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MFS MUNICIPAL INCOME TRUST
Form DEF 14A
February 04, 2005

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

FILED BY THE REGISTRANT

FILED BY A PARTY OTHER
THAN THE REGISTRANT

CHECK THE APPROPRIATE BOX:

- Preliminary Proxy Statement
 Confidential for Use of the Commission Only (as permitted
by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to sec. 240.14a-11(c) or sec. 240.14a-12

MFS Charter Income Trust
MFS Government Markets Income Trust
MFS Intermediate Income Trust
MFS Multimarket Income Trust
MFS Municipal Income Trust
MFS Special Value Trust

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

- No fee required.
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- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total Fee Paid:

Fee paid previously with preliminary materials.

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- 1) Amount previously paid:
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4) Date Filed:

MFS(R) CHARTER INCOME TRUST
MFS(R) GOVERNMENT MARKETS INCOME TRUST
MFS(R) INTERMEDIATE INCOME TRUST
MFS(R) MULTIMARKET INCOME TRUST
MFS(R) MUNICIPAL INCOME TRUST
MFS(R) SPECIAL VALUE TRUST

500 Boylston Street, Boston, Massachusetts 02116

Notice of the 2005 Annual Meeting of Shareholders
To be held on March 23, 2005

The 2005 Annual Meeting of Shareholders of each of the above referenced trusts (each, a "Trust" and collectively, the "Trusts") will be held at 500 Boylston Street, Boston, Massachusetts 02116, at 9:30 a.m. on Wednesday, March 23, 2005, for the following purposes:

- ITEM 1. To elect Lawrence H. Cohn, M.D., David H. Gunning, William R. Gutow, Michael Hegarty, J. Atwood Ives, Amy B. Lane, Robert J. Manning, Lawrence T. Perera, Robert C. Pozen, J. Dale Sherratt and Laurie J. Thomsen as Trustees of each Trust; and
- ITEM 2. To transact such other business as may properly come before the Meeting and any adjournments thereof.

Each Trust will hold a separate meeting. Shareholders of each Trust will vote separately on each item.

THE TRUSTEES OF YOUR TRUST RECOMMEND THAT YOU VOTE IN FAVOR OF ITEM 1.

Only a Trust's shareholders of record on January 18, 2005 will be entitled to vote at that Trust's Meeting of Shareholders.

By order of the Board of Trustees
JAMES R. BORDEWICK, JR.
Assistant Secretary and Assistant Clerk

February 3, 2005

YOUR VOTE IS IMPORTANT. WE WOULD APPRECIATE YOUR PROMPTLY VOTING, SIGNING AND RETURNING THE ENCLOSED PROXY, WHICH WILL HELP AVOID THE ADDITIONAL EXPENSE OF A SECOND SOLICITATION FOR YOUR TRUST. THE ENCLOSED ADDRESSED ENVELOPE REQUIRES NO POSTAGE AND IS PROVIDED FOR YOUR CONVENIENCE.

MFS(R) CHARTER INCOME TRUST
MFS(R) GOVERNMENT MARKETS INCOME TRUST
MFS(R) INTERMEDIATE INCOME TRUST
MFS(R) MULTIMARKET INCOME TRUST
MFS(R) MUNICIPAL INCOME TRUST
MFS(R) SPECIAL VALUE TRUST

Proxy Statement

This Proxy Statement is furnished in connection with the solicitation of proxies by and on behalf of the Board of Trustees of MFS Charter Income Trust, MFS Government Markets Income Trust, MFS Intermediate Income Trust, MFS Multimarket

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Income Trust, MFS Municipal Income Trust and MFS Special Value Trust (each, a "Trust" and collectively, the "Trusts") to be used at the Meeting of Shareholders of each Trust (each, a "Meeting") to be held at 9:30 a.m. on March 23, 2005 at 500 Boylston Street, Boston, Massachusetts 02116, for the purposes set forth in the accompanying Notice. If the enclosed form of proxy is executed and returned, it may nevertheless be revoked prior to its exercise by a signed writing filed with the proxy tabulation agent, Management Information Services Corporation ("MIS"), 60 Research Road, Hingham, Massachusetts 02043, or delivered at a Meeting. On January 18, 2005, the following number of shares were outstanding for each Trust:

| TRUST | # OF COMMON SHARES OUTSTANDING | # OF PREFERRED SHARES OUTSTANDING |
|-------------------------------------|--------------------------------------|---|
| MFS Charter Income Trust | 57,324,278.92 | N/A |
| MFS Government Markets Income Trust | 53,421,093.76 | N/A |
| MFS Intermediate Income Trust | 122,338,685.72 | N/A |
| MFS Multimarket Income Trust | 81,713,436.47 | N/A |
| MFS Municipal Income Trust | 39,794,451.35 | 5,600 |
| MFS Special Value Trust | 6,730,532.20 | N/A |

Shareholders of record at the close of business on January 18, 2005 will be entitled to one vote for each share held, and each fractional share will be entitled to a proportionate fractional vote. Each Trust will vote separately on each item; votes of multiple Trusts will not be aggregated.

