

MFS INTERMEDIATE INCOME TRUST
Form N-CSR
January 06, 2010
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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 811-5440

MFS INTERMEDIATE INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2009

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Annual report

MFS® Intermediate Income Trust

10/31/09

MIN-ANN

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Managed Distribution Policy Disclosure

The MFS Intermediate Income Trust's (the fund) Board of Trustees has adopted a managed distribution policy. The fund seeks to pay monthly distributions based on an annual rate of 8.5% of the fund's average monthly net asset value. The fund's total return in relation to changes in net asset value is presented in the Financial Highlights. You should not draw any conclusions about the fund's investment performance from the amount of the current distribution or from the terms of the fund's managed distribution policy. The Board may amend or terminate the managed distribution policy at any time without prior notice to fund shareholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination of the managed distribution policy.

With each distribution, the fund will issue a notice to shareholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other related information. In accordance with the amounts and sources of distributions reported in the notice to shareholders - the sources of distributions are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

Under a managed distribution policy the fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with yield or income.

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MFS® Intermediate Income Trust

New York Stock Exchange Symbol: **MIN**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CEO

Dear Shareholders:

There remains some question as to when the global economy will achieve a sustainable recovery. While some economists and market watchers are optimistic that the worst is behind us, a number also agree with U.S. Federal Reserve Board Chairman Ben Bernanke who said in September that even though from a technical perspective the recession is very likely over at this point, it's still going to feel like a very weak economy for some time.

Have we in fact turned the corner? We have seen tremendous rallies in the markets over the past six months. The Fed has cut interest rates aggressively toward zero to support credit markets, global deleveraging has helped diminish inflationary concerns, and stimulus measures have put more money in the hands of the government and individuals to keep the economy moving. Still, unemployment remains high, consumer confidence and spending continue to waiver, and the housing market, while improving, has a long way to go to recover.

Regardless of lingering market uncertainties, MFS® is confident that the fundamental principles of long-term investing will always apply. We encourage investors to speak with their advisors to identify and research long-term investment opportunities thoroughly. Global research continues to be one of the hallmarks of MFS, along with a unique collaboration between our portfolio managers and sector analysts, who regularly discuss potential investments before making both buy and sell decisions.

As we continue to dig out from the worst financial crisis in decades, keep in mind that while the road back to sustainable recovery will be slow, gradual, and even bumpy at times, conditions are significantly better than they were six months ago.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

December 15, 2009

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

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High Grade Corporates	41.2%
Non-U.S. Government Bonds	30.8%
Mortgage-Backed Securities	12.9%
Emerging Markets Bonds	8.7%
U.S. Government Agencies	3.4%
Commercial Mortgage-Backed Securities	2.1%
High Yield Corporates	1.1%
Asset-Backed Securities	0.8%
U.S. Treasury Securities	0.7%
Residential Mortgage-Backed Securities	0.1%

Credit quality of bonds (r)

AAA	35.7%
AA	18.7%
A	21.2%
BBB	21.6%
BB	2.3%
B	0.5%
Not Rated (o)	0.0%

Portfolio facts

Average Duration (d)(i)	4.2
Average Effective Maturity (i)(m)	5.6 yrs.
Average Credit Quality of Rated Securities (long-term) (a)	AA-
Average Credit Quality of Rated Securities (short-term) (a)(c)	A-1

Country weightings (i)

United States	50.2%
Japan	7.6%
United Kingdom	6.0%
France	4.5%
Germany	4.0%
Canada	3.4%
Italy	2.9%
Australia	2.4%
Sweden	2.3%
Other Countries	16.7%

(a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating agencies.

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(c) Includes holding in the MFS Institutional Money Market Portfolio which is not rated by a public rating agency. The average credit quality of rated securities (short-term) is based upon a market weighted average of the underlying holdings within the MFS Institutional Money Market Portfolio that are rated by public rating agencies.

(d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value.

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Portfolio Composition continued

(i) For purposes of this presentation, the bond component includes accrued interest amounts and may be positively or negatively impacted by the equivalent exposure from any derivative holdings, if applicable.

(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.

(o) Less than 0.1%.

(r) Each security is assigned a rating from Moody's Investors Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned a rating by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in the AAA-rating category. Percentages are based on the total market value of investments as of 10/31/09.

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

Percentages are based on net assets as of 10/31/09, unless otherwise noted.

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

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MANAGEMENT REVIEW

Summary of Results

MFS Intermediate Income Trust (the fund) is a closed-end fund and maintains a portfolio that includes investments in short and intermediate-term U.S. government and foreign sovereign and high-grade securities.

For the twelve months ended October 31, 2009, shares of the MFS Intermediate Income Trust provided a total return of 14.51%, at net asset value. This compares with a return of 6.11% for the fund's benchmark, the Barclays Capital Intermediate U.S. Government Bond Index. Over the same period, the fund's other benchmark, the Intermediate Income Trust Blended Index (the Blended Index), generated a return of 6.17%. The Blended Index reflects the blended returns of various fixed income market indices, with percentage allocations to each index designed to resemble the fixed income allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

Market environment

The global economy and financial markets experienced substantial deterioration and extraordinary volatility over most of the reporting period. Through the first quarter of 2009, the strong headwinds in the U.S. included accelerated deterioration in the housing market, anemic corporate investment, a rapidly declining job market, and a much tighter credit environment. During the very early stages of the period, a series of tumultuous financial events hammered markets. As a result of this turbulent news, global equity markets pushed significantly lower and credit markets witnessed the worst market decline since the beginning of the credit crisis. The synchronized global downturn in economic activity experienced in the fourth quarter of 2008 and the first quarter of 2009 was among the most intense in the post-World War II period. Not only did Europe and Japan fall into very deep recessions, but an increasingly powerful engine of global growth—emerging markets—also contracted almost across the board. The subsequent recovery in global activity has been similarly synchronized, led importantly by emerging Asian economies, but broadening to include most of the global economy to varying degrees. Primary drivers of the recovery included an unwinding of the inventory destocking that took place earlier, as well as massive fiscal and monetary stimulus. As a result, credit conditions and equity indices improved considerably during the second half of the period. Nevertheless, the degree of financial and macroeconomic dislocation remained significant.

