

Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

MFS CHARTER INCOME TRUST

Form N-Q

October 26, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5822

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MFS CHARTER 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

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Date of fiscal year end: November 30

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Date of reporting period: August 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Charter Income Trust

8/31/06

Quarterly portfolio holdings

[graphic omitted]

M F S (R)  
INVESTMENT MANAGEMENT

MFS Charter Income Trust

PORTFOLIO OF INVESTMENTS (Unaudited) 08/31/2006

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ISSUER

BONDS - 97.7%

AEROSPACE - 0.1%

DRS Technologies, Inc., 7.625%, 2018

\$

AGENCY - OTHER - 1.0%

Financing Corp., 10.35%, 2018

\$

AIRLINES - 0.2%

Continental Airlines, Inc., 7.566%, 2020

\$

ASSET BACKED & SECURITIZED - 7.7%

Amresco Commercial Mortgage Funding I, 7%, 2029

\$

Asset Securitization Corp., FRN, 8.2945%, 2029

Bayview Financial Acquisition Trust, FRN, 5.483%, 2041

Bayview Financial Revolving Mortgage Loan Trust, FRN, 6.1281%, 2040 (z)

Bear Stearns Commercial Mortgage Securities, Inc., FRN, 5.116%, 2041

Countrywide Asset-Backed Certificates, FRN, 5.147%, 2035

Credit Suisse First Boston Mortgage Securities Corp., 6.75%, 2030 (a)

Crest Ltd., 7%, 2040 (a)

DLJ Commercial Mortgage Corp., 6.04%, 2031

First Union-Lehman Brothers Bank of America, FRN, 0.6845%, 2035 (i)

6

First Union-Lehman Brothers Commercial Mortgage Trust, 7%, 2029 (a)

First Union-Lehman Brothers Commercial Mortgage Trust, FRN, 7.5%, 2029

J.P. Morgan Chase Commercial Mortgage Securities Corp., FRN, 5.038%, 2046

Morgan Stanley Capital I, Inc., 5.168%, 2042

Mortgage Capital Funding, Inc., FRN, 0.8812%, 2031 (i)

1

New Century Home Equity Loan Trust, FRN, 4.532%, 2035

Residential Asset Mortgage Products, Inc., 3.878%, 2035

Spirit Master Funding LLC, 5.05%, 2023 (z)

Structured Asset Securities Corp., FRN, 4.67%, 2035

TIAA Real Estate CDO Ltd., 7.17%, 2032 (a)

Wachovia Bank Commercial Mortgage Trust, FRN, 4.847%, 2041

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-----  
Wachovia Bank Commercial Mortgage Trust, FRN, 5.083%, 2042  
-----

-----  
AUTOMOTIVE - 1.7%  
-----

American Axle & Manufacturing, Inc., 5.25%, 2014 \$

DaimlerChrysler N.A. Holdings Corp., 8.5%, 2031

Ford Motor Credit Co., 6.625%, 2008

Ford Motor Credit Co., 5.8%, 2009

Ford Motor Credit Co., 7%, 2013

General Motors Acceptance Corp., 5.85%, 2009

General Motors Acceptance Corp., 6.875%, 2011

General Motors Acceptance Corp., 6.75%, 2014

General Motors Corp., 8.375%, 2033

GMAC LLC, 6.125%, 2008

Lear Corp., 8.11%, 2009

Lear Corp., 5.75%, 2014  
-----

-----  
BROADCASTING - 1.1%  
-----

Allbritton Communications Co., 7.75%, 2012 \$

CBS Corp., 6.625%, 2011

EchoStar DBS Corp., 6.375%, 2011

Intelsat Subsidiary Holding Co. Ltd., 8.625%, 2015

Lamar Media Corp., 7.25%, 2013

News America Holdings, 7.7%, 2025

News America, Inc., 6.2%, 2034  
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BROKERAGE & ASSET MANAGERS - 1.0%  
-----

