1,479,075
<b>California - 12.3%</b>		
Alameda, CA, Corridor Transportation Authority Second Subordinate Lien Rev., B, 5%, 10/01/2037	\$ 110,000	\$ 127,927
Alameda, CA, Corridor Transportation Authority Second Subordinate Lien Rev., B, AGM, 5%, 10/01/2037	25,000	29,520
Alameda, CA, Corridor Transportation Authority Senior Lien Rev., A, AGM, 5%, 10/01/2028	125,000	149,958
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/2031	525,000	343,754
California Department of Water Resources, Center Valley Project Rev., AJ, 5%, 12/01/2035	1,990,000	2,367,205
California Educational Facilities Authority Rev., 5%, 2/01/2026	460,000	462,985
California Educational Facilities Authority Rev. (Chapman University), 5%, 4/01/2031	240,000	273,341
California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 7/01/2039	650,000	722,657
California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 8/15/2031	1,295,000	1,511,226
California Housing Finance Agency Rev. (Home Mortgage), E, 4.75%, 2/01/2030	365,000	367,975
California Housing Finance Agency Rev. (Home Mortgage), G, 4.95%, 8/01/2023	1,615,000	1,627,936

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>California - continued</b>		
California M-S-R Energy Authority Gas Rev., A, 7%, 11/01/2034	\$ 210,000	\$ 306,829
California M-S-R Energy Authority Gas Rev., A, 6.5%, 11/01/2039	340,000	472,787
California Municipal Finance Authority Rev. (Northbay Healthcare Group), 5%, 11/01/2035	65,000	72,665
California Municipal Finance Authority Rev. (Partnerships to Uplift Communities Project), A, 5%, 8/01/2032	250,000	264,953
California Municipal Finance Authority Rev. (University of La Verne), A, 6.25%, 6/01/2040	530,000	611,562
California Pollution Control Financing Authority, Water Furnishing Rev. (Poseidon Resources Desalination Project), 5%, 11/21/2045	845,000	930,353
California Pollution Control Financing Authority, Water Furnishing Rev. (San Diego County Water Desalination Project Pipeline), 5%, 11/21/2045	530,000	542,280
California Public Works Board Lease Rev., Department of Corrections and Rehabilitation (Various Correctional Facilities), A, 5%, 9/01/2033	1,985,000	2,348,374
California School Finance Authority, School Facility Rev. (Alliance for College-Ready Public Schools Projects), A, 5%, 7/01/2030	70,000	80,324
California School Finance Authority, School Facility Rev. (Alliance for College-Ready Public Schools Projects), A, 5%, 7/01/2045	180,000	203,038
California School Finance Authority, School Facility Rev. (ICEF View Park Elementary and Middle Schools), A, 5.875%, 10/01/2044	190,000	207,826
California School Finance Authority, School Facility Rev. (ICEF View Park Elementary and Middle Schools), A, 6%, 10/01/2049	100,000	109,848
California State University Rev., A, 5%, 11/01/2037	1,950,000	2,268,045
California Statewide Communities Development Authority Environmental Facilities Rev. (Microgy Holdings Project), 9%, 12/01/2038 (a)(d)	12,624	63
California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.125%, 11/01/2023	175,000	192,691
California Statewide Communities Development Authority Rev. (California Baptist University), A, 5.4%, 11/01/2027	370,000	383,165
California Statewide Communities Development Authority Rev. (California Baptist University), A, 6.125%, 11/01/2033	325,000	368,927
California Statewide Communities Development Authority Rev. (Enloe Medical Center), CALHF, 5%, 8/15/2038	350,000	409,773
California Statewide Communities Development Authority Rev. (Enloe Medical Center), CALHF, 5%, 8/15/2031	60,000	72,253
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 6/01/2033	380,000	389,690
California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.125%, 11/01/2023	105,000	112,515

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>California - continued</b>		
California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.625%, 11/01/2033	\$ 145,000	\$ 153,720
California Statewide Communities Development Authority Rev. (Loma Linda University Medical Center), A , 5.25%, 12/01/2034	450,000	504,747
California Statewide Communities Development Authority Rev. (Loma Linda University Medical Center), A , 5.25%, 12/01/2044	670,000	740,236
California Statewide Communities Development Authority Rev. (Los Angeles Jewish Home for The Aging - Fountainview at Gonda), D , 4.75%, 8/01/2020	350,000	350,319
California Statewide Communities Development Authority School Facility Rev. (Aspire Public Schools), 6.375%, 7/01/2045 (Prerefunded 1/01/2019)	390,000	434,721
California Statewide Financing Authority, Tobacco Settlement, 5.625%, 5/01/2029	985,000	1,000,947
Chula Vista, CA, Industrial Development Rev. (San Diego Gas & Electric Co.), E , 5.875%, 1/01/2034	470,000	522,880
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 6/01/2047	585,000	575,944
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , 5%, 6/01/2030	160,000	188,819
Inland Valley, CA, Development Successor Agency Tax Allocation, A , AGM, 5%, 9/01/2044	375,000	426,405
Jurupa, CA, Public Financing Authority, Special Tax Rev., A , 5%, 9/01/2042	300,000	338,472
La Verne, CA, COP (Brethren Hillcrest Homes), 5%, 5/15/2036	90,000	97,485
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D , 5%, 9/01/2022	505,000	604,399
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D , 5%, 9/01/2023	505,000	614,252
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/2034	70,000	80,556
Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/2044	115,000	131,229
Los Angeles, CA, Unified School District, D , 5%, 1/01/2034	180,000	198,648
Madera, CA, Financing Authority, Irrigation Rev., 6.5%, 1/01/2040 (Prerefunded 1/01/2020)	1,280,000	1,496,691
Merced, CA, Union High School District, Capital Appreciation, A , ASSD GTY, 0%, 8/01/2030	145,000	94,294
Palomar Pomerado Health Care District, CA, COP, 6.75%, 11/01/2039	1,735,000	2,018,256
Riverside County, CA, Public Financing Authority Tax Allocation Rev. (Project Area No. 1 Desert Communities & Interstate 215 Corridor Projects), BAM, 4%, 10/01/2037	115,000	124,030

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>California - continued</b>		
Riverside County, CA, Successor Agency to the Redevelopment Agency Tax Allocation Rev. (Jurupa Valley Redevelopment Project Area), B, BAM, 4%, 10/01/2036	\$ 115,000	\$ 124,217
Riverside County, CA, Successor Agency to the Redevelopment Agency Tax Allocation Rev. (Mid-County Redevelopment Project Area), C, BAM, 4%, 10/01/2036	35,000	37,805
Riverside County, CA, Successor Agency to the Redevelopment Agency Tax Allocation Rev. (Mid-County Redevelopment Project Area), C, BAM, 4%, 10/01/2037	15,000	16,178
San Francisco, CA, City & County Redevelopment Successor Agency, Community Facilities District No. 6 (Mission Bay South Public Improvements), Capital Appreciation, A, 0%, 8/01/2043	1,275,000	300,811
San Francisco, CA, City & County Redevelopment Successor Agency, Tax Allocation (Mission Bay South Redevelopment Project), A, 5%, 8/01/2043	50,000	56,830
San Jose, CA, Airport Rev., A-2, 5.25%, 3/01/2034	1,215,000	1,388,052
State of California, 5.25%, 10/01/2028	660,000	784,120
State of California, 5.25%, 9/01/2030	1,560,000	1,842,110
State of California, 5.25%, 4/01/2035	1,285,000	1,523,008
Upland, CA, COP (San Antonio Community Hospital), 6.375%, 1/01/2032	1,750,000	2,021,933
West Contra Costa, CA, Healthcare District, AMBAC, 5.5%, 7/01/2029	195,000	198,253
Whittier, CA, Health Facility Rev. (PIH Health), 5%, 6/01/2044	810,000	917,366
		\$ 38,240,178
<b>Colorado - 5.4%</b>		
Arvada, CO, Cimarron Metropolitan District, Rev., 6%, 12/01/2022	\$ 500,000	\$ 500,720
Colorado Educational & Cultural Facilities Authority Rev. (Montessori Charter School Project), 5%, 7/15/2037	75,000	83,266
Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/2030	70,000	79,605
Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/2034	70,000	78,674
Colorado Educational & Cultural Facilities Authority Rev. (The Classical Academy Project), 5%, 12/01/2031	130,000	148,938
Colorado Health Facilities Authority Rev. (American Baptist Homes), 8%, 8/01/2043	400,000	470,744
Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 8/01/2037	365,000	362,200
Colorado Health Facilities Authority Rev. (Christian Living Communities Project), A, 5.75%, 1/01/2037	375,000	378,079
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc. Project), A, 5%, 12/01/2033	650,000	712,686

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Colorado - continued</b>		
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc. Project), A, 5%, 12/01/2035	\$ 275,000	\$ 307,945
Colorado Health Facilities Authority Rev. (Evangelical Lutheran Good Samaritan Society), 5.625%, 6/01/2043	170,000	195,927
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/2034	1,180,000	1,343,194
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/2041	590,000	670,470
Denver, CO, City & County Airport Rev. (United Airlines), 5.25%, 10/01/2032	3,735,000	3,839,729
Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 10/01/2032	1,835,000	1,895,977
Denver, CO, Convention Center Hotel Authority Rev., 5%, 12/01/2035	125,000	140,674
Denver, CO, Convention Center Hotel Authority Rev., 5%, 12/01/2036	75,000	84,269
Denver, CO, Convention Center Hotel Authority Rev., 5%, 12/01/2040	205,000	229,965
Denver, CO, Health & Hospital Authority Rev., A, 5.25%, 12/01/2045	175,000	195,573
E-470 Public Highway Authority Rev., CO, Capital Appreciation, B, NATL, 0%, 9/01/2027	4,115,000	2,459,371
Fruita, CO, Rev. (Family Health West Project), 7%, 1/01/2018	75,000	77,945
Fruita, CO, Rev. (Family Health West Project), 8%, 1/01/2043	1,310,000	1,445,009
Park Creek Metropolitan District of Columbia Rev. (Senior Limited Property Tax Supported), A, 5%, 12/01/2045	710,000	798,118
Stone Ridge, CO, Metropolitan District No. 2, 7.25%, 12/01/2031 (a)(d)	500,000	109,820
Tallyn s Reach, CO, Metropolitan District No. 3, CO, 5%, 12/01/2033	101,000	107,764
Tallyn s Reach, CO, Metropolitan District No. 3, CO, 5.125%, 11/01/2038	111,000	118,569
		\$ 16,835,231
<b>Connecticut - 0.6%</b>		
Connecticut Health & Educational Facilities Authority Rev. (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2046	\$ 100,000	\$ 108,567
Connecticut Health & Educational Facilities Authority Rev. (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2053	100,000	107,469
Connecticut Health & Educational Facilities Authority Rev. (Church Home of Hartford, Inc. Project), B-2, 2.875%, 9/01/2020	100,000	99,893
Mohegan Tribal Finance Authority, CT, Economic Development Bonds, 7%, 2/01/2045 (n)	780,000	818,813
Mohegan Tribe Indians, CT, Gaming Authority Rev., C, 4.75%, 2/01/2020 (n)	655,000	657,810
		\$ 1,792,552

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Delaware - 0.2%</b>		
Delaware Economic Development Authority Charter School Rev. (Aspira of Delaware Charter Operations, Inc. Project), A, 5%, 6/01/2036	\$ 260,000	\$ 277,319
Delaware Economic Development Authority Rev. (Newark Charter School, Inc. Project), 5%, 9/01/2042	180,000	197,334
		\$ 474,653
<b>District of Columbia - 0.2%</b>		
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/2033	\$ 80,000	\$ 96,059
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/2043	200,000	238,130
District of Columbia Rev. (Methodist Home of the District of Columbia Issue), 4.5%, 1/01/2025	160,000	164,395
		\$ 498,584
<b>Florida - 9.1%</b>		
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6%, 11/15/2034	\$ 165,000	\$ 185,321
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.25%, 11/15/2044	410,000	462,956
Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.375%, 11/15/2049	270,000	303,931
Arborwood Community Development District, FL, Capital Improvement Rev. (Master Infrastructure Projects), A-2, 5.35%, 5/01/2036	420,000	418,690
Arborwood Community Development District, FL, Capital Improvement Rev., Convertible Capital Appreciation, A-1, 6.9%, 5/01/2036	100,000	113,366
Baker, FL, Correctional Development Corp. (Baker County Detention Center), 7.5%, 2/01/2030	440,000	351,089
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.375%, 5/01/2030	145,000	155,881
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.5%, 5/01/2033	70,000	74,869
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.6%, 5/01/2034	105,000	112,848
Brevard County, FL, Industrial Development Rev. (TUFF Florida Tech LLC Project), 6.75%, 11/01/2039	1,055,000	1,156,892
Cape Coral, FL, Health Facilities Authority, Senior Housing Rev. (Gulf Care, Inc. Project), 5.875%, 7/01/2040	410,000	448,520
Capital Region Community Development District, FL, Capital Improvement Rev., A, 7%, 5/01/2039	585,000	590,967

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Capital Trust Agency, FL, Charter School Rev. (River City Educational Services, Inc. Project) A , 5.375%, 2/01/2035	\$ 200,000	\$ 205,344
Capital Trust Agency, FL, Charter School Rev. (River City Educational Services, Inc. Project) A , 5.625%, 2/01/2045	375,000	386,055
Collier County, FL, Educational Facilities Authority Rev. (Ave Maria University, Inc. Project), A , 6.125%, 6/01/2043	890,000	1,032,516
Collier County, FL, Industrial Development Authority Continuing Care Community Rev. (The Arlington of Naples Project), A , 8.125%, 5/15/2044	935,000	1,108,620
Daytona Beach, FL, Halifax Hospital Medical Center Rev., 5%, 6/01/2035	245,000	282,434
Daytona Beach, FL, Halifax Hospital Medical Center Rev., 5%, 6/01/2046	335,000	378,862
Escambia County, FL, Health Facilities Authority (Baptist Hospital, Inc.), A , 6%, 8/15/2036	615,000	692,564
Florida Citizens Property Insurance Corp., A-1 , 5%, 6/01/2019	245,000	269,223
Florida Citizens Property Insurance Corp., A-1 , 5%, 6/01/2020	1,285,000	1,451,240
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6%, 6/15/2032	295,000	321,945
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6%, 9/15/2040	380,000	397,142
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 7.625%, 6/15/2041	875,000	1,011,990
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6.125%, 6/15/2043	615,000	672,416
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 5/01/2038	540,000	547,468
Homestead, Community Development District, FL, Special Assessment, A , 6%, 5/01/2037	660,000	636,867
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/2033	310,000	355,183
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/2034	270,000	307,900
Lakeland, FL, Hospital Rev. (Lakeland Regional Health Systems), 5%, 11/15/2035	380,000	431,600
Legends Bay Community Development District, FL, A , 5.875%, 5/01/2038	355,000	353,669
Main Street Community Development District, FL, A , 6.8%, 5/01/2038	525,000	529,148
Marshall Creek, FL, Community Development District Rev. (St. John s County), A , 5%, 5/01/2032	195,000	202,872
Miami-Dade County, FL, Industrial Development Authority Rev. (Pinecrest Academy Project), 5.25%, 9/15/2044	540,000	589,745