During the first half of the reporting period, the Fed implemented its final interest rate cut, while making increasing use of its new lending facilities to alleviate ever-tightening credit markets. On the fiscal front, the U.S. Treasury

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Management Review continued

designed and began implementing a massive fiscal stimulus package. As inflationary concerns diminished in the face of global deleveraging, and equity and credit markets deteriorated more sharply, central banks around the world also cut interest rates dramatically. Globally, policy makers increasingly sought to coordinate their rescue efforts, which resulted in a number of international actions, such as the establishment of swap lines between the Federal Reserve and a number of other central banks, as well as a substantial increase in the financial resources of the International Monetary Fund. By the middle of the period, several central banks had approached their lower bound on policy rates and were examining the implementation and ramifications of quantitative easing as a means to further loosen monetary policy to offset the continuing fall in global economic activity. However, by the end of the period, there were broadening signs that the worst of the global macroeconomic deterioration had passed, which caused the subsequent rise in asset valuations. As most asset prices rebounded in the second half of the period and the demand for liquidity waned, the debate concerning monetary exit strategies had begun, creating added uncertainty regarding the forward path of policy rates.

Contributors to performance

Relative to the Blended Index, the fund's overweight position in corporate bonds, particularly in the *financial* and *banking* sectors, was the major driver of excess returns as the corporate sector outperformed treasury securities during the reporting period. Similarly, the fund's greater relative exposure to corporate bonds in the *industrial* sector was another positive factor for performance.

Detractors from performance

The fund's lesser exposure to bonds with shorter maturities detracted from performance relative to the Blended Index as short-term interest rates fell more than longer-term interest rates during the reporting period.

Respectfully,

James Calmas
Portfolio Manager

Erik Weisman
Portfolio Manager

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.

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The following chart represents 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 Intermediate Income Trust

Year Ended 10/31/09	Date	Price
Net Asset Value	10/31/09	\$6.87
	10/31/08	\$6.55
New York Stock Exchange Price	10/31/09	\$6.64
	9/30/09 (high) (t)	\$6.86
	11/21/08 (low) (t)	\$5.55
	10/31/08	\$5.92

Total Returns vs Benchmarks

Year Ended 10/31/09

MFS Intermediate Income Trust at	
New York Stock Exchange Price (r)	22.45%
Net Asset Value (r)	14.51%
Barclays Capital Intermediate U.S. Government Bond Index (f)	6.11%
Intermediate Income Trust Blended Index (u)(f)	6.17%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2008 through October 31, 2009.

(u) Intermediate Income Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2009 the blended index was comprised of 75% Barclays Capital Intermediate U.S. Government Bond Index and 25% of the JPMorgan Global Government Bond Index ex U.S. (Hedged).

Benchmark Definitions

Barclays Capital Intermediate U.S. Government Bond Index – a market capitalization-weighted index that measures the performance of investment grade debt obligations of the U.S. Treasury and U.S. government agencies, as

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Performance Summary continued

well as quasi-federal corporations and corporate or foreign debt guaranteed by

the U.S. Government, with maturity from 1 year up to (but not including) 10 years. This index generated a total return of 6.11% for the year ended October 31, 2009.

JPMorgan Global Government Bond Index ex U.S. (Hedged) measures the currency- hedged performance of developed government bond markets around the world, excluding the U.S. This index generated a total return of 6.33% for the year ended October 31, 2009.

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

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains are insufficient to meet the fund's target annual distribution rate. 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. It may also result in a recharacterization of what economically represents a return of capital to ordinary income. In addition, distributions of current year long-term gains may be recharacterized as ordinary income. Returns of shareholder capital have the effect of reducing the fund's assets and may increase the fund's expense ratio.

The fund's target annual distribution rate is calculated based on an annual rate of 8.5% of the fund's average monthly net asset value, not a fixed share price, and the fund's dividend amount will fluctuate with changes in the fund's average monthly net assets.

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

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INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

The fund's investment objective is to seek high current income, but may also consider capital appreciation. The fund's objective may be changed without shareholder approval.

Principal Investment Strategies

MFS normally invests the fund's assets primarily in debt instruments. MFS generally invests substantially all of the fund's assets in investment grade debt instruments.

The fund's dollar-weighted average effective maturity will normally be between three and ten years. In determining an instrument's 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 call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.

MFS may invest the fund's assets in U.S. and foreign securities, including emerging market securities.

MFS may invest a relatively high percentage of the fund's assets in a single country, a small number of countries, or a particular geographic region.

The fund seeks to make a monthly distribution at an annual fixed rate of up to 8.50% of the fund's average monthly net asset value.

MFS may invest the fund's assets in mortgage dollar rolls.

MFS may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

MFS uses a bottom-up investment approach in buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of instruments and their issuers in light of current market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative analysis of the structure of the instrument and its features may also be considered.

If approved by the fund's Board of Trustees, the fund may use leverage through the issuance of preferred shares, borrowing from banks, and/or other

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Investment Objective, Principal Investment Strategies and Risks of the Fund continued

methods of creating leverage, and investing the proceeds pursuant to its investment strategies.

MFS may engage in active and frequent trading in pursuing the fund's principal investment strategies.

In response to market, economic, political, or other conditions, MFS may depart from the fund's principal investment strategies by temporarily investing for defensive purposes.

Principal Risks

The portfolio's yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest rates fall. Debt securities with longer maturity dates will generally be subject to greater price fluctuations than those with shorter maturities. Mortgage securities are subject to prepayment risk which can offer less potential for gains in a declining interest rate environment and greater potential for loss in a rising interest rate environment. The fund may invest a significant portion of its assets in asset-backed and/or mortgage-backed securities. The value of these securities may depend, in part, on the issuer's or borrower's credit quality or ability to pay principal and interest when due and may fall if an issuer or borrower defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. U.S. Government securities not supported as to the payment of principal or interest by the U.S. Treasury, such as those issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, are subject to greater credit risk than are U.S. Government securities supported by the U.S. Treasury, such as those issued by Ginnie Mae. Derivatives can be highly volatile and involve risks in addition to those of the underlying indicators in whose value the derivative is based. Gains or losses from derivatives can be substantially greater than the derivatives' original cost. Foreign investments can be more volatile than U.S. investments. Changes in currency exchange rates can affect the U.S. dollar rate of foreign currency investments and investments denominated in foreign currency. Investing in emerging markets can involve risks in addition to those generally associated with investing in more developed foreign markets. When you sell your shares, they may be worth more or less than the amount you paid for them. Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

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 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.

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PORTFOLIO MANAGERS PROFILES

James Calmas	Investment Officer of MFS; employed in the investment management area of MFS since 1988. Portfolio Manager of the Fund since March 2002.
Erik Weisman	Investment Officer of MFS; employed in the investment management area of MFS since 2002; Assistant to the U.S. Executive Director for the International Monetary Fund prior to 2002. Portfolio Manager of the Fund since May 2004.

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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.