Goldman Sachs Group, Inc., 5.7%, 2012 \$

Morgan Stanley Dean Witter, Inc., 6.6%, 2012  
-----

-----  
BUSINESS SERVICES - 0.6%  
-----

Iron Mountain, Inc., 7.75%, 2015 \$

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Xerox Corp., 7.625%, 2013

Xerox Corp., 6.4%, 2016

CABLE TV - 1.1%

CCH II Holdings LLC, 10.25%, 2010

\$

CSC Holdings, Inc., 8.125%, 2009

Grupo Televisa S.A., 8.5%, 2032

Mediacom LLC, 9.5%, 2013

Rogers Cable, Inc., 5.5%, 2014

TCI Communications, Inc., 9.8%, 2012

CHEMICALS - 1.0%

BCP Crystal Holdings Corp., 9.625%, 2014

\$

Equistar Chemicals LP, 10.125%, 2008

Hercules, Inc., 6.75%, 2029

Huntsman International LLC, 10.125%, 2009

Lyondell Chemical Co., 11.125%, 2012

Nalco Co., 7.75%, 2011

Nalco Co., 8.875%, 2013

Yara International A.S.A., 5.25%, 2014 (a)

CONGLOMERATES - 0.2%

Kennametal, Inc., 7.2%, 2012

\$

CONSTRUCTION - 0.5%

Beazer Homes USA, Inc., 6.875%, 2015

\$

M/I Homes, Inc., 6.875%, 2012

CONSUMER GOODS & SERVICES - 0.2%

Church & Dwight Co., Inc., 6%, 2012

\$

Service Corp. International, 8%, 2017 (a)

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CONTAINERS - 0.4%

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Ball Corp., 6.625%, 2018 \$

---

Crown Americas LLC., 7.75%, 2015

---

Owens-Brockway Glass Container, Inc., 8.875%, 2009

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Owens-Brockway Glass Container, Inc., 8.25%, 2013

---



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DEFENSE ELECTRONICS - 0.9%

---

BAE Systems Holdings, Inc., 4.75%, 2010 (a) \$

---

BAE Systems Holdings, Inc., 5.2%, 2015 (a)

---

L-3 Communications Corp., 5.875%, 2015

---

L-3 Communications Corp., 6.375%, 2015

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ELECTRONICS - 0.2%

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Flextronics International Ltd., 6.5%, 2013 \$

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Sensata Technologies B.V., 8%, 2014 (a)

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EMERGING MARKET QUASI-SOVEREIGN - 1.1%

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Banco do Brasil S.A., 7.95%, 2049 (a) \$

---

Gazprom OAO, 9.625%, 2013 (a)

---

Pemex Project Funding Master Trust, 8.625%, 2022

---

Petroleum Export/Cayman, 5.265%, 2011 (a)

---

Petronas Capital Ltd., 7.875%, 2022 (a)

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Petronas Capital Ltd., 7.875%, 2022

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EMERGING MARKET SOVEREIGN - 1.7%

---

Republic of Argentina, FRN, 5.589%, 2012 \$

---

Republic of Bulgaria, 8.25%, 2015

---

Republic of Colombia, FRN, 7.2163%, 2015

---

Republic of El Salvador, 7.65%, 2035

---

Republic of Indonesia, 6.875%, 2017 (a)

---

Republic of Panama, 9.375%, 2029

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-----  
 Republic of South Africa, 9.125%, 2009  
 -----

Russian Federation, 3%, 2008  
 -----

United Mexican States, 8.125%, 2019  
 -----

-----  
 ENERGY - INDEPENDENT - 0.7%  
 -----

Chesapeake Energy Corp., 6.875%, 2016

\$

Forest Oil Corp., 7.75%, 2014  
 -----

Newfield Exploration Co., 6.625%, 2014  
 -----

Pan American Energy LLC, 7.75%, 2012 (z)  
 -----

Quicksilver Resources, Inc., 7.125%, 2016  
 -----

Vintage Petroleum, Inc., 8.25%, 2012  
 -----

-----  
 ENERGY - INTEGRATED - 0.2%  
 -----

TNK-BP Finance S.A., 7.5%, 2016 (a)