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A , 7.25%, 10/01/2040 (Prerefunded 10/01/2021)	\$ 1,580,000	\$ 2,026,745
Midtown Miami, FL, Community Development District Special Assessment (Infrastructure Project), B , 5%, 5/01/2029	200,000	214,160
Midtown Miami, FL, Community Development District Special Assessment (Infrastructure Project), B , 5%, 5/01/2037	115,000	122,120
Midtown Miami, FL, Community Development District Special Assessment (Parking Garage Project), A , 5%, 5/01/2037	100,000	106,191
Naturewalk Community Development District, FL, Capital Improvement Rev., B , 5.3%, 5/01/2016 (d)(q)	445,000	244,568
OTC Community Development District, FL, Special Assessment, A , 5.3%, 5/01/2038	850,000	850,451
Palm Beach County, FL, Health Facilities Rev. (Sinai Residences of Boca Raton Project), 7.5%, 6/01/2049	275,000	335,294
Parkway Center Community Development District, FL, Special Assessment, B , 7%, 5/01/2023	330,000	336,729
Pasco County, FL, Bexley Community Development District, Special Assessment Rev., 4.7%, 5/01/2036	180,000	180,506
Pasco County, FL, Bexley Community Development District, Special Assessment Rev., 4.875%, 5/01/2047	335,000	333,472
Pasco County, FL, Estancia At Wiregrass Community Development District, Capital Improvement, 7%, 11/01/2045	265,000	323,040
Pasco County, FL, Estancia At Wiregrass Community Development District, Capital Improvement, 5.375%, 11/01/2046	115,000	118,688
Paseo Community Development District, FL, B , 4.875%, 5/01/2010 (a)(d)	210,000	2
Paseo Community Development District, FL, Capital Improvement Rev., Capital Appreciation, A-2 , 0%, 5/01/2036	275,000	122,301
Paseo Community Development District, FL, Special Assessment, A-1 , 5.4%, 5/01/2036	40,000	40,015
Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 7/01/2037	640,000	647,238
Sarasota County, FL, Health Facility Authority Rev. (Sarasota Manatee), 5.75%, 7/01/2045	105,000	106,091
Seminole Tribe, FL, Special Obligation Rev., A , 5.25%, 10/01/2027 (n)	515,000	530,332
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6%, 4/01/2029	255,000	281,665
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6.25%, 4/01/2039	385,000	425,525
St. Johns County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A , 6%, 8/01/2045	1,565,000	1,761,627



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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Florida - continued</b>		
Sterling Hill Community Development District, FL, Special Assessment, 5.5%, 11/01/2010 (d)	\$ 160,000	\$ 111,974
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5%, 7/01/2026	35,000	41,134
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5%, 7/01/2029	35,000	40,299
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5.125%, 7/01/2034	70,000	79,332
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A , 5.25%, 7/01/2044	215,000	242,578
Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare, Inc.), A , 5%, 12/01/2040	295,000	330,574
Tallahassee, FL, Health Facilities Rev. (Tallahassee Memorial Healthcare, Inc.), A , 5%, 12/01/2044	230,000	256,464
Tampa, FL (University of Tampa Project), 5%, 4/01/2040	150,000	169,781
Trout Creek Community Development District, FL, Capital Improvement Rev., 5.5%, 5/01/2035	335,000	339,402
Trout Creek Community Development District, FL, Capital Improvement Rev., 5.625%, 5/01/2045	615,000	621,956
Tuscany Reserve Community Development District, FL, Special Assessment, B , 5.25%, 5/01/2021	185,000	184,911
Villa Vizcaya Community Development District, FL, A , 5.55%, 5/01/2039 (a)(d)	210,000	115,437
Watergrass Community Development District, FL, Special Assessment, B , 6.96%, 11/01/2017	45,000	44,979
		\$ 28,225,714
<b>Georgia - 4.3%</b>		
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A , 6.25%, 5/15/2033	\$ 185,000	\$ 210,219
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A , 6.375%, 5/15/2043	185,000	210,114
Atlanta, GA, Water & Wastewater Rev., A , 6%, 11/01/2022 (Prerefunded 11/01/2019)	710,000	813,901
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A , 8.75%, 6/01/2029	555,000	671,084
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C , 5%, 7/15/2030	85,000	95,338
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C , 5%, 7/15/2033	150,000	165,921

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Georgia - continued</b>		
Cobb County, GA, Development Authority Student Housing Rev. (Kennesaw State University Real Estate Foundations), C, 5%, 7/15/2038	\$ 160,000	\$ 175,477
DeKalb County, GA, Hospital Authority Rev. (DeKalb Medical Center, Inc.), 6.125%, 9/01/2040	1,150,000	1,294,256
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/2028	1,100,000	1,302,686
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/2029	270,000	319,183
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/2030	910,000	1,073,518
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/2031	40,000	47,084
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 10/01/2041	1,965,000	2,297,733
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5%, 3/15/2022	1,775,000	2,036,138
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5.5%, 9/15/2026	285,000	350,684
Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 7/01/2037	215,000	215,847
Georgia Medical Center Hospital Authority Rev. (Spring Harbor Green Island Project), 5.25%, 7/01/2027	1,000,000	1,005,900
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 6/15/2039	515,000	536,367
Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A, 6.125%, 1/01/2034	640,000	643,021
		\$ 13,464,471
<b>Guam - 0.4%</b>		
Guam Government Department of Education (John F. Kennedy High School), A, COP, 6.875%, 12/01/2040	\$ 620,000	\$ 675,788
Guam Government, A, 7%, 11/15/2039 (Prerefunded 11/15/2019)	170,000	200,146
Guam International Airport Authority Rev., C, 5%, 10/01/2017	80,000	82,270
Guam Waterworks Authority Rev. (Water and Wastewater System), 5.25%, 7/01/2020	80,000	89,749
Guam Waterworks Authority Rev. (Water and Wastewater System), 5.25%, 7/01/2021	235,000	268,861
		\$ 1,316,814
<b>Hawaii - 0.7%</b>		
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigside Project), A, 8.75%, 11/15/2029	\$ 100,000	\$ 119,480
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigside Project), A, 9%, 11/15/2044	275,000	328,785
Hawaii Department of Budget & Finance, Special Purpose Rev. (Chaminade University), 5%, 1/01/2030	220,000	232,984
Hawaii Department of Budget & Finance, Special Purpose Rev. (Chaminade University), 5%, 1/01/2035	125,000	129,830

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Hawaii - continued</b>		
Hawaii Department of Budget & Finance, Special Purpose Rev. (Chaminade University), 5%, 1/01/2045	\$ 125,000	\$ 128,450
Hawaii Department of Budget & Finance, Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 7/01/2039	750,000	836,445
State of Hawaii, DZ, 5%, 12/01/2031 (Prerefunded 12/01/2021)	205,000	243,579
State of Hawaii, DZ, 5%, 12/01/2031	130,000	150,965
		\$ 2,170,518
<b>Idaho - 0.1%</b>		
Idaho Health Facilities Authority Rev. (Madison Memorial Hospital Project), 5%, 9/01/2037	\$ 80,000	\$ 89,752
Idaho Health Facilities Authority Rev. (The Terraces of Boise Project), B2, 6%, 10/01/2021	130,000	130,189
		\$ 219,941
<b>Illinois - 11.0%</b>		
Chicago, IL (Modern Schools Program), H, AMBAC, 5%, 12/01/2021	\$ 210,000	\$ 210,701
Chicago, IL, A, 5.25%, 1/01/2028	65,000	68,934
Chicago, IL, A, 5%, 1/01/2036	205,000	207,610
Chicago, IL, A, AGM, 5%, 1/01/2017	10,000	10,035
Chicago, IL, A, AGM, 5%, 1/01/2022	5,000	5,017
Chicago, IL, A, AGM, 5%, 1/01/2022	105,000	105,856
Chicago, IL, A, AGM, 5%, 1/01/2023	5,000	5,043
Chicago, IL, A, AGM, 5%, 1/01/2023	65,000	65,530
Chicago, IL, A, AGM, 5%, 1/01/2024	5,000	5,017
Chicago, IL, A, AGM, 5%, 1/01/2025	10,000	10,082
Chicago, IL, A, AGM, 5%, 1/01/2026	5,000	5,028
Chicago, IL, A, AGM, 5%, 1/01/2027	40,000	40,222
Chicago, IL, A, AGM, 5%, 1/01/2028	880,000	941,829
Chicago, IL, A, AGM, 4.75%, 1/01/2030	105,000	105,321
Chicago, IL, A, AGM, 5%, 1/01/2034	375,000	376,219
Chicago, IL, A, AGM, 5%, 1/01/2037	640,000	643,546
Chicago, IL, C, NATL, 5%, 1/01/2023	80,000	83,158
Chicago, IL, C, NATL, 5%, 1/01/2029	695,000	721,945
Chicago, IL, D, 5.5%, 1/01/2033	170,000	180,664
Chicago, IL, D, AMBAC, 5%, 12/01/2022	560,000	561,893
Chicago, IL, Board of Education, B, AGM, 5%, 12/01/2035	740,000	757,360
Chicago, IL, Board of Education, C, AGM, 5%, 12/01/2032	1,665,000	1,743,422
Chicago, IL, Board of Education, Unlimited Tax General Obligation Refunding Dedicated Rev., B, AMBAC, 5%, 12/01/2021	845,000	867,697
Chicago, IL, Board of Education, Unlimited Tax General Obligation Refunding Dedicated Rev., B, AMBAC, 5%, 12/01/2023	200,000	204,960

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Illinois - continued</b>		
Chicago, IL, Metropolitan Water Reclamation District-Greater Chicago, C, 5%, 12/01/2030	\$ 1,260,000	\$ 1,442,032
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/2032	135,000	157,179
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/2033	70,000	81,414
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.5%, 1/01/2043	270,000	311,842
Chicago, IL, O Hare International Airport Rev., General Airport Sr. Lien, A, 5%, 1/01/2022	2,880,000	3,337,315
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/2029	275,000	303,952
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/2030	550,000	616,490
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/2031	105,000	117,266
Chicago, IL, Wastewater Transmission Rev., C, 5%, 1/01/2035	60,000	66,703
Chicago, IL, Wastewater Transmission Rev., C, 5%, 1/01/2039	85,000	94,303
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 3/01/2036	305,000	303,978
Illinois Finance Authority Rev., 7.75%, 8/15/2034 (Prerefunded 8/15/2019)	10,000	11,783
Illinois Finance Authority Rev. (Christian Homes, Inc.), 6.125%, 5/15/2027 (Prerefunded 5/15/2020)	300,000	351,327
Illinois Finance Authority Rev. (Christian Homes, Inc.), 6.125%, 5/15/2027	550,000	610,693
Illinois Finance Authority Rev. (Evangelical Retirement Homes of Greater Chicago, Inc.), 7.25%, 2/15/2045	500,000	534,300
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 5.5%, 5/15/2037	800,000	810,312
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 4.75%, 5/15/2033	395,000	413,281
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 5.125%, 5/15/2043	485,000	513,537
Illinois Finance Authority Rev. (Friendship Village), A, 5.375%, 2/15/2025	1,170,000	1,170,655
Illinois Finance Authority Rev. (Lutheran Home & Services), 5.5%, 5/15/2027	55,000	59,744
Illinois Finance Authority Rev. (Lutheran Home & Services), 5.625%, 5/15/2042	525,000	562,023
Illinois Finance Authority Rev. (Montgomery Place), A, 5.75%, 5/15/2038	520,000	523,026
Illinois Finance Authority Rev. (Presbyterian Homes Obligated Group), B, FRN, 1.719%, 5/01/2036 (Put Date 5/01/2021)	125,000	125,524

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Illinois - continued</b>		
Illinois Finance Authority Rev. (Presence Health Network), A , 7.75%, 8/15/2034	\$ 935,000	\$ 1,106,283
Illinois Finance Authority Rev. (Presence Health Network), C , 5%, 2/15/2036	295,000	324,108
Illinois Finance Authority Rev. (Presence Health Network), C , 4%, 2/15/2041	1,685,000	1,609,175
Illinois Finance Authority Rev. (Presence Health Network), C , 5%, 2/15/2041	615,000	670,215
Illinois Finance Authority Rev. (Rehabilitation Institute of Chicago), A , 6%, 7/01/2043	360,000	427,914
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 4/01/2029	905,000	977,843
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 8/15/2038 (Prerefunded 8/15/2019)	940,000	1,091,359
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), C , 5%, 8/15/2035	800,000	903,640
Illinois Finance Authority Student Housing Rev. (Illinois State University), 6.75%, 4/01/2031	415,000	469,012
Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 10/01/2031	1,215,000	1,408,282
Illinois Railsplitter Tobacco Settlement Authority, 5.5%, 6/01/2023	880,000	1,020,202
Illinois Railsplitter Tobacco Settlement Authority, 6%, 6/01/2028	2,645,000	3,105,891
Romeoville, IL, Rev. (Lewis University Project), A , 5%, 10/01/2042	235,000	262,497
State of Illinois, NATL, 5%, 1/01/2019	205,000	205,693
		\$ 34,027,882
<b>Indiana - 3.0%</b>		
Indiana Bond Bank Special Program, Gas Rev., A , 5.25%, 10/15/2018	\$ 440,000	\$ 470,884
Indiana Finance Authority Rev. (BHI Senior Living), A , 6%, 11/15/2041	535,000	618,160
Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/2034	370,000	398,549
Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/2040	560,000	599,183
Indiana Finance Authority Rev. (Marquette Project), 4.75%, 3/01/2032	740,000	772,523
Indiana Finance Authority Rev. (Marquette Project), 5%, 3/01/2039	185,000	195,983
Indiana Finance Authority Rev. (Marquette Project), A , 5%, 3/01/2030	70,000	77,904
Indiana Finance Authority Rev. (Marquette Project), A , 5%, 3/01/2039	180,000	195,028
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/2035	300,000	333,603