You may withdraw from the Plan at any time by going to the Plan Agent's website at www.computershare.com, 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

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Dividend Reinvestment and Cash Purchase Plan continued

www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

The following changes in the Plan took effect on September 1, 2009:

When dividend reinvestment is being made through purchases in the open market, such purchases will be made on or shortly after the payment date for such distribution (except where temporary limits on purchases are legally required) and in no event more than 15 days thereafter (instead of 45 days as previously specified).

In an instance where the Plan Agent either cannot invest the full amount of the distribution through open market purchases or the fund's shares are no longer selling at a discount to the current net asset value per share, the fund will supplementally issue additional shares at the greater of net asset value per share or 95% of the current market value price per share calculated on the date that such request is made (instead of the distribution date net asset value as previously specified). This price may be greater or lesser than the fund's net asset value per share on the distribution payment date.

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10/31/09

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

Bonds - 99.8%		
Issuer	Shares/Par	Value (\$)
Asset Backed & Securitized - 3.0%		
Commercial Mortgage Acceptance Corp., FRN, 1.572%, 2030 (i)	\$ 12,620,070	\$ 756,284
Credit Suisse Mortgage Capital Certificate, 5.695%, 2040	2,000,000	1,653,361
Daimler Chrysler Auto Trust, A2B, FRN, 1.174%, 2011	1,212,857	1,214,745
Falcon Franchise Loan LLC, FRN, 2.066%, 2023 (i)(z)	7,551,278	371,523
Ford Credit Auto Owner Trust, 1.445%, 2010	698,906	699,724
Ford Credit Auto Owner Trust, FRN, 3.24%, 2011	2,360,000	2,382,458
Greenwich Capital Commercial Funding Corp., FRN, 5.918%, 2038	2,000,000	1,917,637
Hertz Global Holdings, Inc., 4.26%, 2013 (n)	2,300,000	2,311,719
JPMorgan Chase Commercial Mortgage Securities Corp., 5.466%, 2047	2,500,000	1,766,524
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.349%, 2043	4,380,726	3,328,389
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 2043	3,000,000	2,915,934
Nationstar Home Equity Loan Trust, FRN, 0.373%, 2036	644,881	549,494
PNC Mortgage Acceptance Corp., FRN, 7.1%, 2032 (z)	2,000,000	1,989,138
Wachovia Bank Commercial Mortgage Trust, FRN, 5.418%, 2045	2,000,000	1,909,711
		\$ 23,766,641
Broadcasting - 0.1%		
WPP Finance, 8%, 2014	\$ 812,000	\$ 900,844
Building - 0.6%		
CRH America, Inc., 6.95%, 2012	\$ 3,275,000	\$ 3,550,991
CRH PLC, 8.125%, 2018	1,160,000	1,339,455
Odebrecht Finance Ltd., 7%, 2020 (z)	316,000	298,620
		\$ 5,189,066
Cable TV - 0.9%		
Comcast Corp., 5.45%, 2010	\$ 2,500,000	\$ 2,608,460
DIRECTV Holdings LLC, 5.875%, 2019 (n)	1,400,000	1,439,396
Time Warner Cable, Inc., 5.4%, 2012	2,670,000	2,851,680
		\$ 6,899,536
Chemicals - 1.5%		
Dow Chemical Co., 8.55%, 2019	\$ 4,690,000	\$ 5,354,212
Lumena Resources Corp., 12%, 2014 (z)	3,907,000	3,594,440

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Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - continued		
PPG Industries, Inc., 5.75%, 2013	\$ 3,265,000	\$ 3,497,850
		\$ 12,446,502
Conglomerates - 1.2%		
Eaton Corp., 4.9%, 2013	\$ 2,310,000	\$ 2,462,003
Ingorsoll-Rand Global Holding Co. Ltd., 6%, 2013	4,460,000	4,838,681
Textron Financial Corp., 5.125%, 2010	2,600,000	2,602,103
		\$ 9,902,787
Consumer Products - 1.2%		
Clorox Co., 5%, 2013	\$ 2,750,000	\$ 2,916,672
Hasbro, Inc., 6.125%, 2014	870,000	955,725
Royal Philips Electronics N.V., 4.625%, 2013	3,290,000	3,471,154
Whirlpool Corp., 8%, 2012	1,885,000	2,049,987
		\$ 9,393,538
Consumer Services - 0.4%		
Western Union Co., 5.4%, 2011	\$ 3,000,000	\$ 3,202,011
Defense Electronics - 0.2%		
BAE Systems Holdings, Inc., 6.375%, 2019 (n)	\$ 1,400,000	\$ 1,534,945
Emerging Market Quasi-Sovereign - 3.5%		
Banco do Brasil S.A., 8.5%, 2049 (z)	\$ 323,000	\$ 332,367
BNDES Participacoes S.A., 6.5%, 2019 (n)	4,083,000	4,297,358
Corporacion Nacional del Cobre de Chile, 4.75%, 2014 (n)	1,312,000	1,373,189
Empresa Nacional del Petroleo, 6.25%, 2019 (n)	726,000	774,115
Export-Import Bank of Korea, 5.875%, 2015	1,025,000	1,080,389
Gaz Capital S.A., 8.125%, 2014 (n)	2,908,000	3,071,720
Korea Expressway Corp., 4.5%, 2015 (z)	1,309,000	1,306,527
Majapahit Holding B.V., 7.75%, 2020 (z)	2,407,000	2,386,589
National Agricultural Co., 5%, 2014 (n)	1,502,000	1,528,778
Pemex Project Funding Master Trust, 5.75%, 2018	949,000	939,510
Petrobras International Finance Co., 7.875%, 2019	1,777,000	2,008,010
Petrobras International Finance Co., 5.75%, 2020	1,192,000	1,188,424
Petroleum Co. of Trinidad & Tobago Ltd., 9.75%, 2019 (n)	239,000	271,265
Petronas Capital Ltd., 7.875%, 2022	1,089,000	1,338,865
Petróleos Mexicanos, 8%, 2019	776,000	890,460
Qtel International Finance Ltd., 6.5%, 2014 (n)	734,000	816,263
Qtel International Finance Ltd., 7.875%, 2019 (n)	1,633,000	1,905,597
Qtel International Finance Ltd., 7.875%, 2019	604,000	704,826
Ras Laffan Liquefied Natural Gas Co. Ltd., 6.75%, 2019 (n)	1,584,000	1,747,315