\$

ENTERTAINMENT - 0.5%  
 -----

AMC Entertainment, Inc., 9.5%, 2011

\$

AMC Entertainment, Inc., 11%, 2016  
 -----

Six Flags, Inc., 9.75%, 2013  
 -----

Turner Broadcasting System, Inc., 8.375%, 2013  
 -----

-----  
 FINANCIAL INSTITUTIONS - 0.6%  
 -----

Countrywide Financial Corp., 6.25%, 2016

\$

HSBC Finance Corp., 5.5%, 2016  
 -----

International Lease Finance Corp., 5%, 2010  
 -----

-----  
 FOOD & BEVERAGES - 0.1%  
 -----

B&G Foods Holding Corp., 8%, 2011

\$

Michael Foods, Inc., 8%, 2013  
 -----

-----  
 FOREST & PAPER PRODUCTS - 0.8%  
 -----

Buckeye Technologies, Inc., 8.5%, 2013

\$

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-----  
 Jefferson Smurfit Corp., 8.25%, 2012  
 -----

MDP Acquisitions PLC, 9.625%, 2012  
 -----

Norske Skog Canada Ltd., 7.375%, 2014  
 -----

Stone Container Corp., 7.375%, 2014  
 -----

Stora Enso Oyj, 6.404%, 2016 (a)  
 -----

Verso Paper Holdings LLC, 9.125%, 2014 (a)  
 -----

-----  
 GAMING & LODGING - 2.0%  
 -----

Boyd Gaming Corp., 6.75%, 2014

\$

Caesars Entertainment, Inc., 8.125%, 2011  
 -----

GTECH Holdings Corp., 5.25%, 2014  
 -----

Harrah's Operating Co., Inc., 5.625%, 2015  
 -----

Host Marriott LP, 7.125%, 2013  
 -----

Host Marriott LP, 6.375%, 2015  
 -----

Host Marriott LP, 6.75%, 2016  
 -----

Mandalay Resort Group, 9.375%, 2010  
 -----

MGM Mirage, Inc., 8.375%, 2011  
 -----

MGM Mirage, Inc., 6.75%, 2013 (a)  
 -----

MGM Mirage, Inc., 6.875%, 2016 (a)  
 -----

Scientific Games Corp., 6.25%, 2012  
 -----

Starwood Hotels & Resorts Worldwide, Inc., 7.875%, 2012  
 -----

Station Casinos, Inc., 6.5%, 2014  
 -----

Wynn Las Vegas LLC, 6.625%, 2014  
 -----

-----  
 INDUSTRIAL - 0.2%  
 -----

Amsted Industries, Inc., 10.25%, 2011 (z)

\$

JohnsonDiversey Holdings, Inc., "B", 9.625%, 2012  
 -----

-----  
 INSURANCE - 0.9%  
 -----

American International Group, Inc., 4.25%, 2013

\$

UnumProvident Corp., 7.625%, 2011  
 -----

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-----  
 UnumProvident Corp., 6.85%, 2015 (a)  
 -----

-----  
 INSURANCE - PROPERTY & CASUALTY - 0.6%  
 -----

AXIS Capital Holdings Ltd., 5.75%, 2014

\$

Fund American Cos., Inc., 5.875%, 2013  
 -----

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 INTERNATIONAL MARKET QUASI-SOVEREIGN - 2.6%  
 -----