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Indiana - continued</b>		
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/2040	\$ 820,000	\$ 909,503
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/2044	240,000	263,926
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/2048	790,000	863,810
Indiana Health & Educational Facility Authority Hospital Rev. (Community Foundation), 5.5%, 3/01/2037	900,000	910,890
Knox County, IN, Economic Development Rev. (Good Samaritan Hospital), A , 5%, 4/01/2042	170,000	180,753
Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 6.75%, 1/01/2034	615,000	755,128
Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 7%, 1/01/2044	1,475,000	1,829,207
		\$ 9,375,034
<b>Iowa - 1.0%</b>		
Iowa Student Loan Liquidity Corp. Rev., A-1 , 4.625%, 12/01/2019	\$ 320,000	\$ 333,741
Iowa Student Loan Liquidity Corp. Rev., A-1 , 4.875%, 12/01/2020	55,000	57,356
Iowa Student Loan Liquidity Corp. Rev., A-2 , 5.5%, 12/01/2025	210,000	226,111
Iowa Student Loan Liquidity Corp. Rev., A-2 , 5.6%, 12/01/2026	210,000	226,170
Iowa Student Loan Liquidity Corp. Rev., A-2 , 5.7%, 12/01/2027	25,000	26,769
Iowa Student Loan Liquidity Corp. Rev., A-2 , 5.75%, 12/01/2028	420,000	449,488
Iowa Tobacco Settlement Authority, Tobacco Settlement Rev., Asset Backed, B , 5.6%, 6/01/2034	1,635,000	1,642,570
		\$ 2,962,205
<b>Kansas - 1.0%</b>		
Coffeyville, KS, Electric Utility System Rev., B , NATL, 5%, 6/01/2038	\$ 400,000	\$ 431,216
Coffeyville, KS, Electric Utility System Rev., B , NATL, 5%, 6/01/2042	200,000	214,942
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), 5.375%, 5/15/2027	315,000	317,781
Lenexa, KS, Health Care Facilities Rev. (Lakeview Village, Inc.), 7.125%, 5/15/2029	345,000	376,167
Overland Park, KS, Special Assessment (Tallgrass Creek), 5.125%, 9/01/2028	592,000	594,072
Wichita, KS, Health Care Facilities Rev. (Kansas Masonic Home), II-A , 5%, 12/01/2031	65,000	66,006
Wichita, KS, Health Care Facilities Rev. (Kansas Masonic Home), II-A , 5.25%, 12/01/2036	40,000	40,900
Wichita, KS, Health Care Facilities Rev. (Kansas Masonic Home), II-A , 5.375%, 12/01/2046	155,000	157,637

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Kansas - continued</b>		
Wichita, KS, Health Care Facilities Rev. (Presbyterian Manors, Inc.), A , 6.375%, 5/15/2043	\$ 465,000	\$ 513,490
Wyandotte County/Kansas City, KS, Unified Government Utility System Improvement Rev., A , 5%, 9/01/2044	360,000	415,897
		\$ 3,128,108
<b>Kentucky - 1.9%</b>		
Glasgow, KY, Healthcare Rev. (TJ Samson Community Hospital), 6.375%, 2/01/2035	\$ 570,000	\$ 650,746
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.375%, 11/15/2042	430,000	444,070
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.5%, 11/15/2045	200,000	207,578
Kentucky Economic Development Finance Authority Health Facilities Rev. (Baptist Life Communities Project), A , 6.25%, 11/15/2046	555,000	563,159
Kentucky Economic Development Finance Authority Health Facilities Rev. (Baptist Life Communities Project), A , 6.375%, 11/15/2051	535,000	543,421
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II, Inc. - The Meadow Project and Grove Pointe Project), A , 5%, 5/15/2036	235,000	245,787
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II, Inc. - The Meadow Project and Grove Pointe Project), A , 5%, 5/15/2046	650,000	673,426
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II, Inc. - The Meadow Project and Grove Pointe Project), A , 5%, 5/15/2051	165,000	170,044
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II, Inc. - The Miralea Project), 7.25%, 5/15/2041	250,000	314,195
Kentucky Economic Development Finance Authority Rev. (Masonic Home Independent Living II, Inc. - The Miralea Project), 7.375%, 5/15/2046	255,000	321,876
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A , 6.375%, 6/01/2040	1,095,000	1,235,532
Owen County, KY, Waterworks System Rev. (American Water Co. Project), A , 6.25%, 6/01/2039	400,000	441,060
		\$ 5,810,894
<b>Louisiana - 3.3%</b>		
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 7/01/2031	\$ 595,000	\$ 654,363
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.375%, 7/01/2041	375,000	407,723

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Louisiana - continued</b>		
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (CDF Healthcare), A , 5.625%, 6/01/2045	\$ 830,000	\$ 861,988
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (St. James Place of Baton Rouge Project), A , 6%, 11/15/2035	170,000	182,621
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (St. James Place of Baton Rouge Project), A , 6.25%, 11/15/2045	650,000	704,067
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westlake Chemical), 6.75%, 11/01/2032	1,000,000	1,050,530
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westlake Chemical), A , 6.5%, 8/01/2029	610,000	699,975
Louisiana Local Government, Environmental Facilities & Community Development Authority Rev. (Westside Rehab Center Project), A , 6.85%, 10/01/2036	1,100,000	1,123,683
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 12/01/2034	1,115,000	1,204,256
New Orleans, LA, Aviation Board General Airport Rev. (North Terminal Project), B , 5%, 1/01/2040	435,000	489,201
New Orleans, LA, Aviation Board General Airport Rev. (North Terminal Project), B , 5%, 1/01/2045	185,000	207,346
New Orleans, LA, Aviation Board Gulf Opportunity Zone CFC Rev. (Consolidated Rental Car), A , 6.25%, 1/01/2030	455,000	495,486
New Orleans, LA, Sewerage Service Rev., 5%, 6/01/2040	90,000	102,434
New Orleans, LA, Sewerage Service Rev., 5%, 12/01/2040	120,000	136,907
New Orleans, LA, Sewerage Service Rev., 5%, 6/01/2045	325,000	368,596
New Orleans, LA, Sewerage Service Rev., 5%, 12/01/2045	145,000	164,450
St. Charles Parish, LA, Gulf Zone Opportunity Zone Rev. (Valero Energy Corp.), 4%, 12/01/2040 (Put Date 6/01/2022)	1,165,000	1,272,227
		\$ 10,125,853
<b>Maine - 0.2%</b>		
Maine Finance Authority Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 6.25%, 1/01/2025 (Put Date 2/01/2017)	\$ 705,000	\$ 706,904
<b>Maryland - 0.6%</b>		
Anne Arundel County, MD, Special Obligation (National Business Park-North Project), 6.1%, 7/01/2040	\$ 265,000	\$ 277,415
Baltimore, MD, Special Obligation (East Baltimore Research Park Project), A , 7%, 9/01/2038	715,000	750,857
Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B , 5.375%, 6/01/2025	195,000	215,366



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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Maryland - continued		
Maryland Health & Higher Educational Facilities Authority Rev. (Charlestown Community), 6.25%, 1/01/2041	\$ 475,000	\$ 548,511
		\$ 1,792,149
Massachusetts - 4.3%		
Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 7/01/2036	\$ 460,000	\$ 533,402
Massachusetts Development Finance Agency Rev. (Adventcare), A, 6.75%, 10/15/2037	1,270,000	1,300,772
Massachusetts Development Finance Agency Rev. (Emmanuel College), A, 5%, 10/01/2043	310,000	349,779
Massachusetts Development Finance Agency Rev. (Emmanuel College), A, 5%, 10/01/2034	375,000	428,876
Massachusetts Development Finance Agency Rev. (Emmanuel College), A, 5%, 10/01/2035	200,000	228,188
Massachusetts Development Finance Agency Rev. (Emmanuel College), A, 5%, 10/01/2036	240,000	272,306
Massachusetts Development Finance Agency Rev. (Evergreen Center, Inc.), 5.5%, 1/01/2035	620,000	620,688
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 11/15/2031	239,410	250,301
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 11/15/2039	59,939	62,414
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-2, 5.5%, 11/15/2046	15,996	14,996
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), Capital Appreciation, B, 0%, 11/15/2056	79,566	439
Massachusetts Development Finance Agency Rev. (North Hill Communities), A, 6.25%, 11/15/2033	175,000	189,957
Massachusetts Development Finance Agency Rev. (North Hill Communities), A, 6.5%, 11/15/2043	275,000	299,082
Massachusetts Development Finance Agency Rev. (Simmons College), H, SYNCORA, 5.25%, 10/01/2033	110,000	133,627
Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), A, 4.875%, 11/01/2027	915,000	922,640
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 12/01/2042 (Prerefunded 5/01/2019)	165,000	184,218
Massachusetts Educational Financing Authority, Education Loan Rev., A, 4.25%, 1/01/2030	280,000	298,690
Massachusetts Educational Financing Authority, Education Loan Rev., A, 4.25%, 1/01/2031	190,000	201,009
Massachusetts Educational Financing Authority, Education Loan Rev., H, ASSD GTY, 6.35%, 1/01/2030	385,000	403,380

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Massachusetts - continued</b>		
Massachusetts Health & Educational Facilities Authority Rev. (Massachusetts Institute of Technology), A, 5%, 7/01/2038 (Prerefunded 7/01/2017)	\$ 4,000,000	\$ 4,114,960
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 6.25%, 7/01/2030	1,370,000	1,533,907
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 5.75%, 7/01/2039 (Prerefunded 7/01/2019)	885,000	970,013
Massachusetts Port Authority Rev., A, 5%, 7/01/2037	65,000	73,241
Massachusetts Port Authority Special Facilities Rev. (ConRAC Project), A, 5.125%, 7/01/2041	65,000	72,197
		\$ 13,459,082
<b>Michigan - 4.0%</b>		
Detroit, MI, Sewage Disposal System Rev., B, NATL, 5.5%, 7/01/2022	\$ 1,845,000	\$ 2,208,428
Detroit, MI, Water & Sewerage Department, Senior Lien Sewage Disposal System Rev., A, 5.25%, 7/01/2039	1,120,000	1,250,995
Detroit, MI, Water Supply System Rev., Senior Lien, A, 5%, 7/01/2036	55,000	59,705
Detroit, MI, Water Supply System Rev., Senior Lien, A, AGM, 5%, 7/01/2023	185,000	185,285
Detroit, MI, Water Supply System Rev., Senior Lien, A, AGM, 5%, 7/01/2025	25,000	25,039
Detroit, MI, Water Supply System Rev., Senior Lien, C, 5%, 7/01/2041	75,000	81,518
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F, 3.875%, 10/01/2023	90,000	97,772
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F, 4%, 10/01/2024	110,000	119,516
Michigan Finance Authority Hospital Rev. (Beaumont Health Credit Group), A, 5%, 8/01/2033	320,000	370,176
Michigan Finance Authority Hospital Rev. (Henry Ford Health System), 5%, 11/15/2041	740,000	835,941
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2033	120,000	136,231
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2034	270,000	305,427
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2035	180,000	203,038

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Michigan - continued</b>		
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), D-2, 5%, 7/01/2034	\$ 115,000	\$ 130,089
Michigan Hospital Finance Authority Rev. (Henry Ford Health System), 5.75%, 11/15/2039	2,000,000	2,279,440
Michigan Strategic Fund Ltd. (Canterbury Health Care, Inc.), 5%, 7/01/2046	150,000	145,038
Michigan Strategic Fund Ltd. (Canterbury Health Care, Inc.), 5%, 7/01/2051	100,000	95,668
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 9/01/2039 (Prerefunded 9/01/2018)	1,595,000	1,808,698
Waterford Township, MI, Economic Development Corp. (Canterbury Health Care, Inc.), A, 5%, 7/01/2046	190,000	183,937
Waterford Township, MI, Economic Development Corp. (Canterbury Health Care, Inc.), A, 5%, 7/01/2051	190,000	182,001
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B, 5%, 12/01/2044	65,000	73,968
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B, BAM, 5%, 12/01/2039	75,000	86,684
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/2039	55,000	61,420
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/2044	160,000	178,195
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), D, AGM, 5%, 12/01/2040	1,160,000	1,347,247
		\$ 12,451,456
<b>Minnesota - 0.3%</b>		
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4%, 8/01/2036	\$ 40,000	\$ 39,354
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4%, 8/01/2041	40,000	38,954
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4.25%, 8/01/2046	40,000	40,061
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.25%, 7/01/2030	45,000	46,130
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.5%, 7/01/2035	60,000	61,575
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.5%, 7/01/2040	70,000	71,298
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.75%, 7/01/2046	125,000	128,518
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A, 6.375%, 9/01/2031	120,000	135,553

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Minnesota - continued</b>		
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A , 6.625%, 9/01/2042	\$ 240,000	\$ 298,272
		\$ 859,715
<b>Mississippi - 1.4%</b>		
Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 4/01/2022	\$ 2,000,000	\$ 2,443,860
Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 11/01/2037 (d)(q)	1,065,000	807,984
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/2022	275,000	319,107
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/2023	710,000	834,477
		\$ 4,405,428
<b>Missouri - 0.6%</b>		
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Service Projects), A , 5%, 2/01/2035	\$ 665,000	\$ 728,793
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2036	65,000	73,633
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2044	170,000	184,720
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2046	145,000	162,174
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5%, 8/15/2030	80,000	84,339
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5%, 8/15/2035	55,000	56,922
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5.125%, 8/15/2045	140,000	144,193
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), B-2 , 3.85%, 8/15/2020	25,000	25,002
St. Louis, MO, Industrial Development Authority Rev. (St. Andrew s Resources for Seniors Obligated Group), A , 5.125%, 12/01/2045	400,000	415,884
		\$ 1,875,660
<b>National - 0.7%</b>		
Charter Mac Equity Issuer Trust, FHLMC, 6%, 10/31/2052 (n)	\$ 2,000,000	\$ 2,194,620
<b>Nevada - 0.2%</b>		
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A , 5%, 12/15/2035	\$ 265,000	\$ 272,017

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Nevada - continued</b>		
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A, 5.125%, 12/15/2045	\$ 205,000	\$ 209,941
		\$ 481,958
<b>New Hampshire - 0.4%</b>		
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A, 6%, 10/01/2027	\$ 1,110,000	\$ 1,267,065
New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc. Project), 4%, 4/01/2029 (Put Date 10/01/2019)	130,000	127,110
		\$ 1,394,175
<b>New Jersey - 6.7%</b>		
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2027	\$ 25,000	\$ 29,723
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2028	75,000	88,315
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2029	85,000	99,362
New Jersey Economic Development Authority Rev. (Kapkowski Road Landfill Project), 6.5%, 4/01/2031	1,840,000	2,201,505
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.125%, 1/01/2039	175,000	186,534
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5%, 1/01/2034	80,000	85,194
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.25%, 1/01/2044	465,000	497,889
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2030	140,000	158,840
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2035	180,000	200,923
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2048	60,000	66,342
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.5%, 1/01/2027	70,000	81,945
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5%, 1/01/2028	70,000	79,545
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.375%, 1/01/2043	420,000	477,208
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), AGM, 5%, 1/01/2031	210,000	239,072
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 9/15/2019	765,000	806,218