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Quasi-Sovereign - continued		
Russian Agricultural Bank, 7.125%, 2014 (n)	\$ 200,000	\$ 208,120
		\$ 28,169,687
Emerging Market Sovereign - 2.7%		
Emirate of Abu Dhabi, 6.75%, 2019 (n)	\$ 2,173,000	\$ 2,483,756
Federative Republic of Brazil, 11%, 2040	622,000	830,370
Republic of Argentina, FRN, 0.943%, 2012	517,200	433,205
Republic of Brazil, 5.625%, 2041	1,132,000	1,064,080
Republic of Croatia, 6.75%, 2019 (z)	2,084,000	2,103,277
Republic of Panama, 9.375%, 2029	1,486,000	2,020,960
Republic of Peru, 9.875%, 2015	647,000	810,368
Republic of Peru, 7.125%, 2019	362,000	410,870
Republic of Peru, 7.35%, 2025	415,000	476,213
Republic of Poland, 6.375%, 2019	1,930,000	2,125,239
Republic of Sri Lanka, 7.4%, 2015 (z)	115,000	115,000
State of Israel, 5.125%, 2014	5,000,000	5,413,185
State of Qatar, 5.15%, 2014 (n)	1,832,000	1,923,600
State of Qatar, 6.55%, 2019 (n)	1,174,000	1,309,010
		\$ 21,519,133
Energy - Independent - 1.4%		
Anadarko Finance Co., 6.75%, 2011	\$ 3,030,000	\$ 3,230,744
EnCana Corp., 6.5%, 2019	2,110,000	2,343,870
Questar Market Resources, Inc., 6.8%, 2020	1,979,000	2,069,862
Talisman Energy, Inc., 7.75%, 2019	480,000	570,494
XTO Energy, Inc., 5.75%, 2013	2,666,000	2,900,256
		\$ 11,115,226
Energy - Integrated - 1.3%		
ConocoPhillips, 5.75%, 2019	\$ 2,220,000	\$ 2,429,512
Hess Corp., 8.125%, 2019	1,230,000	1,493,075
Husky Energy, Inc., 5.9%, 2014	2,755,000	2,992,872
Petro-Canada, 5%, 2014	2,140,000	2,240,685
Petro-Canada, 6.05%, 2018	904,000	962,660
		\$ 10,118,804
Financial Institutions - 1.7%		
General Electric Capital Corp., 5.45%, 2013	\$ 2,000,000	\$ 2,126,836
General Electric Capital Corp., 4.8%, 2013	2,120,000	2,228,211
General Electric Capital Corp., 6%, 2019	1,180,000	1,240,285
HSBC Finance Corp., 4.125%, 2009	3,571,000	3,574,646

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Financial Institutions - continued		
NYSE Euronext, Inc., 4.8%, 2013	\$ 4,000,000	\$ 4,232,960
		\$ 13,402,938
Food & Beverages - 3.3%		
Anheuser-Busch Cos., Inc., 7.75%, 2019 (n)	\$ 4,080,000	\$ 4,754,481
Brown-Forman Corp., 5.2%, 2012	4,600,000	4,939,416
Diageo Capital PLC, 5.125%, 2012	3,900,000	4,159,194
Dr. Pepper Snapple Group, Inc., 6.82%, 2018	560,000	639,809
Kellogg Co., 6.6%, 2011	4,370,000	4,700,123
Kraft Foods, Inc., 6.75%, 2014	1,390,000	1,549,703
Kraft Foods, Inc., 6.125%, 2018	1,310,000	1,392,699
Miller Brewing Co., 5.5%, 2013 (n)	1,630,000	1,742,799
SABMiller PLC, 6.2%, 2011 (n)	2,800,000	2,980,972
		\$ 26,859,196
Food & Drug Stores - 0.4%		
CVS Caremark Corp., 6.6%, 2019	\$ 350,000	\$ 390,331
CVS Caremark Corp., FRN, 0.66%, 2010	2,680,000	2,679,338
		\$ 3,069,669
Forest & Paper Products - 0.1%		
Inversiones CMPC S.A., 6.125%, 2019 (z)	\$ 1,074,000	\$ 1,074,945
Industrial - 1.2%		
Duke University Taxable Bonds, A, 4.2%, 2014	\$ 1,900,000	\$ 2,009,554
Johns Hopkins University, 5.25%, 2019	4,350,000	4,631,097
Princeton University, 4.95%, 2019	2,860,000	3,035,261
		\$ 9,675,912
Insurance - 2.4%		
ING Groep N.V., 5.775% to 2015, FRN to 2049	\$ 150,000	\$ 109,500
Jackson National Life Global Funding, 5.375%, 2013 (n)	5,000,000	5,086,060
Metropolitan Life Global Funding, 5.125%, 2013 (n)	1,705,000	1,805,453
Metropolitan Life Global Funding, 5.125%, 2014 (n)	1,020,000	1,083,639
New York Life Global Funding, 4.65%, 2013 (n)	6,000,000	6,342,642
Principal Financial Group, Inc., 8.875%, 2019	2,230,000	2,587,121
Prudential Financial, Inc., 6.2%, 2015	2,210,000	2,356,744
		\$ 19,371,159
International Market Quasi-Sovereign - 6.9%		
Canada Housing Trust, 4.6%, 2011 (n)	CAD 3,148,000	\$ 3,083,094
Commonwealth Bank of Australia, 2.4%, 2012 (n)	\$ 2,410,000	2,458,029
Eksportfinans A.S.A., 5.125%, 2011	3,780,000	4,051,321