KfW Bankengruppe, FRN, 2.844%, 2007

EUR

Landesbank Baden-Wuerttemberg, FRN, 3.092%, 2007

EUR

Landesbank Baden-Wuerttemberg, FRN, 3.217%, 2007

EUR

Landesbank Baden-Wuerttemberg, FRN, 3.333%, 2007

EUR

Network Rail MTN Finance PLC, FRN, 3.255%, 2007

EUR  
 -----

-----  
 INTERNATIONAL MARKET SOVEREIGN - 21.1%  
 -----

Commonwealth of Australia, 6.5%, 2013

AUD

Federal Republic of Germany, 3.5%, 2008

EUR

Federal Republic of Germany, 3.75%, 2015

EUR

Federal Republic of Germany, 6.25%, 2030

EUR

Government of Canada, 4.5%, 2015

CAD

Government of Canada, 8%, 2023

CAD

Kingdom of Denmark, 4%, 2015

DKK

Kingdom of Netherlands, 5.75%, 2007

EUR

Kingdom of Netherlands, 3.75%, 2009

EUR

Kingdom of Norway, 5%, 2015

NOK

Kingdom of Spain, 6%, 2008

EUR

Kingdom of Spain, 5.35%, 2011

EUR

Republic of Austria, 5.5%, 2007

EUR

Republic of Finland, 5.375%, 2013

EUR

Republic of France, 4.75%, 2007

EUR

Republic of France, 4.75%, 2012

EUR

Republic of France, 6%, 2025

EUR  
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Republic of Ireland, 4.25%, 2007	EUR
Republic of Ireland, 4.6%, 2016	EUR
United Kingdom Treasury, 5.75%, 2009	GBP
United Kingdom Treasury, 5%, 2012	GBP
United Kingdom Treasury, 8%, 2015	GBP
-----	
MACHINERY & TOOLS - 0.5%	
Case New Holland, Inc., 6%, 2009	\$
Case New Holland, Inc., 9.25%, 2011	
Case New Holland, Inc., 7.125%, 2014	
Manitowoc Co., Inc., 10.5%, 2012	
Terex Corp., 9.25%, 2011	
-----	
MAJOR BANKS - 0.3%	
BNP Paribas, 5.186% to 2015, FRN to 2049 (a)	\$
-----	
MEDICAL & HEALTH TECHNOLOGY & SERVICES - 1.1%	
DaVita, Inc., 6.625%, 2013	\$
DaVita, Inc., 7.25%, 2015	
Fisher Scientific International, Inc., 6.125%, 2015	
HCA, Inc., 8.75%, 2010	
HCA, Inc., 6.375%, 2015	
Omnicare, Inc., 6.875%, 2015	
Owens & Minor, Inc., 6.35%, 2016	
Triad Hospitals, Inc., 7%, 2013	
-----	
METALS & MINING - 0.8%	
Arch Western Finance LLC, 6.75%, 2013	\$
Foundation PA Coal Co., 7.25%, 2014	
Ispat Inland ULC, 9.75%, 2014	
Massey Energy Co., 6.875%, 2013	
Peabody Energy Corp., 5.875%, 2016	

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Peabody Energy Corp., "B", 6.875%, 2013

U.S. Steel Corp., 9.75%, 2010

MORTGAGE BACKED - 13.4%

Fannie Mae, 3.81%, 2013

\$

Fannie Mae, 4.1%, 2013

Fannie Mae, 4.19%, 2013

Fannie Mae, 4.845%, 2013

Fannie Mae, 4.519%, 2014

Fannie Mae, 4.6%, 2014

Fannie Mae, 4.667%, 2014

Fannie Mae, 4.77%, 2014

Fannie Mae, 4.56%, 2015

Fannie Mae, 4.665%, 2015

Fannie Mae, 4.7%, 2015

Fannie Mae, 4.74%, 2015

Fannie Mae, 4.815%, 2015

Fannie Mae, 4.87%, 2015

Fannie Mae, 4.89%, 2015

Fannie Mae, 4.925%, 2015

Fannie Mae, 6%, 2016 - 2034

Fannie Mae, 5.5%, 2019 - 2035

4

Fannie Mae, 4.88%, 2020

Fannie Mae, 6.5%, 2032 - 2033

Freddie Mac, 5%, 2024

Freddie Mac, 5.5%, 2034

Freddie Mac, 6%, 2034

NATURAL GAS - DISTRIBUTION - 0.1%

AmeriGas Partners LP, 7.25%, 2015

\$

AmeriGas Partners LP, 7.125%, 2016

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NATURAL GAS - PIPELINE - 1.2%