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>New Jersey - continued</b>		
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 9/15/2029	\$ 910,000	\$ 1,011,774
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.125%, 9/15/2023	910,000	1,012,439
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), A, 5.625%, 11/15/2030	250,000	286,350
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 5%, 7/01/2034	70,000	81,926
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 5%, 7/01/2035	85,000	99,170
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 4%, 7/01/2036	120,000	125,987
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, 7.5%, 12/01/2032 (Prerefunded 6/01/2019)	1,065,000	1,238,563
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, ETM, 6%, 12/01/2017	590,000	609,022
New Jersey Health Care Facilities, Financing Authority Rev. (University Hospital), A, AGM, 5%, 7/01/2046	780,000	882,976
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.5%, 6/01/2023	4,950,000	5,019,201
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.75%, 6/01/2034	3,025,000	2,897,496
New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 6/01/2041	2,190,000	2,048,855
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-C, 0%, 6/01/2041	75,000	19,410
Newark, NJ, Housing Authority, Secured Police Facility Rev. (South Ward Police Facility), AGM, 5%, 12/01/2038	185,000	209,241
		\$ 20,841,025
<b>New Mexico - 0.8%</b>		
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D, 5.9%, 6/01/2040	\$ 1,840,000	\$ 2,075,354
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A, 5.25%, 8/15/2026	440,000	443,894
		\$ 2,519,248
<b>New York - 7.2%</b>		
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 7/15/2030	\$ 230,000	\$ 265,464
Build NYC Resource Corp. Rev. (Albert Einstein School of Medicine, Inc.), 5.5%, 9/01/2045	880,000	1,033,076

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>New York - continued</b>		
Build NYC Resource Corp. Rev. (International Leadership Charter School Project), 6%, 7/01/2043	\$ 365,000	\$ 346,849
Build NYC Resource Corp. Solid Waste Disposal Rev. (Pratt Paper, Inc. Project), 5%, 1/01/2035	430,000	482,920
Build NYC Resource Corp., New York Rev. (International Leadership Charter High School Project), A , 6.25%, 7/01/2046	140,000	135,586
Chautauqua County, NY, Capital Resource Corp. Rev. (Women s Christian Assn.), A , 8%, 11/15/2030	1,060,000	1,062,862
Glen Cove, NY, Local Economic Assistance Corp. (Garvies Point Public Improvement Project), B , 0%, 1/01/2045	660,000	124,595
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5%, 2/15/2047	710,000	718,477
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2/15/2047	620,000	724,402
New York Dormitory Authority, State Personal Income Tax Rev., C , 5%, 3/15/2034	1,670,000	1,925,777
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 6/15/2041	1,345,000	1,555,869
New York Environmental Facilities, C , 5%, 5/15/2041	1,860,000	2,151,276
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 2 , 5.375%, 11/15/2040	845,000	976,102
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 3 , 7.25%, 11/15/2044	530,000	684,739
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 7/15/2049	1,065,000	1,189,573
New York Transportation Development Corp., Special Facility Rev. (American Airlines, Inc. John F. Kennedy International Airport Project), 5%, 8/01/2026	880,000	961,576
New York Transportation Development Corp., Special Facility Rev. (American Airlines, Inc. John F. Kennedy International Airport Project), 5%, 8/01/2031	545,000	581,766
New York, NY, City Housing Development Corp., Multifamily Housing Rev. (8 Spruce Street), F , 4.5%, 2/15/2048	514,262	541,040
New York, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 7/01/2017	140,000	140,095
Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Covanta Energy Project), A , 5.25%, 11/01/2042	1,825,000	1,853,142
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/2025	65,000	71,842
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5.125%, 7/01/2031	70,000	77,598
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/2042	495,000	595,792
Port Authority of NY & NJ, (170th Series), 5%, 12/01/2019	260,000	289,453
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/2036	485,000	563,342

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>New York - continued</b>		
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/2042	\$ 550,000	\$ 637,131
Seneca Nation of Indians, NY, Capital Improvements Authority, Special Obligation, 5%, 12/01/2023 (n)	775,000	786,989
Tobacco Settlement Asset Securitization Corp., NY, 1, 5%, 6/01/2026	595,000	593,899
Ulster County, NY, Industrial Development Agency (Woodland Pond), A, 6%, 9/15/2037	1,330,000	1,345,774
		\$ 22,417,006
<b>North Carolina - 0.3%</b>		
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Church Homes and Services), A, 5%, 9/01/2037	\$ 65,000	\$ 69,466
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Methodist Retirement Homes), A, 5%, 10/01/2030	40,000	47,080
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Methodist Retirement Homes), A, 5%, 10/01/2031	15,000	17,571
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2025	130,000	149,110
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2030	165,000	183,064
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2035	100,000	109,567
University of North Carolina, Greensboro, Rev., 5%, 4/01/2039	195,000	223,829
		\$ 799,687
<b>Ohio - 6.7%</b>		
American Municipal Power, Inc. (Prairie State Energy Campus Project), A, 5%, 2/15/2042	\$ 560,000	\$ 639,111
Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 6/01/2031	350,000	379,239
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.125%, 6/01/2024	2,570,000	2,428,624
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.375%, 6/01/2024	1,365,000	1,344,593
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.875%, 6/01/2030	1,935,000	1,825,363
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 6%, 6/01/2042	1,580,000	1,506,198
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.875%, 6/01/2047	1,495,000	1,405,345



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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Ohio - continued</b>		
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 6.5%, 6/01/2047	\$ 4,400,000	\$ 4,327,972
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 11/01/2040	260,000	300,989
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Flats East Development Project), 7%, 5/15/2040	235,000	264,246
Columbus, OH, Franklin County Finance Authority Development Rev., 6%, 5/15/2035	700,000	715,386
Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 5/15/2024	1,130,000	1,130,373
Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A, 8%, 7/01/2042	1,485,000	1,746,999
Riversouth, OH, Authority Rev. (Lazarus Building), A, 5.75%, 12/01/2027	1,125,000	1,166,805
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/2029	90,000	100,096
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.75%, 12/01/2032	595,000	673,016
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/2035	210,000	223,629
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/2043	235,000	248,426
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/2043	290,000	324,455
Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 5/15/2040	85,000	94,364
		\$ 20,845,229
<b>Oklahoma - 1.6%</b>		
Fort Sill Apache Tribe, OK, Economic Development Authority, Gaming Enterprise., A, 8.5%, 8/25/2026 (n)	\$ 520,000	\$ 617,963
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/2036	1,395,000	1,395,181
Norman, OK, Regional Hospital Authority Rev., 5%, 9/01/2027	300,000	302,382
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/2029	175,000	175,023
Oklahoma Development Finance Authority Continuing Care Retirement Community Rev. (Inverness Village), 5.75%, 1/01/2037	595,000	632,318
Oklahoma Development Finance Authority, First Mortgage Rev. (Sommerset Project), 5%, 7/01/2042	200,000	214,364

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Oklahoma - continued</b>		
Tulsa, OK, Airport Improvement Trust Rev., A, 5%, 6/01/2045	\$ 105,000	\$ 116,589
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 6/01/2035	345,000	389,226
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 12/01/2035	920,000	1,033,712
		\$ 4,876,758
<b>Oregon - 0.4%</b>		
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 4.5%, 5/01/2029	\$ 150,000	\$ 163,662
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2030	30,000	35,036
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2036	170,000	193,973
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2040	190,000	210,150
Oregon Facilities Authority Rev. (College Housing Northwest Project), 5%, 10/01/2036	100,000	111,145
Oregon Facilities Authority Rev. (College Housing Northwest Project), 5%, 10/01/2048	295,000	323,757
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2031	40,000	43,754
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2036	40,000	43,153
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2046	105,000	113,376
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2051	100,000	107,728
		\$ 1,345,734
<b>Pennsylvania - 6.5%</b>		
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/2035	\$ 160,000	\$ 171,747
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/2042	685,000	730,354
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/2027	170,000	170,459
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/2037	225,000	225,464
Chartiers Valley, PA, Industrial & Commercial Development Authority (Asbury Health Center Project), 5.75%, 12/01/2022	150,000	150,314
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A, 5.25%, 12/01/2045	200,000	206,346

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Pennsylvania - continued</b>		
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A , 5%, 12/01/2030	\$ 90,000	\$ 94,617
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A , 5%, 12/01/2035	90,000	92,605
Clairton, PA, Municipal Authority Sewer Rev., B , 5%, 12/01/2037	265,000	295,199
Clarion County, PA, Industrial Development Authority, Student Housing Rev. (Clarion University Foundation, Inc.), 5%, 7/01/2034	65,000	70,864
Commonwealth of Pennsylvania, State Public School Building Authority Lease Rev. (School District of Philadelphia Project), 5%, 4/01/2028	250,000	272,340
Cumberland County, PA, Municipal Authority Rev. (Asbury Atlantic, Inc.), 5.25%, 1/01/2041	740,000	782,395
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/2029 (Prerefunded 1/01/2019)	1,225,000	1,358,648
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/2029	135,000	148,258
Delaware Valley, PA, Regional Finance Authority, 5.75%, 7/01/2017	650,000	670,677
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/2039	65,000	70,547
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/2046	40,000	43,220
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/2030	45,000	50,292
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/2035	60,000	65,875
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), A , 5%, 12/01/2043	2,195,000	2,488,186
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B , 0%, 12/01/2037	1,850,000	877,344
Luzerne County, PA, A , AGM, 5%, 11/15/2029	355,000	405,896
Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 4/01/2036	1,200,000	1,229,472
Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 11/15/2028	565,000	637,405
Montgomery County, PA, Industrial Development Authority Rev. (Albert Einstein Healthcare Network Issue), A , 5.25%, 1/15/2036	1,185,000	1,317,447
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care Retirement Community Project), 5.375%, 1/01/2050	1,110,000	1,146,186

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Pennsylvania - continued</b>		
Northeastern PA, Hospital & Education Authority Rev. (Wilkes University Project), A, 5%, 3/01/2037	\$ 80,000	\$ 90,228
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 6/30/2026	85,000	101,176
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/2030	200,000	230,620
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/2034	1,475,000	1,657,635
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 1/01/2032	645,000	702,444
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 7/01/2030	155,000	180,256
Pennsylvania Higher Educational Facilities Authority Rev. (Saint Francis University Project), JJ2, 6.25%, 11/01/2041	295,000	333,940
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.5%, 6/15/2033	445,000	469,849
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.75%, 6/15/2043	755,000	800,021
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 6.875%, 6/15/2033	155,000	175,088
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 7.375%, 6/15/2043	270,000	312,085
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 6.75%, 6/15/2033	100,000	114,075
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 7%, 6/15/2043	290,000	334,329
Philadelphia, PA, Municipal Authority Rev., 6.5%, 4/01/2034	260,000	287,659
Scranton-Lackawanna, PA, Health and Welfare Authority, University Rev. (Marywood University Project), 5%, 6/01/2046	315,000	332,212
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/2030	60,000	67,631
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/2035	100,000	110,261
		\$ 20,071,666
<b>Puerto Rico - 6.3%</b>		
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5%, 7/01/2028	\$ 95,000	\$ 97,654
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5.125%, 7/01/2047	420,000	431,017

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., BB , AMBAC, 5.25%, 7/01/2018	\$ 160,000	\$ 167,133
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.5%, 7/01/2029	15,000	17,610
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2032	125,000	145,438
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2033	330,000	385,536
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2036	330,000	389,265
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., D , AGM, 5%, 7/01/2032	745,000	752,979
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., J , NATL, 5%, 7/01/2029	75,000	75,059
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L , AMBAC, 5.25%, 7/01/2038	1,560,000	1,661,213
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L , NATL, 5.25%, 7/01/2035	295,000	320,925
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , AMBAC, 5.25%, 7/01/2030	160,000	168,856
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , AMBAC, 5.25%, 7/01/2031	360,000	380,164
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , ASSD GTY, 5.25%, 7/01/2034	350,000	410,393
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , ASSD GTY, 5.25%, 7/01/2036	875,000	1,032,141
Commonwealth of Puerto Rico, A , AGM, 5.375%, 7/01/2025	95,000	103,684
Commonwealth of Puerto Rico, A , NATL, 5.5%, 7/01/2020	460,000	502,725
Commonwealth of Puerto Rico, A , NATL, 5.5%, 7/01/2021	110,000	121,812
Commonwealth of Puerto Rico, Public Improvement, A , AGM, 5%, 7/01/2035	755,000	811,074
Commonwealth of Puerto Rico, Public Improvement, A-4 , AGM, 5.25%, 7/01/2030	160,000	171,003
Commonwealth of Puerto Rico, Public Improvement, C , AGM, 5.25%, 7/01/2027	60,000	60,116
Commonwealth of Puerto Rico, Public Improvement, C-7 , NATL, 6%, 7/01/2027	460,000	478,359
Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Rev., A , AMBAC, 5%, 7/01/2031	760,000	761,778
Puerto Rico Electric Power Authority Rev., LL , NATL, 5.5%, 7/01/2017	25,000	25,607
Puerto Rico Electric Power Authority Rev., MM , NATL, 5%, 7/01/2020	10,000	10,763

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Puerto Rico Electric Power Authority Rev., NN , NATL, 5.25%, 7/01/2022	\$ 280,000	\$ 309,596
Puerto Rico Electric Power Authority Rev., NN , NATL, 4.75%, 7/01/2033	45,000	45,027
Puerto Rico Electric Power Authority Rev., PP , NATL, 5%, 7/01/2024	30,000	30,043
Puerto Rico Electric Power Authority Rev., SS , NATL, 5%, 7/01/2019	1,340,000	1,356,978
Puerto Rico Electric Power Authority Rev., TT , NATL, 5%, 7/01/2026	10,000	10,097
Puerto Rico Electric Power Authority Rev., UU , AGM, 5%, 7/01/2022	75,000	76,137
Puerto Rico Electric Power Authority Rev., UU , NATL, 4.5%, 7/01/2018	25,000	25,917
Puerto Rico Electric Power Authority Rev., UU , NATL, 5%, 7/01/2019	140,000	148,301
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2025	55,000	58,970
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2030	440,000	479,785
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2032	60,000	65,697
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 6/01/2026	820,000	778,524
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Educational Facilities Rev. (University Plaza Project), NATL, 5%, 7/01/2033	560,000	563,410
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2017	90,000	90,029
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2018	60,000	59,989
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 4%, 4/01/2020	30,000	28,876
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 3/01/2021	15,000	14,855
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2021	100,000	98,828

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 12/01/2021	\$ 85,000	\$ 85,001
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2022	120,000	117,766
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2027	225,000	210,060
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.5%, 12/01/2031	130,000	123,107
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.125%, 4/01/2032	140,000	126,476
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 3/01/2036	130,000	113,217
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 4/01/2042	110,000	98,458
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (University of Sacred Heart), 4.375%, 10/01/2031	70,000	49,513
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (University of Sacred Heart), 5%, 10/01/2042	35,000	24,487
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2018	80,000	83,891
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2023	415,000	438,966
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2027	975,000	1,044,342
Puerto Rico Municipal Finance Agency, A, AGM, 5%, 8/01/2027	40,000	41,608
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/2027	190,000	197,583
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/2028	65,000	67,434
Puerto Rico Public Buildings Authority Rev., M-2, AMBAC, 5.5%, 7/01/2035 (Put Date 7/01/2017)	780,000	793,580
Puerto Rico Public Buildings Authority Rev., Guaranteed (Government Facilities), I, ASSD GTY, 5%, 7/01/2036	85,000	85,094
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, 5%, 8/01/2040	1,210,000	871,176