Table of Contents*Portfolio of Investments continued*

Issuer		Shares/Par	Value (\$)
Bonds - continued			
International Market Quasi-Sovereign - continued			
Eksportfinans A.S.A., 1.6%, 2014	JPY	350,000,000	\$ 3,865,895
Electricité de France PLC, 5.5%, 2014 (n)	\$	4,750,000	5,216,208
ING Bank N.V., 3.9%, 2014 (n)		6,650,000	6,943,491
LeasePlan Corp. N.V., 3%, 2012 (n)		1,640,000	1,690,051
National Australia Bank Ltd., 2.55%, 2012 (n)		2,410,000	2,462,179
Petrobras International Finance, 6.875%, 2040		1,349,000	1,347,651
Royal Bank of Scotland PLC, FRN, 1.158%, 2012 (n)		5,254,000	5,329,227
SBAB, 3.125%, 2012 (n)		5,260,000	5,375,092
Societe Financement de l Economie Francaise, 3.375%, 2014 (n)		5,315,000	5,486,903
Swedish Export Credit Corp., FRN, 1.199%, 2014		3,300,000	3,338,801
Westpac Banking Corp., 3.25%, 2011 (n)		2,400,000	2,489,712
Westpac Banking Corp., 3.45%, 2014 (n)		2,015,000	2,055,653
			\$ 55,193,307
International Market Sovereign - 21.7%			
Federal Republic of Germany, 3.75%, 2015	EUR	10,847,000	\$ 16,905,931
Federal Republic of Germany, 4.25%, 2018	EUR	2,247,000	3,579,181
Government of Canada, 4.5%, 2015	CAD	1,980,000	1,992,919
Government of Canada, 5.75%, 2033	CAD	358,000	417,097
Government of Japan, 1.5%, 2012	JPY	2,077,000,000	23,767,604
Government of Japan, 1.3%, 2014	JPY	978,000,000	11,171,267
Government of Japan, 1.7%, 2017	JPY	2,201,000,000	25,537,786
Kingdom of Belgium, 5.5%, 2017	EUR	3,200,000	5,402,489
Kingdom of Netherlands, 3.75%, 2014	EUR	1,389,000	2,153,034
Kingdom of Spain, 5.35%, 2011	EUR	1,919,000	3,039,520
Kingdom of Spain, 4.6%, 2019	EUR	3,450,000	5,425,334
Kingdom of Sweden, 4.5%, 2015	SEK	9,300,000	1,425,543
Republic of Austria, 4.65%, 2018	EUR	2,460,000	3,930,662
Republic of France, 5%, 2016	EUR	10,914,000	18,052,432
Republic of Ireland, 4.6%, 2016	EUR	2,179,000	3,354,365
Republic of Italy, 5.25%, 2017	EUR	11,975,000	19,779,548
United Kingdom Treasury, 5%, 2012	GBP	6,837,000	12,090,304
United Kingdom Treasury, 8%, 2015	GBP	7,664,000	16,086,184
			\$ 174,111,200
Local Authorities - 1.6%			
California (Build America Bonds), 7.55%, 2039	\$	3,265,000	\$ 3,392,106
Louisiana Gas & Fuels Tax Rev., FRN, 3%, 2043		2,780,000	2,795,846
Province of Ontario, 4.75%, 2016		6,000,000	6,429,846
			\$ 12,617,798

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Machinery & Tools - 0.1%		
Atlas Copco AB, 5.6%, 2017 (n)	\$ 510,000	\$ 528,643
Major Banks - 4.2%		
Abu Dhabi Commercial Bank, 4.75%, 2014 (z)	\$ 3,633,000	\$ 3,626,718
BAC Capital Trust XIV, 5.63% to 2012, FRN to 2049	2,000,000	1,390,000
Bank of America Corp., 4.9%, 2013	4,300,000	4,477,285
Bank of America Corp., 7.375%, 2014	200,000	223,932
Commonwealth Bank of Australia, 5%, 2019 (z)	2,560,000	2,571,484
Credit Suisse New York, 5.5%, 2014	2,330,000	2,526,647
Goldman Sachs Group, Inc., 6%, 2014	2,490,000	2,737,419
Goldman Sachs Group, Inc., 7.5%, 2019	1,427,000	1,668,734
Kookmin Bank, 7.25%, 2014 (n)	2,100,000	2,326,090
Merrill Lynch & Co., Inc., 6.15%, 2013	2,190,000	2,347,581
Morgan Stanley, 6.75%, 2011	1,800,000	1,917,149
Morgan Stanley, 6%, 2014	2,330,000	2,501,166
Morgan Stanley, 6.625%, 2018	1,532,000	1,642,056
Morgan Stanley, 5.625%, 2019	640,000	644,019
SG Capital Trust I, 7.875% to 2010, FRN to 2049	EUR 375,000	529,794
Wells Fargo & Co., FRN, 0.384%, 2011	\$ 2,250,000	2,242,454
		\$ 33,372,528
Metals & Mining - 0.8%		
International Steel Group, Inc., 6.5%, 2014	\$ 2,070,000	\$ 2,155,563
PT Adaro Indonesia, 7.625%, 2019 (z)	189,000	186,637
Rio Tinto Finance USA Ltd., 5.875%, 2013	3,690,000	3,976,761
		\$ 6,318,961
Mortgage Backed - 12.8%		
Fannie Mae, 4.56%, 2010	\$ 1,356,644	\$ 1,397,132
Fannie Mae, 6.022%, 2010	6,800,000	7,086,787
Fannie Mae, 4.755%, 2011	4,417,198	4,503,421
Fannie Mae, 4.845%, 2013	1,978,424	2,103,387
Fannie Mae, 4.61%, 2014	2,867,527	3,029,861
Fannie Mae, 4.84%, 2014	3,298,862	3,505,911
Fannie Mae, 5.412%, 2014	1,892,379	2,052,534
Fannie Mae, 4.62%, 2015	928,701	977,702
Fannie Mae, 4.921%, 2015	1,862,885	1,985,518
Fannie Mae, 4%, 2016	1,517,221	1,550,577
Fannie Mae, 5.395%, 2016	1,338,209	1,455,402
Fannie Mae, 5.424%, 2016	2,382,054	2,598,711
Fannie Mae, 6%, 2016 - 2029	3,556,888	3,699,956
Fannie Mae, 5.5%, 2017 - 2035	14,481,705	15,392,757
Fannie Mae, 5%, 2018 - 2025	5,777,850	6,082,675

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Mortgage Backed - continued		
Fannie Mae, 4.5%, 2019	\$ 6,416,043	\$ 6,773,972
Fannie Mae, 6.5%, 2031	4,153,789	4,559,145
Freddie Mac, 5.5%, 2017 - 2026	9,184,449	9,761,556
Freddie Mac, 6%, 2017 - 2034	1,551,089	1,669,374
Freddie Mac, 5%, 2019 - 2027	8,384,075	8,753,906
Freddie Mac, 4%, 2024	331,732	334,233
Ginnie Mae, 6%, 2033 - 2036	3,993,769	4,264,395
Ginnie Mae, 5.612%, 2058	4,549,500	4,721,516
Ginnie Mae, 6.357%, 2058	4,383,052	4,614,521
		\$ 102,874,949
Natural Gas - Distribution - 0.5%		
EQT Corp., 8.125%, 2019	\$ 3,360,000	\$ 3,849,821
Natural Gas - Pipeline - 0.3%		
Enterprise Products Operating LP, 5.65%, 2013	\$ 376,000	\$ 399,018
Enterprise Products Partners LP, 4.95%, 2010	2,214,000	2,246,475
		\$ 2,645,493
Network & Telecom - 2.5%		
AT&T, Inc., 4.95%, 2013	\$ 2,700,000	\$ 2,881,451
British Telecommunications PLC, 5.15%, 2013	943,000	985,586
Deutsche Telekom International Finance B.V., 8.5%, 2010	2,330,000	2,433,862
France Telecom S.A., 7.75%, 2011	2,330,000	2,518,623
Telecom Italia Capital, 4.875%, 2010	3,000,000	3,095,085
Telefonica S.A., 5.877%, 2019	2,940,000	3,177,761
Verizon Communications, Inc, 5.25%, 2013	3,260,000	3,538,665
Verizon Communications, Inc., 8.75%, 2018	1,060,000	1,323,899
		\$ 19,954,932
Oil Services - 0.5%		
Smith International, Inc., 9.75%, 2019	\$ 2,960,000	\$ 3,688,012
Other Banks & Diversified Financials - 3.9%		
American Express Centurion Bank, 5.2%, 2010	\$ 2,510,000	\$ 2,603,405
Banco de Credito del Peru, 9.75% to 2019, FRN to 2069 (z)	163,000	163,000
Capital One Financial Corp., 8.8%, 2019	2,470,000	2,925,517
Citigroup, Inc., 5.5%, 2013	8,000,000	8,337,144
Eurasian Development Bank, 7.375%, 2014 (n)	689,000	713,115
Eurohypo AG, 5.125%, 2016	3,140,000	3,241,560
Groupe BPCE S.A., FRN, 12.5%, 2049 (n)	2,556,000	3,040,720
Svenska Handelsbanken AB, 4.875%, 2014 (n)	3,060,000	3,212,152
Swedbank AB, 9% to 2010, FRN to 2049 (n)	5,000,000	4,650,000