Atlas Pipeline Partners LP, 8.125%, 2015 \$

CenterPoint Energy Resources Corp., 7.875%, 2013

Colorado Interstate Gas Co., 5.95%, 2015

El Paso Performance-Linked, 7.75%, 2011 (a)

Kinder Morgan Energy Partners, 7.125%, 2012

Magellan Midstream Partners LP, 5.65%, 2016

Williams Cos., Inc., 8.75%, 2032

NETWORK & TELECOM - 1.5%

Citizens Communications Co., 9.25%, 2011 \$

Citizens Communications Co., 9%, 2031

Nordic Telephone Co. Holdings, 8.875%, 2016 (a)

Qwest Corp., 7.875%, 2011

Qwest Corp., 8.875%, 2012

Telecom Italia Capital, 6%, 2034

Telefonica Europe B.V., 7.75%, 2010

Verizon New York, Inc., 6.875%, 2012

Windstream Corp., 8.625%, 2016 (a)

OIL SERVICES - 0.1%

Basic Energy Services, Inc., 7.125%, 2016 (a) \$

GulfMark Offshore, Inc., 7.75%, 2014

OILS - 0.7%

Premcor Refining Group, Inc., 7.5%, 2015 \$

OTHER BANKS & DIVERSIFIED FINANCIALS - 5.0%

Banco BMG S.A., 9.15%, 2016 (a) \$

Banco do Estado de Sao Paulo S.A., 8.7%, 2049 (a)

Banco Mercantil del Norte S.A., 5.875% to 2009, FRN to 2014 (a)

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Bosphorus Financial Services Ltd., FRN, 7.205%, 2012 (z)

Chuo Mitsui Trust & Banking Co., 5.506% to 2015, FRN to 2049 (a)

DFS Funding Corp., FRN, 7.3294%, 2010 (z)

HBOS Capital Funding LP, 6.071% to 2014, FRN to 2049 (a)

HSBK Europe B.V., 7.75%, 2013 (a)

ICICI Bank Ltd., 7.25% to 2016, FRN to 2049 (z)

J.P. Morgan Chase & Co., 5.125%, 2014

Kazkommerts International B.V., 10.125%, 2007 (a)

Kazkommerts International B.V., 10.125%, 2007

Mizuho Capital Investment 1 Ltd., 6.686% to 2016, FRN to 2049 (a)

Mizuho Financial Group, Inc., 5.79%, 2014 (a)

MUFG Capital Finance 1 Ltd., 6.346% to 2016, FRN to 2049

RBS Capital Trust II, 6.425% to 2034, FRN to 2049

Resona Bank Ltd., 5.85% to 2016, FRN to 2049 (a)

Russian Standard Finance S.A., 8.125%, 2008 (a)

Russian Standard Finance S.A., 7.5%, 2010 (a)

Russian Standard Finance S.A., 8.625%, 2011 (a)

Turanalem Finance B.V., 7.75%, 2013 (a)

UFJ Finance Aruba AEC, 6.75%, 2013

Woori Bank, 6.125% to 2011, FRN to 2016 (a)