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Puerto Rico - continued</b>		
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, AMBAC, 0%, 8/01/2054	\$ 1,340,000	\$ 146,502
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2042	850,000	202,462
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2045	230,000	46,350
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2046	4,685,000	890,384
University of Puerto Rico Rev., P, NATL, 5%, 6/01/2025	70,000	70,076
		\$ 19,650,896
<b>Rhode Island - 0.1%</b>		
Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 5%, 5/15/2039	\$ 145,000	\$ 164,015
<b>South Carolina - 1.4%</b>		
Lancaster County, SC, Assessment Rev. (Sun City Carolina Lakes), 5.45%, 12/01/2037	\$ 85,000	\$ 85,096
North Charleston, SC, Housing Authority Rev. (Horizon Village), A, GNMA, 5.15%, 2/20/2048	445,000	445,449
Richland County, SC, Environmental Improvement Rev. (International Paper), A, 3.875%, 4/01/2023	905,000	973,608
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 11/15/2032	372,169	384,387
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 11/15/2047	193,098	196,159
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 11/15/2047	143,268	15,860
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 11/15/2047	136,247	15,083
South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Lutheran Homes of South Carolina, Inc.), 5.125%, 5/01/2048	105,000	108,014
South Carolina Public Service Authority Rev., A, 5.125%, 12/01/2043	525,000	609,194
South Carolina Public Service Authority Rev., B, 5.125%, 12/01/2043	1,300,000	1,508,481
		\$ 4,341,331
<b>South Dakota - 0.2%</b>		
South Dakota Health & Educational Facilities Authority Rev. (Sanford Obligated Group), B, 5%, 11/01/2034	\$ 420,000	\$ 479,993



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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Tennessee - 6.5%</b>		
Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A, 5.25%, 1/01/2045	\$ 1,710,000	\$ 1,905,710
Hardeman County, TN, Correctional Facilities Rev., 7.75%, 8/01/2017	270,000	269,981
Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), 6%, 7/01/2038	365,000	409,070
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Mehary Medical College), AMBAC, 6%, 12/01/2016	195,000	195,466
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Vanderbilt University Medical Center), A, 5%, 7/01/2035	395,000	463,382
Rutherford County, TN, Health & Educational Facilities Board Rev. (Ascension Health), 5%, 11/15/2040 (u)	12,500,000	13,891,375
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2022	510,000	599,592
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2023	80,000	95,680
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2024	560,000	671,121
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2026	905,000	1,109,240
Tennessee Energy Acquisition Corp., Gas Rev., C, 5%, 2/01/2025	450,000	528,980
		\$ 20,139,597
<b>Texas - 10.5%</b>		
Arlington, TX, Higher Education Finance Corp. Education Rev. (Newman International Academy), A, 5.375%, 8/15/2036	\$ 90,000	\$ 90,264
Arlington, TX, Higher Education Finance Corp. Education Rev. (Newman International Academy), A, 5.5%, 8/15/2046	385,000	383,914
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2017	215,000	216,292
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2020	170,000	170,768
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2024	330,000	331,627
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5%, 1/01/2034	290,000	291,076
Bell County, TX, Health Facility Development Corp. (Advanced Living Technologies, Inc.), 8%, 12/15/2036 (a)(d)	3,400,000	34
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), A, 5.95%, 5/15/2033	2,000,000	2,159,060
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 5/15/2033	75,000	77,612
Cass County, TX, Industrial Development Corp. (International Paper Co.), A, 4.625%, 3/01/2027	2,150,000	2,157,267

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Texas - continued		
Central Texas Regional Mobility Authority Senior Lien Rev., A, 5%, 1/01/2045	\$ 175,000	\$ 196,697
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/2033	170,000	203,414
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 8/15/2041	130,000	145,339
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5%, 8/15/2042	915,000	1,012,054
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/2043	275,000	329,051
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.125%, 12/01/2040	570,000	644,277
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.25%, 12/01/2045	350,000	396,564
Dallas and Fort Worth, TX, International Airport Rev., B, 5%, 11/01/2044	720,000	828,367
Dallas and Fort Worth, TX, International Airport Rev., C, 5%, 11/01/2045	1,515,000	1,720,707
Decatur Hospital Authority Rev. (Wise Regional Health System), A, 5.25%, 9/01/2044	245,000	261,535
Gregg County, TX, Health Facilities Development Corp. Hospital Rev., (Good Shepherd Obligated Group), A, FRN, 4.269%, 10/01/2029 (Put Date 3/01/2017)	710,000	711,122
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 4.875%, 5/01/2025	405,000	426,153
Gulf Coast, TX, Industrial Development Authority Rev. (Microgy Holdings Project), 7%, 12/01/2036 (a)(d)	224,775	1,124
Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D, 5.625%, 11/15/2032	510,000	558,195
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7.25%, 12/01/2035 (Prerefunded 12/01/2018)	610,000	689,672
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2031	205,000	235,988
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2032	30,000	34,373
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2033	75,000	85,643
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, 0%, 11/15/2038	1,205,000	464,238
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/2041	125,000	44,324
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/2046	315,000	86,505

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Texas - continued		
Houston, TX, Airport System Rev., B, 5%, 7/01/2026	\$ 265,000	\$ 306,067
Houston, TX, Airport System Rev., Special Facilities Rev. (Continental Airlines, Inc.), 6.625%, 7/15/2038	470,000	540,552
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.5%, 7/01/2020	325,000	349,970
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.75%, 7/01/2024	700,000	789,964
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 5%, 7/01/2029	1,455,000	1,625,977
Houston, TX, Airport System Rev., Subordinate Lien, A, 5%, 7/01/2031	250,000	278,348
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 3/01/2023	90,000	90,096
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A, 6.25%, 8/15/2039 (Prerefunded 8/15/2019)	365,000	416,538
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2/15/2037 (Prerefunded 2/15/2017)	110,000	111,514
Matagorda County, TX, Pollution Control Rev. (Central Power & Light Co.), A, 6.3%, 11/01/2029	525,000	586,955
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (Carillon Lifecare Community Project), 5%, 7/01/2036	105,000	109,516
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (Carillon Lifecare Community Project), 5%, 7/01/2046	165,000	169,019
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5%, 11/15/2026	25,000	25,735
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.375%, 11/15/2036	40,000	40,138
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.5%, 11/15/2046	80,000	80,243
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.5%, 11/15/2052	90,000	89,161
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2031	30,000	34,837
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 4%, 7/01/2036	135,000	140,265
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2046	275,000	307,612

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Texas - continued		
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2051	\$ 275,000	\$ 306,840
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4%, 7/01/2031	65,000	66,570
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4.25%, 7/01/2036	95,000	97,575
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 5%, 7/01/2046	250,000	276,413
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4.75%, 7/01/2051	215,000	226,356
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2031	60,000	67,256
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2036	35,000	38,789
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2046	110,000	120,855
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2030	50,000	55,349
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2035	45,000	48,959
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2047	120,000	129,122
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2031	35,000	38,972
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2036	40,000	43,802
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2048	65,000	70,375
Newark, TX, Higher Education Finance Corp. Authority Rev. (A+ Charter Schools, Inc.), A, 5.5%, 8/15/2035	175,000	182,921
Newark, TX, Higher Education Finance Corp. Authority Rev. (A+ Charter Schools, Inc.), A, 5.75%, 8/15/2045	110,000	116,120

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
North Texas Education Finance Corp., Education Rev. (Uplift Education), A, 5.125%, 12/01/2042	\$ 275,000	\$ 299,954
North Texas Tollway Authority Rev., 6%, 1/01/2038	1,505,000	1,764,206
North Texas Tollway Authority Rev. (Special Projects System), D, 5%, 9/01/2031	1,110,000	1,283,904
Red River, TX, Education Finance Corp., Higher Education Rev. (St. Edwards University Project), 4%, 6/01/2041	80,000	84,432
Red River, TX, Education Finance Corp., Higher Education Rev. (St. Edwards University Project), 5%, 6/01/2046	95,000	108,174
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 7.5%, 11/15/2034	195,000	228,292
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 7.75%, 11/15/2044	360,000	423,457
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 8%, 11/15/2049	265,000	315,464
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 5.125%, 5/15/2027	105,000	107,437
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 6.125%, 11/15/2029	115,000	131,758
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 5.125%, 5/15/2037	100,000	102,321
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 6.375%, 11/15/2044	780,000	899,465
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/2035	105,000	116,511
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/2040	120,000	132,766
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Buckingham Senior Living Community, Inc. Project), 3.875%, 11/15/2020	325,000	327,158
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Stayton at Museum Way), 8.25%, 11/15/2044	1,500,000	1,610,040
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Trinity Terrace Project), A-1, 5%, 10/01/2044	110,000	122,365

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Texas - continued</b>		
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Trinity Terrace Project), A-1, 5%, 10/01/2049	\$ 60,000	\$ 66,484
Texas Gas Acquisition & Supply Corp III., Gas Supply Rev., 5%, 12/15/2031	240,000	268,937
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 7%, 12/31/2038	280,000	346,377
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 6.75%, 6/30/2043	225,000	274,592
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 11/01/2030 (Prerefunded 11/01/2020)	195,000	239,384
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 11/01/2040	370,000	456,018
Travis County, TX, Health Facilities Development Corp. Rev., Unrefunded Balance, (Westminster Manor Health), 7%, 11/01/2030	50,000	58,162
		\$ 32,699,695
<b>Utah - 1.5%</b>		
Salt Lake City, UT, Hospital Authority Rev. (Intermountain Health Care), ETM, FRN, AMBAC, 12.896%, 5/15/2020 (p)	\$ 600,000	\$ 604,686
Utah Charter School Finance Authority, Charter School Rev. (Early Light Academy Project), 8.25%, 7/15/2035	760,000	834,465
Utah Charter School Finance Authority, Charter School Rev. (Hawthorn Academy Project), 8.25%, 7/15/2035 (Prerefunded 7/15/2018)	815,000	916,688
Utah Charter School Finance Authority, Charter School Rev. (Reagan Academy Project), 5%, 2/15/2046	150,000	155,640
Utah Charter School Finance Authority, Charter School Rev. (Reagan Academy Project), 5%, 2/15/2036	100,000	104,917
Utah Charter School Finance Authority, Charter School Rev. (Spectrum Academy), 5%, 4/15/2030	105,000	107,200
Utah Charter School Finance Authority, Charter School Rev. (Spectrum Academy), 6%, 4/15/2045	180,000	189,666
Utah County, UT, Charter School Rev. (Renaissance Academy), A, 5.625%, 7/15/2037	495,000	497,079
Utah County, UT, Charter School Rev. (Ronald Wilson Reagan Academy), A, 6%, 2/15/2038	1,255,000	1,335,558
		\$ 4,745,899

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Vermont - 0.2%		
Burlington, VT, Airport Rev., A, 4%, 7/01/2028	\$ 235,000	\$ 246,033
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/2024	15,000	17,610
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/2030	30,000	34,469
Vermont Economic Development Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 4.75%, 4/01/2036 (Put Date 4/02/2018)	335,000	334,766
		\$ 632,878
Virginia - 1.3%		
Embrey Mill Community Development Authority, VA, Special Assessment Rev., 7.25%, 3/01/2043	\$ 790,000	\$ 855,689
Fairfax County, VA, Industrial Development Authority Health Care Rev. (Inova Health System Project), A, 5%, 5/15/2030	350,000	430,521
Fairfax County, VA, Industrial Development Authority Health Care Rev. (Inova Health System Project), A, 5%, 5/15/2031	100,000	122,335
James City County, VA, Economic Development Authority, Residential Care Facilities Rev. (Virginia United Methodist Homes of Williamsburg), A, 2%, 10/01/2048	196,784	9,190
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5%, 1/01/2046	130,000	134,484
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5.375%, 1/01/2046	315,000	334,196
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 1/01/2037	765,000	890,590
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 1/01/2042	1,225,000	1,374,352
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 3/01/2019 (a)(d)	1,798,697	180
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), A, 6.375%, 3/01/2019 (a)(d)	673,309	67
		\$ 4,151,604
Washington - 2.7%		
King County, WA, Sewer Rev., 5%, 1/01/2040 (Prerefunded 7/01/2020)	\$ 1,865,000	\$ 2,124,944
King County, WA, Sewer Rev., 5%, 1/01/2040	885,000	986,200
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D, 6.375%, 10/01/2036	1,500,000	1,634,340
Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A, 6.25%, 8/15/2042	1,400,000	1,451,016
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 10/01/2034	540,000	593,984

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Washington - continued</b>		
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2036	\$ 140,000	\$ 156,324
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2046	225,000	249,521
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2051	260,000	286,777
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/2045	180,000	192,195
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/2050	165,000	175,034
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-1, 5.5%, 1/01/2024	140,000	140,798
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-2, 4.875%, 1/01/2022	240,000	240,360
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-3, 4.375%, 1/01/2021	240,000	241,788
		\$ 8,473,281
<b>West Virginia - 0.5%</b>		
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/2029	\$ 75,000	\$ 88,471
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/2030	150,000	175,989
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 6/01/2034	235,000	241,975
West Virginia Hospital Finance Authority Hospital Rev. (Thomas Health System), 6.5%, 10/01/2038	905,000	948,521
		\$ 1,454,956
<b>Wisconsin - 2.4%</b>		
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/2026	\$ 320,000	\$ 364,090
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/2028	95,000	107,015
Wisconsin Health & Educational Facilities Authority Rev. (St. John s Community, Inc.), B, 5%, 9/15/2037	35,000	37,744
Wisconsin Health & Educational Facilities Authority Rev. (St. John s Community, Inc.), B, 5%, 9/15/2045	60,000	64,375
Wisconsin Public Finance Authority Education Rev. (North Carolina Charter), A, 5%, 6/15/2036	280,000	279,636



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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Wisconsin - continued</b>		
Wisconsin Public Finance Authority Education Rev. (North Carolina Charter), A, 5%, 6/15/2046	\$ 375,000	\$ 368,843
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 4%, 9/01/2020	80,000	83,999
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2025	65,000	72,665
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2030	105,000	113,388
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2038	150,000	158,856
Wisconsin Public Finance Authority Rev. (Celanese Corp.), B, 5%, 12/01/2025	325,000	373,968
Wisconsin Public Finance Authority Rev. (Roseman University of Health Sciences Project), 5.75%, 4/01/2035	355,000	377,099
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.125%, 11/15/2029	260,000	280,353
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.5%, 11/15/2034	240,000	262,810
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.75%, 11/15/2044	225,000	247,775
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 6%, 11/15/2049	265,000	296,111
Wisconsin Public Finance Authority Student Housing Rev., (Western Carolina University Project), 5.25%, 7/01/2047	345,000	381,894
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/2022	230,000	253,106
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5.25%, 7/01/2028	560,000	618,890
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/2042	2,560,000	2,707,814
		\$ 7,450,431
<b>Total Municipal Bonds (Identified Cost, \$393,474,744)</b>		<b>\$ 422,969,747</b>
<b>Money Market Funds - 0.6%</b>		
MFS Institutional Money Market Portfolio, 0.44% (v) (Identified Cost, \$2,074,963)	2,074,946	\$ 2,074,946
<b>Total Investments (Identified Cost, \$395,549,707)</b>		<b>\$ 425,044,693</b>
<b>Other Assets, Less Liabilities - (0.4)%</b>		
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715 (issued by the fund) - (36.6)%		(113,664,285)
<b>Net assets applicable to common shares - 100.0%</b>		<b>\$ 310,150,110</b>

**Table of Contents**

*Portfolio of Investments continued*

- (a) Non-income producing security.
  - (d) In default.
  - (n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$5,606,527 representing 1.8% of net assets applicable to common shares.
  - (p) Primary inverse floater.
  - (q) Interest received was less than stated coupon rate.
  - (u) Underlying security deposited into special purpose trust ( the trust ) upon creation of self-deposited inverse floaters.
  - (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- The following abbreviations are used in this report and are defined:

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

**Insurers**

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

**Derivative Contracts at 10/31/16**

**Futures Contracts at 10/31/16**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
<b>Asset Derivative</b>					
<i>Interest Rate Futures</i>					
U.S. Treasury Bond 30 yr (Short)	USD	53	\$8,624,094	December - 2016	\$427,532

At October 31, 2016, the fund had cash collateral of \$198,750 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Deposits with brokers on the Statement of Assets and Liabilities.