The mailing address of each Trust is 500 Boylston Street, Boston, Massachusetts 02116. Solicitation of proxies is being made by the mailing of this Notice and Proxy Statement with its enclosures on or about February 3, 2005. In addition to soliciting proxies by mail, the Trustees of your Trust and employees of Massachusetts Financial Services Company ("MFS"), the Trust's investment adviser and administrator, may solicit proxies in person or by telephone. The expenses of the preparation of proxy statements and related materials, including printing and delivery costs, are borne by each Trust.

A copy of each Trust's most recent annual report and semi-annual report may be obtained without charge by contacting MFS Service Center, Inc., each Trust's transfer and shareholder servicing agent, 500 Boylston Street, Boston, Massachusetts 02116, or by telephoning toll-free (877) 383-7949.

ITEM 1 -- ELECTION OF TRUSTEES

The Board of Trustees, which oversees each Trust, provides broad supervision over the affairs of each Trust. MFS is responsible for the investment management of each Trust's assets and for providing a variety of other administrative services to each Trust. The officers of each Trust are responsible for its operations.

Effective March 22, 2005, the Board has fixed the number of Trustees of each Trust at eleven. The Nomination and Compensation Committee of the Board of Trustees makes recommendations concerning the nominees for Trustees and consists solely of Trustees who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of your Trust or of MFS. Those Trustees who are not "interested persons" of your Trust or of MFS are referred to as "Independent Trustees" throughout this Proxy Statement. The Nomination and Compensation Committee has recommended that the Board nominate for election by shareholders the nominees described in the following pages, and the Board of Trustees has nominated such individuals. The Board of Trustees recommends that you vote in favor of their election.

Under the provisions of each Trust's Declaration of Trust, the Trustees are divided into three classes, each having a term of three years. It is intended

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that proxies not limited to the contrary will be voted in favor of electing David H. Gunning, Robert C. Pozen and J. Dale Sherratt as Trustees of the class whose term will expire at the 2006 Annual Meeting of Shareholders (or special meeting in lieu thereof) of each Trust; Lawrence H. Cohn, M.D., Robert J. Manning, Lawrence T. Perera and Laurie J. Thomsen as Trustees of the class whose term will expire at the 2007 Annual Meeting of Shareholders (or special meeting in lieu thereof) of each Trust; and William R. Gutow, Michael Hegarty, J. Atwood Ives and Amy B. Lane as Trustees of the class whose term will expire at the 2008 Annual Meeting of Shareholders (or special meeting in lieu thereof) of each Trust.

Dr. Cohn, Messrs. Gunning, Gutow, Hegarty, Ives, Perera and Sherratt and Ms. Lane are currently the Trustees of each Trust. Messrs. Manning and Pozen and Ms. Thomsen currently are not Trustees of any Trust, although Messrs. Manning and Pozen previously served as Trustees of the Trust. Effective December 16, 2004, Messrs. Manning and Pozen and Ms. Thomsen were appointed by the Board as Advisory Trustees and nominated by the Board to be elected as Trustees by shareholders. As Advisory Trustees, they attend meetings (or portions thereof) of the Board or Committees of the Board at the invitation of the Trustees and provide such advice and consultation as the Trustees may reasonably request. Effective December 16, 2004, Mr. Hegarty was appointed as a Trustee by the Board and is currently a member of the class whose term will expire at the 2008 Annual Meeting of Shareholders (or special meeting in lieu thereof) of each Trust.

Independent Trustees recommended Mr. Hegarty and Ms. Thomsen for the position of Trustee, and MFS recommended Messrs. Manning and Pozen for the position of Trustee.

Each nominee has agreed to serve as a Trustee of each Trust if elected. If, before the Meeting, any nominee refuses or is unable to serve, or if any of the nominees is unavailable at the time of the Meeting, and such refusal or inability to serve or unavailability is not anticipated, the Trustees may vote for other nominees at their discretion, or the Trustees may fix the number of Trustees at fewer than eleven for a Trust. Under the terms of each Trust's retirement policy, the Trustees have a mandatory retirement age of 73 years. The eleven nominees for election as Trustees at the shareholder meeting of the Trust who receive the greatest number of votes from shareholders will be elected as Trustees of the Trust.

In the case of MFS Municipal Income Trust, only holders of the Trust's preferred shares are entitled to vote for certain of the Trustees (currently, Mr. Ives and Ms. Elaine R. Smith). Because Ms. Smith is not standing for reelection, the Board has designated Mr. Perera to replace Ms. Smith as one of the Trustees elected solely by holders of the Trust's preferred shares. Messrs. Ives and Perera are both standing for election this year. Holders of this Trust's common and preferred shares, voting together as a single class, are entitled to vote for all of the remaining nominees. The nine nominees for election as Trustees by holders of the common and preferred shares, voting together as a single class, at the Meeting of this Trust who receive the greatest number of votes from the common and preferred shareholders will be elected as Trustees of the Trust. In addition, the two nominees for election as Trustees by the preferred shareholders, voting as a class, at the Meeting of this Trust who receive the greatest number of votes from the preferred shareholders will be elected as Trustees of the Trust.