PRECIOUS METALS & MINERALS - 0.6%

Alrosa Finance S.A., 8.875%, 2014

\$

PRINTING & PUBLISHING - 0.5%

Dex Media East LLC, 9.875%, 2009

\$

Dex Media West LLC, 9.875%, 2013

MediaNews Group, Inc., 6.875%, 2013

RAILROAD & SHIPPING - 0.6%

TFM S.A. de C.V., 9.375%, 2012

\$

REAL ESTATE - 0.5%

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EOP Operating LP, REIT, 4.75%, 2014	\$
HRPT Properties Trust, REIT, 6.25%, 2016	
-----	
RESTAURANTS - 0.3%	
YUM! Brands, Inc., 8.875%, 2011	\$
-----	
RETAILERS - 0.6%	
Couche-Tard, Inc., 7.5%, 2013	\$
Dollar General Corp., 8.625%, 2010	
Gap, Inc., 9.55%, 2008	
Limited Brands, Inc., 5.25%, 2014	
Steinway Musical Instruments, Inc., 7%, 2014 (a)	
-----	
SPECIALTY STORES - 0.1%	
GSC Holdings Corp., 8%, 2012	\$
-----	
STEEL - 0.2%	
Chaparral Steel Co., 10%, 2013	\$
FMG Finance Ltd., 10.625%, 2016 (z)	
-----	
SUPRANATIONAL - 0.3%	
Central American Bank, 4.875%, 2012 (a)	\$
-----	
TELECOMMUNICATIONS - WIRELESS - 1.6%	
AT&T Wireless Services, Inc., 8.75%, 2031	\$
Centennial Communications Corp., 10.125%, 2013	
Cingular Wireless LLC, 6.5%, 2011	
Excelcomindo Finance Co., 7.125%, 2013 (a)	
Nextel Communications, Inc., 5.95%, 2014	
Rogers Wireless, Inc., 6.375%, 2014	
Rogers Wireless, Inc., 7.5%, 2015	
UBS Luxembourg S.A., 8.25%, 2016	
-----	
TOBACCO - 0.4%	

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Reynolds American, Inc., 7.25%, 2012 (a) \$

Reynolds American, Inc., 7.3%, 2015 (a)

TRANSPORTATION - SERVICES - 0.2%

Hertz Corp., 8.875%, 2014 (a) \$

Stena AB, 7%, 2016

Westinghouse Air Brake Technologies Corp., 6.875%, 2013

U.S. GOVERNMENT AGENCIES - 2.8%

Small Business Administration, 4.34%, 2024 \$

Small Business Administration, 4.77%, 2024

Small Business Administration, 5.11%, 2025

U.S. TREASURY OBLIGATIONS - 9.3%

U.S. Treasury Bonds, 12%, 2013 \$

U.S. Treasury Bonds, 10.625%, 2015

U.S. Treasury Bonds, 6.25%, 2023 (f)

U.S. Treasury Bonds, 5.375%, 2031

U.S. Treasury Notes, 4.25%, 2014

U.S. Treasury Notes, 4.125%, 2015

U.S. Treasury Notes, 9.875%, 2015

U.S. Treasury Notes, 4.5%, 2016

U.S. Treasury Notes, TIPS, 2%, 2014 1

U.S. Treasury Notes, TIPS, 1.625%, 2015

UTILITIES - ELECTRIC POWER - 4.0%

Allegheny Energy Supply Co. LLC, 8.25%, 2012 (a) \$

DPL, Inc., 6.875%, 2011

Duke Capital Corp., 8%, 2019

Edison Mission Energy, 7.75%, 2016 (a)

Empresa Nacional de Electricidad S.A., 8.35%, 2013

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-----  
 Enersis S.A., 7.375%, 2014  
 -----

FirstEnergy Corp., 6.45%, 2011  
 -----

HQI Transelec Chile S.A., 7.875%, 2011  
 -----

Midwest Generation LLC, 8.75%, 2034  
 -----

Mirant North American LLC, 7.375%, 2013  
 -----

MSW Energy Holdings LLC, 7.375%, 2010  
 -----

Nevada Power Co., 5.875%, 2015  
 -----

NorthWestern Corp., 5.875%, 2014  
 -----

NRG Energy, Inc., 7.375%, 2016  
 -----

Reliant Resources, Inc., 9.5%, 2013  
 -----

System Energy Resources, Inc., 5.129%, 2014 (a)  
 -----

TXU Corp., 5.55%, 2014  
 -----

TXU Energy Co., 7%, 2013  
 -----

-----  
 TOTAL BONDS  
 -----

COMMON STOCKS - 0.0%  
 -----

PRINTING & PUBLISHING - 0.0%  
 -----

Golden Books Family Entertainment, Inc. (n)  
 -----

SPECIALTY CHEMICALS - 0.0%  
 -----

Sterling Chemicals, Inc. (n)  
 -----

TOTAL COMMON STOCKS  
 -----

CONVERTIBLE PREFERRED STOCKS - 0.1%  
 -----

AUTOMOTIVE - 0.1%  
 -----

General Motors Corp., "B", 5.25%  
 -----

WARRANTS - 0.0%  
 -----

	STRIKE PRICE	FIRST EXERCISE DATE
BUSINESS SERVICES - 0.0%		
Loral Space & Communications Ltd. (n)	\$0.14	1/28/1999
Loral Space & Communications Ltd. (n)	\$0.14	1/28/1999