**See Notes to Financial Statements**

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

At 10/31/16

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

<b>Assets</b>	
Investments	
Non-affiliated issuers, at value (identified cost, \$393,474,744)	\$422,969,747
Underlying affiliated funds, at value (identified cost, \$2,074,963)	2,074,946
Total investments, at value (identified cost, \$395,549,707)	\$425,044,693
Deposits with brokers	198,750
Receivables for	
Investments sold	659,099
Interest	6,857,132
Other assets	6,684
Total assets	\$432,766,358
<b>Liabilities</b>	
Payables for	
Distributions on common shares	\$70,268
Daily variation margin on open futures contracts	28,156
Investments purchased	2,039,341
Interest expense and fees	218,192
Payable to the holders of the floating rate certificates from trust assets	6,420,875
Payable to affiliates	
Investment adviser	33,261
Transfer agent and dividend disbursing costs	1,249
Payable for independent Trustees' compensation	21,858
Accrued expenses and other liabilities	118,763
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715	113,664,285
Total liabilities	\$122,616,248
Net assets applicable to common shares	\$310,150,110
<b>Net assets consist of</b>	
Paid-in capital - common shares	\$297,108,249
Unrealized appreciation (depreciation) on investments	29,922,518
Accumulated net realized gain (loss) on investments	(19,454,887)
Undistributed net investment income	2,574,230
Net assets applicable to common shares	\$310,150,110
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715 (4,550 shares of Series 2019/3 issued and outstanding at \$25,000 per share)	113,664,285
Net assets including preferred shares	\$423,814,395
Common shares of beneficial interest issued and outstanding	41,187,631
Net asset value per common share (net assets of \$310,150,110 / 41,187,631 shares of beneficial interest outstanding)	\$7.53

**See Notes to Financial Statements**

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

Year ended 10/31/16

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

<b>Net investment income</b>	
Income	
Interest	\$22,031,602
Dividends from underlying affiliated funds	10,754
Total investment income	\$22,042,356
Expenses	
Management fee	\$3,014,676
Transfer agent and dividend disbursing costs	45,505
Administrative services fee	75,631
Independent Trustees' compensation	44,118
ARPS service fee	3,501
Custodian fee	31,060
Shareholder communications	44,025
Audit and tax fees	78,150
Legal fees	19,369
ARPS redemption costs	17,728
Amortization of VMTPS offering costs	78,325
Interest expense and fees	1,732,166
Stock exchange fee	40,106
Miscellaneous	100,693
Total expenses	\$5,325,053
Net investment income	\$16,717,303
<b>Realized and unrealized gain (loss) on investments</b>	
Realized gain (loss) (identified cost basis)	
Investments:	
Non-affiliated issuers	\$1,046,107
Futures contracts	(1,131,512)
Net realized gain (loss) on investments	\$(85,405)
Change in unrealized appreciation (depreciation)	
Investments	\$5,986,046
Futures contracts	502,249
Net unrealized gain (loss) on investments	\$6,488,295
Net realized and unrealized gain (loss) on investments	\$6,402,890
Distributions declared to shareholders of ARPS	\$(13,145)
Change in net assets from operations	\$23,107,048

**See Notes to Financial Statements**

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

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

	<b>Years ended 10/31</b>	
	<b>2016</b>	<b>2015</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$16,717,303	\$17,225,841
Net realized gain (loss) on investments	(85,405)	1,985,866
Net unrealized gain (loss) on investments	6,488,295	(2,646,845)
Distributions declared to shareholders of ARPS	(13,145)	(9,570)
Change in net assets from operations	\$23,107,048	\$16,555,292
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(15,692,489)	\$(16,186,741)
Total change in net assets	\$7,414,559	\$368,551
<b>Net assets applicable to common shares</b>		
At beginning of period	302,735,551	302,367,000
At end of period (including undistributed net investment income of \$2,574,230 and \$2,509,958, respectively)	\$310,150,110	\$302,735,551
<b>See Notes to Financial Statements</b>		

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

Year ended 10/31/16

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

<b>Cash flows from operating activities:</b>	
Change in net assets from operations	\$23,107,048
Distributions to shareholders of ARPS	13,145
Change in net assets from operations excluding distributions declared to shareholders of ARPS	\$23,120,193
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(64,900,837)
Proceeds from disposition of investment securities	63,947,894
Proceeds from disposition of short-term investments, net	580,505
Realized gain/loss on investments	(1,046,107)
Unrealized appreciation/depreciation on investments	(5,986,046)
Net amortization/accretion of income	(422,162)
Amortization of VMTPS offering costs	78,325
Decrease in interest receivable	49,710
Increase in accrued expenses and other liabilities	16,074
Decrease in payable for daily variation margin on open futures contracts	(3,313)
Increase in deposits with broker	(18,550)
Decrease in other assets	1
Increase in payable for interest expense and fees	85,355
Net cash provided by operating activities	\$15,501,042
<b>Cash flows from financing activities:</b>	
Payment of VMTPS offering costs	(107,313)
Cash receipts from issuance of Series 2019 VMTPS, at liquidation value	113,750,000
Cash payments to repurchase Series 2016 VMTPS	(106,475,000)
Cash payments to redeem ARPS	(7,275,000)
Cash distributions paid on common shares	(15,701,475)
Cash distributions paid on ARPS	(13,227)
Net cash used by financing activities	\$(15,822,015)
Net decrease in cash	\$(320,973)
<b>Cash:</b>	
Beginning of period	\$320,973
End of period	\$
Supplemental disclosure of cash flow information:	

Cash paid during the year ended October 31, 2016 for interest was \$1,646,811.

**See Notes to Financial Statements**

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

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

<b>Common Shares</b>	<b>Years ended 10/31</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Net asset value, beginning of period	\$7.35	\$7.34	\$6.70	\$7.49	\$6.62
<b>Income (loss) from investment operations</b>					
Net investment income (d)	\$0.41	\$0.42	\$0.41	\$0.43	\$0.47
Net realized and unrealized gain (loss) on investments	0.15	(0.02)	0.64	(0.78)	0.77
Distributions declared to shareholders of ARPS	(0.00)(w)	(0.00)(w)	(0.00)(w)	(0.00)(w)	(0.01)
Total from investment operations	\$0.56	\$0.40	\$1.05	\$(0.35)	\$1.23
<b>Less distributions declared to common shareholders</b>					
From net investment income	\$(0.38)	\$(0.39)	\$(0.41)	\$(0.44)	\$(0.49)
Net increase resulting from tender and repurchase of ARPS	\$	\$	\$	\$	\$0.13
Net asset value, end of period (x)	\$7.53	\$7.35	\$7.34	\$6.70	\$7.49
Market value, end of period	\$6.88	\$6.53	\$6.53	\$6.28	\$7.81
Total return at market value (%) (p)	11.08	6.15	10.74	(14.31)	21.52
Total return at net asset value (%) (j)(r)(s)(x)	8.02	6.30	16.68	(4.67)	20.94(y)
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>					
Expenses before expense reductions (f)(p)	1.71	1.65	1.74	1.73	1.42
Expenses after expense reductions (f)(p)	N/A	N/A	1.73	1.73	1.42
Net investment income (p)	5.38	5.69	5.85	6.02	6.70
Portfolio turnover	14	15	14	22	22
Net assets at end of period (000 omitted)	\$310,150	\$302,736	\$302,367	\$275,950	\$308,011
<b>Supplemental Ratios (%):</b>					
Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p)	1.15	1.17	1.21	1.20	1.25
Ratio of expenses to average net assets applicable to common shares, ARPS, and VMTPS after expense reductions and excluding interest expense and fees (f)(l)(p)	0.84	0.85	0.87	0.87	0.89
Net investment income available to common shares	5.37	5.68	5.85	6.02	6.62

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

	Years ended 10/31				
	2016	2015	2014	2013	2012
<b>Senior Securities:</b>					
ARPS		291	291	291	291
VMTPS	4,550	4,259	4,259	4,259	4,259
Total preferred shares outstanding	4,550	4,550	4,550	4,550	4,550
Asset coverage per preferred share (k)	\$93,146	\$91,535	\$91,454	\$85,648	\$92,695
Involuntary liquidation preference per preferred share (m)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Average market value per preferred share (m)(u)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including liquidation preference of ARPS and VMTPS) from the fund's total assets and dividing this number by the total number of preferred shares outstanding.
- (l) Interest expense and fees relate to payments made to the holders of the floating rate certificates from trust assets and interest expense paid to shareholders of VMTPS. For the year ended October 31, 2012, the expense ratio also excludes fees and expenses related to the tender and repurchase of a portion of the fund's ARPS. For the year ended October 31, 2016, the expense ratio also excludes fees and expenses related to redemption of the fund's ARPS.
- (m) Amount excludes accrued unpaid distributions on ARPS and accrued interest on VMTPS.
- (p) Ratio excludes dividend payments on ARPS.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (u) Average market value represents the approximate fair value of each of the fund's ARPS and VMTPS.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values and total returns at net asset value have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.
- (y) Included in the total return at net asset value for the year ended October 31, 2012 is the impact of the tender and repurchase by the fund of a portion of its ARPS at 95% of the ARPS per share liquidation preference. Had this transaction not occurred, the total return at net asset value for the year ended October 31, 2012 would have been lower by 1.70%.

**See Notes to Financial Statements**



---

**Table of Contents**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Business and Organization**

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

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

**(2) Significant Accounting Policies**

**General** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests primarily in municipal instruments. The value of municipal instruments can be affected by changes in their actual or perceived credit quality. The credit quality of municipal instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer's future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region where the instrument is issued and the liquidity of the security. Municipal instruments generally trade in the over-the-counter market. Municipal instruments backed by current and anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal instrument has not complied with the applicable tax requirements, interest from the security could become taxable, the security could decline in value, and distributions made by the fund could be taxable to shareholders. The fund invests in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions.

In this reporting period, the fund adopted the accounting provisions of FASB Accounting Standards Update 2015-03 (ASU 2015-03), Interest Imputation of Interest (Topic 835-30) – Simplifying the Presentation of Debt Issuance Costs which resulted in a change in accounting principle. Under ASU 2015-03, debt issuance costs are required to be presented as a direct deduction from the carrying amount of the related debt liability. Prior to the fund's adoption of ASU 2015-03, debt issuance costs were deferred and presented as an asset.

## **Table of Contents**

### *Notes to Financial Statements continued*

In October 2016, the Securities and Exchange Commission (SEC) released its Final Rule on Investment Company Reporting Modernization (the Rule ). The Rule which introduces two new regulatory reporting forms for investment companies Form N-PORT and Form N-CEN also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impacts of the Rule, management believes that many of the Regulation S-X amendments are consistent with the fund's current financial statement presentation and expects that the fund will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

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

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

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is

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

principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts. The following is a summary of the levels used as of October 31, 2016 in valuing the fund's assets or liabilities:

<b>Investments at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Municipal Bonds	\$	\$422,969,747	\$	\$422,969,747
Mutual Funds	2,074,946			2,074,946
<b>Total Investments</b>	<b>\$2,074,946</b>	<b>\$422,969,747</b>	<b>\$</b>	<b>\$425,044,693</b>

**Other Financial Instruments**

Futures Contracts	\$427,532	\$	\$	\$427,532
-------------------	-----------	----	----	-----------

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

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

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

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

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2016 as reported in the Statement of Assets and Liabilities:

<b>Risk</b>	<b>Derivative Contracts</b>	<b>Fair Value (a) Asset Derivatives</b>
Interest Rate	Interest Rate Futures	\$427,532

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

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2016 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$(1,131,512)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended October 31, 2016 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$502,249

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

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the clearing broker and the clearing house for cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options). For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such agreement.

**Table of Contents**

*Notes to Financial Statements continued*

and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments. The fund may be required to make payments of interest on uncovered collateral or margin obligations with the broker. Any such payments are included in Miscellaneous expense in the Statement of Operations.

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

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

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

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

---

**Table of Contents**

*Notes to Financial Statements continued*

Liabilities under the caption, Payable to the holders of the floating rate certificates from trust assets. The carrying value of the fund's payable to the holders of the floating rate certificates from trust assets as reported in the fund's Statement of Assets and Liabilities approximates its fair value. The value of the payable to the holders of the floating rate certificates from trust assets as of the reporting date is considered level 2 under the fair value hierarchy disclosure. At October 31, 2016, the fund's payable to the holders of the floating rate certificates from trust assets was \$6,420,875 and the weighted average interest rate on the floating rate certificates issued by the trust was 0.66%. For the year ended October 31, 2016, the average payable to the holders of the floating rate certificates from trust assets was \$6,304,844 at a weighted average interest rate of 0.35%. Interest expense and fees relate to interest payments made to the holders of certain floating rate certificates and associated fees, both of which are made from trust assets. Interest expense and fees are recorded as incurred. For the year ended October 31, 2016, interest expense and fees related to self-deposited inverse floaters amounted to \$54,521 and are included in Interest expense and fees in the Statement of Operations. Primary market inverse floaters held by the fund are not accounted for as secured borrowings.