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Other Banks & Diversified Financials - continued		
UBS Preferred Funding Trust V, 6.243% to 2016, FRN to 2049	\$ 2,000,000	\$ 1,578,000
Woori America Bank, 7%, 2015 (n)	1,026,000	1,107,809
		\$ 31,572,422
Pharmaceuticals - 2.0%		
GlaxoSmithKline Capital, Inc., 4.85%, 2013	\$ 2,114,000	\$ 2,279,788
Novartis AG, 4.125%, 2014	1,670,000	1,763,931
Pfizer, Inc., 6.2%, 2019	4,740,000	5,396,537
Roche Holdings, Inc., 6%, 2019 (n)	5,800,000	6,470,242
		\$ 15,910,498
Pollution Control - 0.4%		
Allied Waste North America, Inc., 7.125%, 2016	\$ 3,400,000	\$ 3,612,500
Printing & Publishing - 0.1%		
Pearson PLC, 5.5%, 2013 (n)	\$ 410,000	\$ 430,080
Real Estate - 0.5%		
Kimco Realty Corp., REIT, 6.875%, 2019	\$ 690,000	\$ 709,359
Simon Property Group, Inc., REIT, 6.75%, 2014	603,000	648,834
WEA Finance LLC, REIT, 6.75%, 2019 (n)	2,290,000	2,332,157
		\$ 3,690,350
Retailers - 1.4%		
AutoZone, Inc., 6.5%, 2014	\$ 2,660,000	\$ 2,904,741
Macy's Retail Holdings, Inc., 8.875%, 2015	2,670,000	2,823,525
Staples, Inc., 9.75%, 2014	2,330,000	2,823,615
Wesfarmers Ltd., 6.998%, 2013 (n)	2,330,000	2,521,703
		\$ 11,073,584
Supermarkets - 0.0%		
Kroger Co., 5%, 2013	\$ 303,000	\$ 319,963
Supranational - 1.7%		
Central American Bank, 4.875%, 2012 (n)	\$ 3,800,000	\$ 3,853,952
Corporacion Andina de Fomento, 6.875%, 2012	6,000,000	6,477,792
Corporacion Andina de Fomento, 5.2%, 2013	3,000,000	3,139,209
		\$ 13,470,953
Telecommunications - Wireless - 1.3%		
AT&T Wireless Services, Inc., 7.875%, 2011	\$ 1,000,000	\$ 1,083,279
Net Servicios de Comunicacao S.A., 7.5%, 2020 (z)	1,006,000	995,940
Rogers Communications, Inc., 6.8%, 2018	4,950,000	5,579,482

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telecommunications - Wireless - continued		
Vodafone Group PLC, 5%, 2013	\$ 3,000,000	\$ 3,207,945
		\$ 10,866,646
Tobacco - 1.2%		
Altria Group, Inc., 8.5%, 2013	\$ 2,700,000	\$ 3,132,572
Lorillard Tobacco Co., 8.125%, 2019	1,252,000	1,392,057
Philip Morris International, Inc., 4.875%, 2013	4,620,000	4,914,987
		\$ 9,439,616
U.S. Government Agencies and Equivalents - 3.4%		
Aid-Egypt, 4.45%, 2015	\$ 3,963,000	\$ 4,223,647
Farmer Mac, 5.5%, 2011 (n)	6,070,000	6,464,884
Small Business Administration, 6.35%, 2021	1,728,877	1,872,442
Small Business Administration, 6.34%, 2021	1,460,187	1,580,649
Small Business Administration, 6.44%, 2021	1,280,003	1,388,864
Small Business Administration, 6.625%, 2021	1,743,420	1,899,181
Small Business Administration, 5.34%, 2021	3,725,202	3,960,014
Small Business Administration, 4.93%, 2024	1,687,109	1,784,198
Small Business Administration, 5.36%, 2025	2,091,893	2,254,457
Small Business Administration, 5.39%, 2025	1,501,809	1,616,685
		\$ 27,045,021
U.S. Treasury Obligations - 0.2%		
U.S. Treasury Bonds, 10.625%, 2015 (f)	\$ 1,190,000	\$ 1,704,117
Utilities - Electric Power - 3.9%		
Allegheny Energy, Inc., 5.75%, 2019 (z)	\$ 2,820,000	\$ 2,779,660
Duke Energy Corp., 5.65%, 2013	1,800,000	1,937,263
E.ON International Finance B.V., 5.8%, 2018 (n)	5,000,000	5,391,485
EDP Finance B.V., 6%, 2018 (n)	2,240,000	2,422,318
ELETRONBRAS S.A., 6.875%, 2019 (n)	150,000	157,125
Enel Finance International S.A., 6.25%, 2017 (n)	2,240,000	2,459,428
Exelon Generation Co. LLC, 5.2%, 2019	1,340,000	1,366,765
FirstEnergy Corp., 6.05%, 2021 (n)	1,861,000	1,917,429
Georgia Power Co., 6%, 2013	1,350,000	1,515,387
Iberdrola Finance Ireland Ltd., 3.8%, 2014 (n)	3,950,000	3,986,680
NiSource Finance Corp., 7.875%, 2010	3,500,000	3,687,236
Oncor Electric Delivery Co., 5.95%, 2013	3,570,000	3,868,541
		\$ 31,489,317
Utilities - Gas - 0.8%		
Keyspan Corp., 7.625%, 2010	\$ 3,880,000	\$ 4,099,387

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Gas - continued		
Sempra Energy, 7.95%, 2010	\$ 2,290,000	\$ 2,342,292
		\$ 6,441,679
Total Bonds (Identified Cost, \$749,761,620)		\$ 799,834,929
Money Market Funds (v) - 0.0%		
MFS Institutional Money Market Portfolio, 0.13%, at Cost and Net Asset Value	753	\$ 753
Total Investments (Identified Cost, \$749,762,373)		\$ 799,835,682
Other Assets, Less Liabilities - 0.2%		
		1,384,184
Net Assets - 100.0%		\$ 801,219,866

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(i) Interest only security for which the fund receives interest on notional principal (Par amount). Par amount shown is the notional principal and does not reflect the cost of the security.