-----  
 SPECIALTY CHEMICALS - 0.0%  
 -----

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Sterling Chemicals, Inc. (n)	\$52.00	12/31/200
TOTAL WARRANTS		
SHORT-TERM OBLIGATIONS - 0.7%		
General Electric Co., 5.27%, due 9/01/06 (y)		
TOTAL INVESTMENTS (k)		
OTHER ASSETS, LESS LIABILITIES - 1.5%		
NET ASSETS - 100.0%		

- (a) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities are in the ordinary course of business in transactions exempt from registration, normally to qualified investors. At period end, the aggregate value of these securities was \$46,156,529, representing 8.8% of net assets.
- (f) All or a portion of the security has been segregated as collateral for an open futures contract.
- (i) Interest only security for which the trust receives interest on notional principal (Par amount) and does not reflect the cost of the security.
- (k) As of August 31, 2006, the trust held securities fair valued in accordance with the policies aggregating \$501,115,937 and 96.98% of market value. An independent pricing service provided the market value.
- (n) Non-income producing security.
- (y) The rate shown represents an annualized yield at time of purchase.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to restrictions. These securities generally may be resold in transactions exempt from registration or to the public if subsequently registered. Disposal of these securities may involve time-consuming negotiations and the price may be difficult. The trust holds the following restricted securities:

RESTRICTED SECURITIES	ACQUISITION DATE	ACQUISITION COST	MAR
Amsted Industries, Inc., 10.25%, 2011	8/08/2003	\$ 725,000	\$
Bayview Financial Revolving Mortgage Loan Trust, FRN, 6.1281%, 2040	3/01/2006	1,160,000	1,
Bosphorus Financial Services Ltd., FRN, 7.205%, 2012	3/08/2005	1,500,000	1,
DFS Funding Corp., FRN, 7.3294%, 2010	6/24/2005	1,750,000	1,
FMG Finance Ltd., 10.625%, 2016	8/11/2006	240,000	
ICICI Bank Ltd., 7.25% to 2016, FRN to 2049	8/17/2006	198,648	
Pan American Energy LLC, 7.75%, 2012	8/02/2006	109,000	
Spirit Master Funding LLC, 5.05%, 2023	7/15/2005	1,906,137	1,
Total Restricted Securities			\$7,====

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

FRN	Floating Rate Note. The interest rate is the rate in effect as of period end.
REIT	Real Estate Investment Trust
TIPS	Treasury Inflation Protected Security

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:

AUD	Australian Dollar
CAD	Canadian Dollar
CNY	Chinese Yuan Renminbi
DKK	Danish Krone

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

EUR	Euro
GBP	British Pound
MYR	Malaysian Ringgit
NOK	Norwegian Krone
NZD	New Zealand Dollar
SGD	Singapore Dollar

See attached schedules. For more information see notes to financial statements as disclosed in the annual report.

### MFS CHARTER INCOME TRUST

SUPPLEMENTAL SCHEDULES (UNAUDITED) 08/31/2006

#### (1) PORTFOLIO SECURITIES

The cost and unrealized appreciation and depreciation in the value of the investments owned by the trust, as computed on a federal income tax basis, are as follow

Aggregate Cost	\$526,025,481
	=====
Gross unrealized appreciation	6,162,316
Gross unrealized depreciation	(15,442,146)
	-----
Net unrealized appreciation (depreciation)	\$ (9,279,830)
	=====

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

#### (2) FINANCIAL INSTRUMENTS

##### DERIVATIVES

-----

##### FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

Sales and Purchases in the table below are reported by currency.