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

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

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

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

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

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

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

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

Book/tax differences primarily relate to expiration of capital loss carryforwards, amortization and accretion of debt securities, derivative transactions, and non-deductible expenses that result from the treatment of VMTPS as equity for tax purposes.

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

	<b>10/31/16</b>	<b>10/31/15</b>
Ordinary income (including any short-term capital gains)	\$59,274	\$290,190
Tax-exempt income	17,323,635	17,292,596
Total distributions	\$17,382,909	\$17,582,786

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

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

<b>As of 10/31/16</b>	
Cost of investments	\$386,913,564
Gross appreciation	37,306,172
Gross depreciation	(5,595,918)
Net unrealized appreciation (depreciation)	\$31,710,254
Undistributed ordinary income	113,700
Undistributed tax-exempt income	2,926,321
Capital loss carryforwards	(21,242,623)
Other temporary differences	(465,791)

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

As of October 31, 2016, the fund had capital loss carryforwards available to offset future realized gains as follows:

<b>Pre-enactment losses which expire as follows:</b>	
10/31/17	\$(6,820,113)
10/31/18	(7,829,561)
10/31/19	(5,299,510)
Total	\$(19,949,184)
<b>Post-enactment losses which are characterized as follows:</b>	
Short-Term	\$(1,293,439)

**(3) Transactions with Affiliates**

**Investment Adviser** The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.40% of the fund's average weekly net assets (including the value of preferred shares) and 6.32% of gross income. Gross income is calculated based on tax elections that generally include the amortization of premium and exclude the accretion of discount, which may differ from investment income reported in the Statement of Operations. The management fee, from net assets and gross income, incurred for the year ended October 31, 2016 was equivalent to an annual effective rate of 0.71% of the fund's average daily net assets (including the value of preferred shares).

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs and investment-related expenses (including interest expenses and fees



---

**Table of Contents**

*Notes to Financial Statements continued*

associated with investments in inverse floating rate instruments), such that fund operating expenses do not exceed 0.90% annually of the fund's average daily net assets (including the value of preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until October 31, 2017. For the year ended October 31, 2016, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

**Transfer Agent** The fund engages Computershare Trust Company, N.A. ( Computershare ) as the sole transfer agent for the fund's common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended October 31, 2016, these fees paid to MFSC amounted to \$14,069.

**Administrator** MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets (including the value of preferred shares). The administrative services fee incurred for the year ended October 31, 2016 was equivalent to an annual effective rate of 0.0178% of the fund's average daily net assets (including the value of preferred shares).

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

Prior to December 31, 2001, the fund had an unfunded defined benefit plan ( DB plan ) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. The DB plan resulted in a pension expense of \$6,229 and is included in Independent Trustees compensation in the Statement of Operations for the year ended October 31, 2016. The liability for deferred retirement benefits payable to certain independent Trustees under the DB plan amounted to \$17,084 at October 31, 2016, and is included in Payable for independent Trustees compensation in the Statement of Assets and Liabilities.

**Other** This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the year ended October 31, 2016, the fee paid by the fund under this agreement was \$666 and is included in Miscellaneous expense in the Statement

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

of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. This money market fund does not pay a management fee to MFS.

**(4) Portfolio Securities**

For the year ended October 31, 2016, purchases and sales of investments, other than short-term obligations, aggregated \$60,017,426 and \$57,911,521, respectively.

**(5) Shares of Beneficial Interest**

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The fund reserves the right to repurchase shares of beneficial interest of the fund subject to Trustee approval. During the years ended October 31, 2016 and October 31, 2015, the fund did not repurchase any shares. During the years ended October 31, 2016 and October 31, 2015, there were no transactions in fund shares.

**(6) Line of Credit**

The fund and certain other funds managed by MFS participate in a \$1.25 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Overnight Federal Reserve funds rate or daily one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the Overnight Federal Reserve funds rate plus an agreed upon spread. For the year ended October 31, 2016, the fund's commitment fee and interest expense were \$1,684 and \$0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

**(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers**

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

<b>Underlying Affiliated Fund</b>	<b>Beginning Shares/Par Amount</b>	<b>Acquisitions Shares/Par Amount</b>	<b>Dispositions Shares/Par Amount</b>	<b>Ending Shares/Par Amount</b>
MFS Institutional Money Market Portfolio	2,655,468	56,520,446	(57,100,968)	2,074,946
<b>Underlying Affiliated Fund</b>	<b>Realized Gain (Loss)</b>	<b>Capital Gain Distributions</b>	<b>Dividend Income</b>	<b>Ending Value</b>
MFS Institutional Money Market Portfolio	\$	\$	\$10,754	\$2,074,946

---

**Table of Contents***Notes to Financial Statements continued***(8) Preferred Shares**

As of March 23, 2016, the fund had 4,259 shares issued and outstanding of Variable Rate Municipal Term Preferred Shares, series 2016/9 (Series 2016 VMTPS) and 157 shares issued and outstanding of Auction Rate Preferred Shares (ARPS), series T, and 134 shares of ARPS, series TH, each with a liquidation preference of \$25,000 per share. Subsequent to March 23, 2016, all shares of the Series 2016 VMTPS and the ARPS were redeemed using proceeds from the issuance of a new series of Variable Rate Municipal Term Preferred Shares as further described below.

The Series 2016 VMTPS were a variable rate form of preferred shares with a term redemption date of September 30, 2016 unless extended through negotiation with the private holders of the Series 2016 VMTPS. Dividends were set weekly to a fixed spread against the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. During the period November 1, 2015 through March 23, 2016, the Series 2016 VMTPS dividend rates ranged from 1.26% to 1.38%. For the period November 1, 2015 through March 23, 2016, the average dividend rate was 1.27%. Dividends paid to the Series 2016 VMTPS were treated as interest expense and recorded as incurred. For the period November 1, 2015 through March 23, 2016, interest expense related to the Series 2016 VMTPS amounted to \$535,953 and is included in Interest expense and fees in the Statement of Operations.

The ARPS were preferred shares whose dividends were reset every seven days through an auction process. During the time the ARPS were outstanding, if the ARPS were unable to be remarketed on a remarketing date as part of the auction process, the fund was required to pay the maximum applicable rate on the ARPS to holders of such shares for successive dividend periods until such time as the shares were successfully remarketed. The maximum rate on the ARPS rated aa3/AA- or better was equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate. Since February 2008, regularly scheduled auctions for the ARPS have failed. During the period the ARPS were outstanding, the ARPS dividend rates ranged from 0.13% to 0.59% for series T and from 0.13% to 0.53% for series TH. For the period the ARPS were outstanding, the average ARPS dividend rate was 0.38% for both series T and series TH.

The fund paid an annual service fee to broker-dealers with customers who were beneficial owners of the ARPS. The service fee was equivalent to 0.25% of the applicable ARPS liquidation value while the ARPS auctions were successful or to 0.15% or less, varying by broker-dealer, while the auctions were failing.

On March 24, 2016, the fund issued 4,550 shares of a new series of Variable Rate Municipal Term Preferred Shares (Series 2019 VMTPS) in a private offering with an aggregate liquidation preference of \$113,750,000. The fund used a portion of the proceeds from the sale of its Series 2019 VMTPS to fund the redemption on March 24, 2016 of all of its outstanding Series 2016 VMTPS and used the remaining portion of its Series 2019 VMTPS offering proceeds to fund the redemption of all of its outstanding ARPS. The redemption date for the fund's series T and series TH ARPS was April 25, 2016 and April 27, 2016, respectively. The ARPS were redeemed at their respective liquidation preferences of \$25,000 per share plus dividends owed through, but excluding, the applicable redemption dates. Taking into account its Series 2019 VMTPS

---

**Table of Contents**

*Notes to Financial Statements continued*

issuance and the redemption of the outstanding Series 2016 VMTPS and the ARPS, the amount of the fund's assets attributable to preferred shares and related leverage remains unchanged.

The Series 2019 VMTPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends, but generally solely for the purpose of decreasing the leverage of the fund. The Series 2019 VMTPS are subject to a mandatory term redemption date of March 31, 2019 unless extended through negotiation with the private holders of the Series 2019 VMTPS. There is no assurance that the term of the Series 2019 VMTPS will be extended or that the Series 2019 VMTPS will be replaced with any other preferred shares or other form of leverage upon the redemption of the Series 2019 VMTPS. Six months prior to the term redemption date of the Series 2019 VMTPS, the fund is required to begin to segregate liquid assets with the fund's custodian to fund the redemption. Dividends on the Series 2019 VMTPS are cumulative and are set weekly to a fixed spread against the SIFMA Municipal Swap Index. During the period from issuance on March 24, 2016 through October 31, 2016, the Series 2019 VMTPS dividend rates ranged from 1.44% to 2.02%. For the period March 24, 2016 through October 31, 2016, the average dividend rate was 1.65%.

In the fund's Statement of Assets and Liabilities, the Series 2019 VMTPS aggregate liquidation preference is shown as a liability since they have a stated mandatory redemption date. Dividends paid to the Series 2019 VMTPS are treated as interest expense and recorded as incurred. For the period March 24, 2016 through October 31, 2016, interest expense related to the Series 2019 VMTPS amounted to \$1,141,322 and is included in Interest expense and fees in the Statement of Operations. Costs directly related to the issuance of the Series 2019 VMTPS are considered debt issuance costs. Debt issuance costs are presented as a direct deduction from the carrying amount of the related debt liability and are being amortized into interest expense over the life of the Series 2019 VMTPS. The period-end carrying value for the Series 2019 VMTPS in the fund's Statement of Assets and Liabilities is its liquidation value less any unamortized debt issuance costs, which approximates its fair value. Its fair value would be considered level 2 under the fair value hierarchy.

Under the terms of a purchase agreement between the fund and the investor in the Series 2019 VMTPS, the fund is subject to various investment restrictions that are substantially similar to those that were in place with respect to the Series 2016 VMTPS. These investment-related requirements are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies. In addition, the fund is subject to certain restrictions on its investments imposed by guidelines of the rating agencies that rate the Series 2019 VMTPS, which guidelines may be changed by the applicable rating agency, in its sole discretion, from time to time. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the fund by the Investment Company Act of 1940 (the 1940 Act).

The fund is required to maintain certain asset coverage with respect to the Series 2019 VMTPS as defined in the fund's governing documents and the 1940 Act. One of a number of asset coverage-related requirements is that the fund is not permitted to

**Table of Contents**

*Notes to Financial Statements continued*

declare or pay common share dividends unless immediately thereafter the fund has a minimum asset coverage ratio of 200% with respect to the Series 2019 VMTPS after deducting the amount of such common share dividends.

The 1940 Act requires that the preferred shareholders of the fund, voting as a separate class, have the right to elect at least two trustees at all times, and elect a majority of the trustees at any time when dividends on the preferred shares are unpaid for two full years. Unless otherwise required by law or under the terms of the preferred shares, each preferred shareholder is entitled to one vote and preferred shareholders will vote together with common shareholders as a single class.

Leverage involves risks and special considerations for the fund's common shareholders. To the extent that investments are purchased by the fund with proceeds from the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. Changes in the value of the fund's portfolio will be borne entirely by the common shareholders. It is possible that the fund will be required to sell assets at a time when it may be disadvantageous to do so in order to redeem preferred shares to comply with asset coverage or other restrictions including those imposed by the 1940 Act and the rating agencies that rate the preferred shares. There is no assurance that the fund's leveraging strategy will be successful.

**Table of Contents**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Municipal Income Trust (the Fund ) as of October 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2016, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Municipal Income Trust as of October 31, 2016, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

December 15, 2016

**Table of Contents**

**RESULTS OF SHAREHOLDER MEETING**

(unaudited)

At the annual meeting of shareholders of MFS Municipal Income Trust, which was held on October 6, 2016, the following actions were taken:

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

Nominee	Number of Shares	
	For	Withheld Authority
Maureen R. Goldfarb	35,697,672.315	1,045,730.972
Robert J. Manning	35,667,170.315	1,076,232.972
Maryanne L. Roepke	35,664,353.092	1,079,050.195

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

Nominee	Number of Shares	
	For	Withheld Authority
John P. Kavanaugh	4,550	0
Laurie J. Thomsen	4,550	0

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

The Trustees and Officers of the Trust, as of December 1, 2016, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(b)</sup></b>	<b>Term Expiring <sup>(l)</sup></b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(j)</sup></b>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 53)	Trustee	February 2004	2019	Massachusetts Financial Services Company, Chairman, Co-Chief Executive Officer and Director	N/A
Robin A. Stelmach <sup>(k)</sup> (age 55)	Trustee and President	January 2014	2018	Massachusetts Financial Services Company,  Executive Vice President and Chief Operating Officer	N/A
<b>INDEPENDENT TRUSTEES</b>					
David H. Gunning (age 74)	Trustee and Chair of Trustees	January 2004	2018	Private investor	Lincoln Electric Holdings, Inc., Director; Development Alternatives, Inc., Director/Non-Executive Chairman
Steven E. Buller (age 65)	Trustee	February 2014	2017	Chairman, Financial Accounting Standards Advisory Council (until 2015); Standing Advisory Group, Public Company Accounting Oversight Board, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014)	N/A
Robert E. Butler (age 75)	Trustee	January 2006	2018	Consultant investment company industry regulatory and compliance matters	N/A



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

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring <sup>(i)</sup></b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(j)</sup></b>
Maureen R. Goldfarb  (age 61)	Trustee	January 2009	2019	Private investor	N/A
William R. Gutow  (age 75)	Trustee	December 1993	2017	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman (until 2014)	
Michael Hegarty  (age 71)	Trustee	December 2004	2017	Private investor	Rouse Properties Inc., Director; Capmark Financial Group Inc., Director (until 2015)
John P. Kavanaugh  (age 62)	Trustee	January 2009	2017	Private investor	N/A
Maryanne L. Roepke  (age 60)	Trustee	May 2014	2019	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen  (age 59)	Trustee	March 2005	2017	Private investor	The Travelers Companies, Director; Dycom Industries, Inc., Director
Robert W. Uek  (age 75)	Trustee	January 2006	2017	Consultant to investment company industry	N/A
<b>OFFICERS</b>					
Christopher R. Bohane <sup>(k)</sup>  (age 42)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Kino Clark <sup>(k)</sup>  (age 48)	Assistant Treasurer	January 2012	N/A	Massachusetts Financial Services Company,	N/A
Kristin V. Collins <sup>(k)</sup>  (age 43)	Assistant Secretary and Assistant Clerk	September 2015	N/A	Vice President Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A

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

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(b)</sup></b>	<b>Term Expiring <sup>(1)</sup></b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(1)</sup></b>
Thomas H. Connors <sup>(k)</sup> (age 57)	Assistant Secretary and Assistant Clerk	September 2012	N/A	Massachusetts Financial Services Company,  Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012)	N/A
Ethan D. Corey <sup>(k)</sup> (age 53)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo <sup>(k)</sup> (age 48)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Brian E. Langenfeld <sup>(k)</sup> (age 43)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Susan A. Pereira <sup>(k)</sup> (age 46)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Kasey L. Phillips <sup>(k)</sup> (age 45)	Assistant Treasurer	September 2012	N/A	Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012)	N/A
Mark N. Polebaum <sup>(k)</sup> (age 64)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A

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

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring <sup>(l)</sup></b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(j)</sup></b>
Matthew A. Stowe <sup>(k)</sup> (age 42)	Assistant Secretary and Assistant Clerk	October 2014	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Frank L. Tarantino (age 72)	Independent Senior Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel <sup>(k)</sup> (age 46)	Assistant Secretary and Assistant Clerk	October 2007	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
Martin J. Wolin <sup>(k)</sup> (age 49)	Chief Compliance Officer	July 2015	N/A	Massachusetts Financial Services Company, Senior Vice President and Chief Compliance Officer (since July 2015); Mercer (financial service provider), Chief Risk and Compliance Officer, North America and Latin America (until June 2015)	N/A
James O. Yost <sup>(k)</sup> (age 56)	Deputy Treasurer	September 1990	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A

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

(j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).