(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 \$147,367,843, representing 18.4% of net assets.

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

(z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Current Market Value
Abu Dhabi Commercial Bank, 4.75%, 2014	10/01/09	\$3,618,323	\$3,626,718
Allegheny Energy, Inc., 5.75%, 2019	9/22/09	2,809,707	2,779,660
Banco de Credito del Peru, 9.75% to 2019, FRN to 2069	10/30/09	163,000	163,000
Banco do Brasil S.A., 8.5%, 2049	10/13/09	323,000	332,367
Commonwealth Bank of Australia, 5%, 2019	10/08/09	2,545,869	2,571,484
Falcon Franchise Loan LLC, FRN, 2.066%, 2023	1/18/02	455,212	371,523
Inversiones CMPC S.A., 6.125%, 2019	10/29/09	1,064,517	1,074,945
Korea Expressway Corp., 4.5%, 2015	10/15/09	1,300,295	1,306,527
Lumena Resources Corp., 12%, 2014	10/21/09	3,871,251	3,594,440
Majapahit Holding B.V., 7.75%, 2020	10/30/09	2,386,589	2,386,589
Net Servicos de Comunicacao S.A., 7.5%, 2020	10/28/09	997,348	995,940
Odebrecht Finance Ltd., 7%, 2020	10/14/09	310,261	298,620
PNC Mortgage Acceptance Corp., FRN, 7.1%, 2032	3/25/08	2,000,000	1,989,138

Table of Contents*Portfolio of Investments continued*

Restricted Securities (continued)	Acquisition Date	Cost	Current Market Value
PT Adaro Indonesia, 7.625%, 2019	10/15/09	\$187,376	\$186,637
Republic of Croatia, 6.75%, 2019	10/29/09	2,045,654	2,103,277
Republic of Sri Lanka, 7.4%, 2015	10/15/09	115,000	115,000
Total Restricted Securities			\$23,895,865
% of Net Assets			3.0%

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

FRN Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.

PLC Public Limited Company

REIT Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

CAD Canadian Dollar

EUR Euro

GBP British Pound

JPY Japanese Yen

SEK Swedish Krona

Derivative Contracts at 10/31/09**Forward Foreign Currency Exchange Contracts at 10/31/09**

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange for	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives							
SELL	CAD	UBS AG	5,715,234	12/14/09	\$ 5,479,086	\$ 5,281,990	\$ 197,096
SELL	EUR	UBS AG	1,578,595	12/16/09	2,335,541	2,322,861	12,680
SELL	JPY	JPMorgan Chase Bank	5,585,608,392	1/13/10	62,171,807	62,078,601	93,206
SELL	SEK	HSBC Bank	9,536,157	1/28/10	1,403,110	1,345,207	57,903
							\$ 360,885

Liability Derivatives

SELL	EUR	JPMorgan Chase Bank	39,473,186	12/16/09	\$ 57,730,324	\$ 58,083,753	\$ (353,429)
SELL	EUR	UBS AG	12,089,302	12/16/09	17,678,488	17,789,089	(110,601)
SELL	GBP	Barclays Bank PLC	7,746,739	1/13/10	12,304,300	12,709,278	(404,978)
SELL	GBP	Deutsche Bank AG	7,746,739	1/13/10	12,304,920	12,709,278	(404,358)
							\$ (1,273,366)

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Portfolio of Investments continued

Futures Contracts Outstanding at 10/31/09

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Long)	USD	60	\$7,116,563	Dec-09	\$118,384
Liability Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 2 yr (Short)	USD	15	\$3,264,141	Dec-09	\$(26,537)

Swap Agreements at 10/31/09

Expiration	Notional Amount	Counterparty	Cash Flows to Receive	Cash Flows to Pay	Fair Value
Asset Derivatives					
<i>Credit Default Swaps</i>					
3/20/14	USD 1,820,000	Morgan Stanley Capital Services, Inc.	(1)	1.75% (fixed rate)	\$ 1,424
9/20/14	USD 3,960,000 (a)	Goldman Sachs International	1.00% (fixed rate)	(2)	24,162
					\$ 25,586

(1) Fund, as protection buyer, to receive notional amount upon a defined credit event by Weyerhaeuser Corp., 7.125%, 7/15/23.

(2) Fund, as protection seller, to pay notional amount upon a defined credit event by Cargill, Inc., 7.375%, 10/01/25, a A2 rated bond. The fund entered into the contract to gain issue exposure.

(a) Net unamortized premiums received by the fund amounted to \$8,873.

The credit ratings presented here are an indicator of the current payment/performance risk of the related swap, the reference obligation for which may be either a single security or, in case of a credit default index, a basket of securities issued by corporate or sovereign issuers. Each reference security, including each individual security within a reference basket of securities, is assigned a rating from Moody's Investor Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. The ratings for a credit default index are calculated by MFS as a weighted average of the external credit ratings of the individual securities that compose the index's reference basket of securities.