	CONTRACTS TO DELIVER/RECEIVE	SETTLEMENT DATE	IN EXCHANGE FOR	CONTRACTS AT VALUE	NET UNREALIZED APPRECIATION (DEPRECIATION)
-----					
<b>SALES</b>					
-----					
AUD	543,317	10/10/06	\$ 413,084	414,634	\$ (1,550)
DKK	3,734,465	10/25/06	642,417	643,594	(1,177)
EUR	82,392,282	10/04/06-10/20/06	106,183,656	105,891,107	292,549
GBP	9,529,224	10/02/2006	17,801,455	18,160,407	(358,952)
NOK	3,896,847	9/11/06	620,523	616,938	3,585
NZD	1,365,423	10/10/06	842,616	893,035	(50,419)
			-----	-----	-----
			\$126,503,751	\$126,619,715	\$ (115,964)
			=====	=====	=====
<b>PURCHASES</b>					
-----					
CNY	42,072,400	9/07/06	\$ 5,298,457	5,291,660	\$ (6,797)
EUR	1,029,340	10/04/06	1,313,294	1,321,747	8,453

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MYR	4,696,964	9/25/06	1,283,324	1,277,665	(5,659)
NZD	1,017,650	10/10/06	647,958	665,579	17,621
SGD	2,049,719	9/05/06	1,297,291	1,302,919	5,628
			-----	-----	-----
			\$ 9,840,324	\$ 9,859,570	\$ 19,246
			=====	=====	=====

At August 31, 2006, forward foreign currency purchases and sales under master netting agreements excluded above amounted to a net payable of \$18,782 with Merrill Lynch International.

FUTURES CONTRACTS

	CONTRACTS	VALUE	EXPIRATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)
U.S. Treasury Bond (Long)	50	\$ 5,553,125	Dec-06	\$ 12,325
U.S. Treasury Note 10 year (Short)	88	9,449,000	Dec-06	(18,870)
				-----
				\$ (6,545)
				=====

SWAP AGREEMENTS

EXPIRATION	NOTIONAL AMOUNT	COUNTERPARTY	CASH FLOWS TO RECEIVE	CASH FLOWS TO PAY	UNREALIZED APPRECIATION (DEPRECIATION)
CREDIT DEFAULT					
3/20/11 USD	1,270,000	Citibank, N.A.	(1)	0.65% (fixed rate)	\$ (
3/20/11 USD	2,500,000	Merrill Lynch International	(2)	0.43% (fixed rate)	(
					-----
					\$ (1
					=====

- (1) Fund to receive notional amount upon a defined credit default event by Autozone, Inc., 5
- (2) Fund to receive notional amount upon a defined credit default event by New York Times Co

At August 31, 2006, the trust had sufficient cash and/or securities to cover any commitments under contracts.

(3) COUNTRY WEIGHTINGS

Country weighting percentages of portfolio holdings based on total net assets as of August 31, 20

United States	63.1%
United Kingdom	4.7%
Germany	4.4%
Ireland	3.5%
France	3.3%

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Finland	2.7%
-----	-----
Netherlands	2.5%
-----	-----
Spain	2.4%
-----	-----
Russia	2.4%
-----	-----
Others	11.0%
-----	-----

The country weighting percentages include both accrued interest amounts and the equivalent exposures of derivative holdings, if applicable.

### ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, 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 registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

### ITEM 3. EXHIBITS.

File as exhibits as part of this Form 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.

### NOTICE

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

### SIGNATURES

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

Registrant: MFS CHARTER INCOME TRUST  
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By (Signature and Title)\* MARIA F. DWYER

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Maria F. Dwyer, President

Date: October 19, 2006  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

-----  
Maria F. Dwyer, President (Principal Executive Officer)

Date: October 19, 2006  
-----

By (Signature and Title)\* TRACY ATKINSON

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

Date: October 19, 2006  
-----

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