(k) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of a position with MFS. The address of MFS is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

(l) Under the terms of the Boards' retirement policy, an Independent Trustee shall retire at the end of the calendar year in which he or she reaches the earlier of 75 years of age or 15 years of service on the Board (or, in the case of any Independent Trustee who joined the Board prior to 2015, 20 years of service on the Board).

**Table of Contents**

*Trustees and Officers continued*

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

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

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of December 1, 2016, the Trustees served as board members of 138 funds within the MFS Family of Funds.

**Investment Adviser**

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

**Portfolio Managers**

Gary Lasman  
Geoffrey Schechter

**Custodian**

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

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

**Table of Contents**

**BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested ( independent ) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2016 ( contract review meetings ) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds ). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Senior Officer, a senior officer appointed by and reporting to the independent Trustees.

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

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Broadridge Financial Solutions, Inc. ( Broadridge ), an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2015 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe ), (ii) information provided by Broadridge on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Broadridge (the Broadridge expense group ), (iii) information provided by MFS on the advisory fees of portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund, (v) information regarding MFS financial results and financial condition, including MFS and certain of its affiliates estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS institutional business, (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel

**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

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

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

Based on information provided by Broadridge and MFS, the Trustees reviewed the Fund's total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund's common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2015, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund's common shares ranked 3rd out of a total of 10 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 1st out of a total of 10 funds for the one-year period and 5th out of a total of 10 funds for the five-year period ended December 31, 2015. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to the Barclays Municipal Bond Index. The Fund outperformed the Barclays Municipal Bond Index for each of the one-, three-, and five-year periods ended December 31, 2015 (one-year: 6.8% total return for the Fund versus 3.3% total return for the benchmark; three-year: 5.9% total return for the Fund versus 3.2% total return for the benchmark; five-year: 9.9% total return for the Fund versus 5.3% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

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

**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

regarding the investment advisory agreement, that they were satisfied with MFS' responses and efforts relating to investment performance.

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

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

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

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

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

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

**Table of Contents**

*Board Review of Investment Advisory Agreement continued*

Financial Inc. The Trustees also considered the advantages and possible disadvantages to the Fund of having an adviser that also serves other investment companies as well as other accounts.

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

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

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2016.



## **Table of Contents**

### **PROXY VOTING POLICIES AND INFORMATION**

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to header on the left hand column of the page), 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 by August 31 of each year without charge by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to header on the left hand column of the page), or by visiting the SEC's Web site at <http://www.sec.gov>.

### **QUARTERLY PORTFOLIO DISCLOSURE**

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

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the fund's Form N-Q also may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section at the above address.

### **FURTHER INFORMATION**

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

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

**Table of Contents**

**INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS**

The fund has entered into contractual arrangements with an investment adviser, administrator, transfer agent, and custodian who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the Trust's By-Laws, any claims asserted against or on behalf of the MFS Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

**FEDERAL TAX INFORMATION (unaudited)**

The fund will notify shareholders of amounts for use in preparing 2016 income tax forms in January 2017. The following information is provided pursuant to provisions of the Internal Revenue Code.

Of the dividends paid from net investment income during the fiscal year, 99.66% is designated as exempt interest dividends for federal income tax purposes. If the fund has earned income on private activity bonds, a portion of the dividends paid may be considered a tax preference item for purposes of computing a shareholder's alternative minimum tax.

**Table of Contents**

rev. 3/16

**FACTS**

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

**Why?**

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

**What?**

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

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

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

**How?**

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

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

information about your creditworthiness  
**For nonaffiliates to market to you**

No

We don't share

**Questions?**

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

**Table of Contents**

Page 2

**Who we are**

**Who is providing this notice?** MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., and MFS Heritage Trust Company.

**What we do**

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

**How does MFS collect my personal information?** We collect your personal information, for example, when you

open an account or provide account information

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

make a wire transfer

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

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

Federal law gives you the right to limit only

sharing for affiliates everyday business purposes information about your creditworthiness

affiliates from using your information to market to you

sharing for nonaffiliates to market to you

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

**Definitions**

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

**Nonaffiliates**

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

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

**Joint marketing**

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

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

*MFS doesn't jointly market.*

**Other important information**

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

**Table of Contents**

**CONTACT US**

**TRANSFER AGENT, REGISTRAR, AND**

**DIVIDEND DISBURSING AGENT**

**CALL**

1-800-637-2304

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

**WRITE**

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MFM**

**Table of Contents**

**ITEM 2. CODE OF ETHICS.**

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

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

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

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

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

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

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

For the fiscal years ended October 31, 2016 and 2015, audit fees billed to the Fund by Deloitte were as follows:

	Audit Fees	
	2016	2015
<b>Fees billed by Deloitte:</b>		
MFS Municipal Income Trust	59,104	59,104



**Table of Contents**

For the fiscal years ended October 31, 2016 and 2015, fees billed by Deloitte for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2016	2015	2016	2015	2016	2015
<b>Fees billed by Deloitte:</b>						
To MFS Municipal Income Trust	10,000	10,000	7,423	7,423	0	436
<b>Fees billed by Deloitte:</b>						
To MFS and MFS Related Entities of MFS Municipal Income Trust <sup>*</sup>	0	628,289	0	0	5,000	5,000

	Aggregate Fees for Non-audit Services	
	2016	2015
<b>Fees Billed by Deloitte:</b>		
To MFS Municipal Income Trust, MFS and MFS Related Entities <sup>#</sup>	87,701	651,148

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

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

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

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

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

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

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

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

## **Table of Contents**

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

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

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

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

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

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

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

## **ITEM 6. SCHEDULE OF INVESTMENTS**

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

---

**Table of Contents**

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

**MASSACHUSETTS FINANCIAL SERVICES COMPANY**

**PROXY VOTING POLICIES AND PROCEDURES**

**February 1, 2016**

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

The MFS Proxy Voting Policies and Procedures include:

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

**A. VOTING GUIDELINES**

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

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

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of

## **Table of Contents**

its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

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

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

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

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

## **2. MFS Policy on Specific Issues** **Election of Directors**

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

## **Table of Contents**

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

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

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

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

## **Majority Voting and Director Elections**

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

## **Table of Contents**

### **Classified Boards**

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

### **Proxy Access**

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company's proxy statement ( Proxy Access ) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. In our view, such qualifying shareholders should have the ability to nominate at least 2 directors. Companies should be mindful of imposing any undue impediments within its bylaws that may render Proxy Access impractical.

MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent's rationale for seeking Proxy Access.

### **Stock Plans**

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

## **Table of Contents**

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

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

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

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

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

## **Table of Contents**

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

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

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

### **Golden Parachutes**

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

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

### **Anti-Takeover Measures**

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



## **Table of Contents**

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

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

## **Proxy Contests**

From time to time, a shareholder may express alternative points of view in terms of a company's strategy, capital allocation, or other issues. Such shareholder may also propose a slate of director nominees different than the slate of director nominees proposed by the company (a Proxy Contest). MFS will analyze Proxy Contests on a case-by-case basis, taking into consideration the track record and current recommended initiatives of both company management and the dissident shareholder(s). Like all of our proxy votes, MFS will support the slate of director nominees that we believe is in the best, long-term economic interest of our clients.

## **Reincorporation and Reorganization Proposals**

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

## **Table of Contents**

### **Issuance of Stock**

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

### **Repurchase Programs**

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

### **Cumulative Voting**

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

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

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

### **Independent Auditors**

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

## **Table of Contents**

### **Other Business**

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

### **Adjourn Shareholder Meeting**

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

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

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

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

MFS generally supports proposals that request disclosure on the impact of environmental issues on the company's operations, sales, and capital investments. However, MFS may not support such proposals based on the facts and

## **Table of Contents**

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

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

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

## **Foreign Issuers**

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

## **Table of Contents**

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

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

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

In accordance with local law or business practices, some foreign companies or custodians prevent the sale of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management

## **Table of Contents**

consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

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

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

### **B. ADMINISTRATIVE PROCEDURES**

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

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

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

---

**Table of Contents**

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

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or its subsidiaries that could arise in connection with the voting of proxies on behalf of MFS clients. Due to the client focus of our investment management business, we believe that the potential for actual material conflict of interest issues is small. Nonetheless, we have developed precautions to assure that all proxy votes are cast in the best long-term economic interest of shareholders.<sup>1</sup> Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and MFS client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or its subsidiaries to unduly influence MFS voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

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

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

<sup>1</sup> For clarification purposes, note that MFS votes in what we believe to be the best, long-term economic interest of our clients entitled to vote at the shareholder meeting, regardless of whether other MFS clients hold short positions in the same issuer.

**Table of Contents**

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

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

For instances where MFS is evaluating a director nominee who also serves as a director of the MFS Funds, then the MFS Proxy Voting Committee will adhere to the procedures described in section (d) above regardless of whether the portfolio company appears on our Significant Distributor and Client List.

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

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

**3. Gathering Proxies**

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the



## **Table of Contents**

shares beneficially owned by MFS clients, usually to the client's proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer's explanation of the items to be voted upon.

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

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

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

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

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant further consideration or (iii)

## **Table of Contents**

circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will utilize research from Glass Lewis to identify such issues. MFS analyzes such issues independently and does not necessarily vote with the ISS or Glass Lewis recommendations on these issues. MFS may also use other research tools in order to identify the circumstances described above. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

As a general matter, portfolio managers and investment analysts have little involvement in most votes taken by MFS. This is designed to promote consistency in the application of MFS voting guidelines, to promote consistency in voting on the same or similar issues (for the same or for multiple issuers) across all client accounts, and to minimize the potential that proxy solicitors, issuers, or third parties might attempt to exert inappropriate influence on the vote. In certain types of votes (e.g. mergers and acquisitions, proxy contests, capitalization matters, potentially excessive executive compensation issues, or certain shareholder proposals) a representative of MFS Proxy Voting Committee may consult with or seek recommendations from MFS investment analysts and/or portfolio managers.<sup>2</sup> However, the MFS Proxy Voting Committee will ultimately determine the manner in which all proxies are voted.

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

### **5. Voting Proxies**

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

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

<sup>2</sup> From time to time, due to travel schedules and other commitments, an appropriate portfolio manager or research analyst may not be available to provide a vote recommendation. If such a recommendation cannot be obtained within a reasonable time prior to the cut-off date of the shareholder meeting, the MFS Proxy Voting Committee may determine to abstain from voting.

## **Table of Contents**

### **6. Securities Lending**

From time to time, the MFS Funds or other pooled investment vehicles sponsored by MFS may participate in a securities lending program. In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting's record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS will report to the appropriate board of the MFS Funds those instances in which MFS is not able to timely recall the loaned securities. MFS generally does not recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

### **7. Engagement**

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

### **C. RECORDS RETENTION**

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

**Table of Contents**

**D. REPORTS**

**U.S. Registered MFS Funds**

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

**Other MFS Clients**

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

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

**Table of Contents**

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

**Portfolio Manager(s)**

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

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

**Compensation**

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

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

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

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

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

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

Additional or different benchmarks, including versions and components of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Consideration is given to portfolio performance over one, three, and five years with emphasis placed on the longer periods. For portfolio managers who have served for more than five years, additional longer-term performance periods are also considered. For portfolio managers who have served for less than five years, performance periods are adjusted as appropriate.

The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management's assessment of overall portfolio manager contributions to investor relations and the investment process

**Table of Contents**

(distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

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

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

**Ownership of Fund Shares**

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund's portfolio manager(s) as of the Fund's fiscal year ended October 31, 2016. The following dollar ranges apply:

- N. None
- A. \$1 - \$10,000
- B. \$10,001 - \$50,000
- C. \$50,001 - \$100,000
- D. \$100,001 - \$500,000
- E. \$500,001 - \$1,000,000
- F. Over \$1,000,000

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

**Table of Contents****Other Accounts**

In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of October 31, 2016:

Name	Registered Investment Companies*		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets
Gary A. Lasman	4	\$ 4.9 billion	0	N/A	0	N/A
Geoffrey L. Schechter	12	\$ 15.8 billion	2	\$ 591.0 million	0	N/A

\* Includes the Fund.

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

**Potential Conflicts of Interest**

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

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

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

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

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

<b>Period</b>	<b>(a) Total number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs</b>
11/01/15-11/30/15	0	N/A	0	4,118,763
12/01/15-12/31/15	0	N/A	0	4,118,763
1/01/16-1/31/16	0	N/A	0	4,118,763
2/01/16-2/28/16	0	N/A	0	4,118,763
3/01/16-3/31/16	0	N/A	0	4,118,763
4/01/16-4/30/16	0	N/A	0	4,118,763
5/01/16-5/31/16	0	N/A	0	4,118,763
6/01/16-6/30/16	0	N/A	0	4,118,763
7/01/16-7/31/16	0	N/A	0	4,118,763
8/01/16-8/31/16	0	N/A	0	4,118,763
9/01/16-9/30/16	0	N/A	0	4,118,763
10/01/16-10/31/16	0	N/A	0	4,118,763
<b>Total</b>	<b>0</b>		<b>0</b>	

Note: The Board approved procedures to repurchase shares and reviews the results periodically. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on October 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 purchased in each annual period (October 1 through the following September 30) to 10% of the Registrant's outstanding shares as of the first day of the plan year (October 1). The aggregate number of shares available for purchase for the October 1, 2016 plan year is 4,118,763.

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

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



**Table of Contents**

**ITEM 11. CONTROLS AND PROCEDURES.**

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

**Table of Contents**

**ITEM 12. EXHIBITS.**

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Code of Ethics attached hereto.
  - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
  - (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons. Not applicable.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

**Table of Contents**

**Notice**

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

**Table of Contents**

SIGNATURES

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

Registrant MFS MUNICIPAL INCOME TRUST

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

Date: December 15, 2016

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

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

Date: December 15, 2016

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

Date: December 15, 2016

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