At October 31, 2009, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

See Notes to Financial Statements

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

At 10/31/09

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

Assets		
Investments-		
Non-affiliated issuers, at value (identified cost, \$749,761,620)	\$799,834,929	
Underlying funds, at cost and value	753	
Total investments, at value (identified cost, \$749,762,373)		\$799,835,682
Cash	\$985,429	
Restricted cash	600,000	
Receivables for		
Forward foreign currency exchange contracts	360,885	
Daily variation margin on open futures contracts	48,281	
Investments sold	1,697,923	
Interest	9,757,700	
Swaps, at value (net unamortized premiums received, \$8,873)	25,586	
Other assets	29,247	
Total assets		\$813,340,733
Liabilities		
Payables for		
Distributions	\$316,762	
Forward foreign currency exchange contracts	1,273,366	
Investments purchased	10,139,391	
Payable to affiliates		
Investment adviser	35,079	
Transfer agent and dividend disbursing costs	4,921	
Administrative services fee	1,080	
Payable for independent Trustees' compensation	205,999	
Accrued expenses and other liabilities	144,269	
Total liabilities		\$12,120,867
Net assets		\$801,219,866
Net assets consist of		
Paid-in capital	\$834,339,469	
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	49,352,012	
Accumulated net realized gain (loss) on investments and foreign currency transactions	(63,559,734)	
Accumulated distributions in excess of net investment income	(18,911,881)	
Net assets		\$801,219,866
Shares of beneficial interest outstanding		116,556,772
Net asset value per share (net assets of \$801,219,866 / 116,556,772 shares of beneficial interest outstanding)		\$6.87
See Notes to Financial Statements		

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

Year ended 10/31/09

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.

Net investment income	
Income	
Interest	\$36,529,282
Dividends from underlying funds	22,632
Foreign taxes withheld	(1,953)
Total investment income	\$36,549,961
Expenses	
Management fee	\$4,706,364
Transfer agent and dividend disbursing costs	173,270
Administrative services fee	160,139
Independent Trustees' compensation	146,239
Stock exchange fee	101,241
Custodian fee	161,463
Shareholder communications	447,384
Auditing fees	66,469
Legal fees	117,978
Miscellaneous	86,754
Total expenses	\$6,167,301
Fees paid indirectly	(1,314)
Reduction of expenses by investment adviser	(5,077)
Net expenses	\$6,160,910
Net investment income	\$30,389,051
Realized and unrealized gain (loss) on investments and foreign currency transactions	
Realized gain (loss) (identified cost basis)	
Investment transactions	\$11,975,820
Futures contracts	969,181
Swap transactions	(79,694)
Foreign currency transactions	(9,791,409)
Net realized gain (loss) on investments and foreign currency transactions	\$3,073,898
Change in unrealized appreciation (depreciation)	
Investments	\$80,241,502
Futures contracts	356,920
Swap transactions	(59,283)
Translation of assets and liabilities in foreign currencies	(10,199,285)
Net unrealized gain (loss) on investments and foreign currency translation	\$70,339,854
Net realized and unrealized gain (loss) on investments and foreign currency	\$73,413,752
Change in net assets from operations	\$103,802,803
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.

	Years ended 10/31	
	2009	2008
Change in net assets		
From operations		
Net investment income	\$30,389,051	\$30,178,908
Net realized gain (loss) on investments and foreign currency transactions	3,073,898	7,438,607
Net unrealized gain (loss) on investments and foreign currency translation	70,339,854	(23,364,162)
Change in net assets from operations	\$103,802,803	\$14,253,353
Distributions declared to shareholders		
From net investment income	\$(35,147,487)	\$(52,961,872)
From tax return of capital	(30,976,655)	(10,276,433)
Total distributions declared to shareholders	\$(66,124,142)	\$(63,238,305)
Change in net assets from fund share transactions	\$305,149	\$10,553
Total change in net assets	\$37,983,810	\$(48,974,399)
Net assets		
At beginning of period	763,236,056	812,210,455
At end of period (including accumulated distributions in excess of net investment income of \$18,911,881 and \$17,842,122, respectively)	\$801,219,866	\$763,236,056
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.

	Years ended 10/31				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$6.55	\$6.97	\$6.97	\$7.04	\$7.32
Income (loss) from investment operations					
Net investment income (d)	\$0.26	\$0.26	\$0.28	\$0.28	\$0.29
Net realized and unrealized gain (loss) on investments and foreign currency	0.63	(0.14)	0.03	(0.02)	(0.23)
Total from investment operations	\$0.89	\$0.12	\$0.31	\$0.26	\$0.06
Less distributions declared to shareholders					
From net investment income	\$(0.30)	\$(0.45)	\$(0.30)	\$(0.32)	\$(0.36)
From tax return of capital	(0.27)	(0.09)	(0.01)	(0.03)	
Total distributions declared to shareholders	\$(0.57)	\$(0.54)	\$(0.31)	\$(0.35)	\$(0.36)
Net increase from repurchase of capital shares	\$	\$	\$	\$0.02	\$0.02
Net asset value, end of period	\$6.87	\$6.55	\$6.97	\$6.97	\$7.04
Per share market value, end of period	\$6.64	\$5.92	\$6.24	\$6.12	\$6.29
Total return at market value (%)	22.45	3.45	7.15	2.88	0.85
Total return at net asset value (%) (r)(s)	14.51	2.48	5.09	4.69	1.61
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions (f)	0.79	0.82	0.75	0.78	0.84
Expenses after expense reductions (f)	0.79	0.82	0.75	0.78	0.84
Net investment income	3.89	3.73	3.99	3.98	4.01
Portfolio turnover	50	57	49	45	58
Net assets at end of period (000 omitted)	\$801,220	\$763,236	\$812,210	\$811,945	\$845,034

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

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

(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.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Intermediate 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 closed-end management investment company.

(2) Significant Accounting Policies

General The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making these estimates and assumptions, management has considered the effects, if any, of events occurring after the date of the fund's Statement of Assets and Liabilities through December 17, 2009 which is the date that the financial statements were issued. Actual results could differ from those estimates. The fund may invest a significant portion of its assets in asset-backed and/or mortgage-backed securities. The value of these securities may depend, in part, on the issuer's or borrower's credit quality or ability to pay principal and interest when due and may fall if an issuer or borrower defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. U.S. Government securities not supported as to the payment of principal or interest by the U.S. Treasury, such as those issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, are subject to greater credit risk than are U.S. Government securities supported by the U.S. Treasury, such as those issued by Ginnie Mae. The fund can invest in foreign securities, including securities of emerging market issuers. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's legal, political, and economic environment. The markets of emerging markets countries are generally more volatile than the markets of developed countries with more mature economies. All of the risks of investing in foreign securities previously described are heightened when investing in emerging markets countries.

Investment Valuations Debt instruments and floating rate loans (other than short-term instruments), 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 generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are

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Notes to Financial Statements continued

primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Forward foreign currency contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Swaps are generally valued at valuations 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 values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

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

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Notes to Financial Statements continued

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.

The fund has adopted FASB Accounting Standard Codification 820, Fair Value Measurements and Disclosures (ASC 820), which provides a single definition of fair value, a hierarchy for measuring fair value and expanded disclosures about fair value measurements.

Various inputs are used in determining the value of the fund's assets or liabilities carried at market value. 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 va