The following table presents certain information regarding the nominees and current Trustees of each Trust who are standing for reelection, including their principal occupations, which, unless specific dates are shown, are of more than five years duration, although the titles may not have been the same throughout.

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| NAME, DATE OF BIRTH | POSITION(S) HELD WITH TRUST | LENGTH OF SERVICE (1) | TERM EXPIRING | PRINCIPAL DURING THE TERM AND OTHER DUTIES |
|---|--------------------------------|---|---------------|--|
| INTERESTED TRUSTEE NOMINEES | | | | |
| Robert J. Manning* (born 10/20/63) | Advisory Trustee and President | Since December 2004 (Advisory Trustee); Since February 2004 (President); February-December 2004 (Trustee) | 2007(3) | Massachusetts Services Company (Executive Officer); Chief Investment Director |
| Robert C. Pozen* (born 08/08/46) | Advisory Trustee | Since December 2004 (Advisory Trustee); February-December 2004 (Trustee) | 2006(3) | Massachusetts Services Company (since February 2002); Law School (Olin Visiting Professor, July 2002); Economic Affairs, Commonwealth of Massachusetts (January 2002); Fidelity Investments (December 2000); Management & Investment Services (investment management), President (March 2001); The Bell Company (financial services), Bell Canada (telecommunications), Medtronic, Inc. (technology), (satellite communications), Director |
| INDEPENDENT TRUSTEE NOMINEES | | | | |
| Lawrence H. Cohn, M.D. (born 03/11/37) | Trustee | Since August 1993 | 2007 | Brigham and Women's Hospital, Chief of Cardiology, Harvard Medical School, Professor of Medicine |
| David H. Gunning (born 05/30/42) | Trustee | Since January 2004 | 2006 | Cleveland-Cleveland Products and Services (a provider), Vice President, Director (since January 2004); Encinitos Ventures (investment company) (1997 to April 2004); Electric Holdings (welding equipment manufacturer) |
| William R. Gutow (born 09/27/41) | Trustee | Since December 1993 | 2008 | Private investment, estate consultant, Entertainment Company (Vice Chairman) |

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| | | | | |
|---------------------------------------|--------------------------------------|------------------------|---------|--|
| Michael Hegarty (born 12/21/44) | Trustee | Since December 2004 | 2008 | Retired; AXA (financial s insurance), Chief Operat May 2001); T Assurance So President an Officer (unt |
| J. Atwood Ives (born 05/01/36) | Trustee and Chair of the Trustees | Since February 1992 | 2008 | Private inve Enterprises services com Trustee and Officer (unt |
| Amy B. Lane (born 02/08/53) | Trustee | Since January 2004 | 2008 | Retired; Men Inc., Managi Investment B to February Group, Inc. retailer), D Realty Inves estate inves Trustee |
| Lawrence T. Perera (born 06/23/35) | Trustee | Since July 1981 | 2007 | Hemenway & B Partner |
| J. Dale Sherratt (born 09/23/38) | Trustee | Since August 1993 | 2006 | Insight Reso (acquisition specialists) Wellfleet In in health ca Managing Gen Cambridge Nu (professiona products), C Officer (unt |
| Laurie J. Thomsen (born 08/05/57) | Advisory Trustee | Since December 2004 | 2007(3) | Private inve Venture Part capital), Co General Part 2004); St. P Companies (c liability in |

-
- (1) Each current Trustee has served continuously since appointment. Messrs. Manning and Pozen, who were the Trustees of any Trust, served as Trustees from February to December 2004 and voluntarily resigned on December 15, 2004, so that the composition of the Board would comply with the 1940 Act requiring that a certain minimum percentage of Trustees be elected by Trust shareholders following the appointment of the Trustees of Mr. Hegarty as an Independent Trustee on December 16, 2004.
 - (2) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., "public companies").
 - (3) If elected by shareholders.
- * "Interested person" of the Trust within the meaning of the 1940 Act, as a result of position held. The home address of MFS is 500 Boylston Street, Boston, Massachusetts 02116.

Each current Trustee listed above serves as a board member of 97 funds within the MFS Family of Funds. The address of each Trustee and of each Advisory

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Trustee is c/o MFS, 500 Boylston Street, Boston, Massachusetts 02116.

Information about each Trust, including information about its investment adviser and administrator, independent registered public accounting firm, executive officers, and the interests of certain persons appears under "Trust Information" beginning on page 18.

REQUIRED VOTE. For MFS Charter Income Trust, MFS Government Markets Income Trust, MFS Intermediate Income Trust, MFS Multimarket Income Trust and MFS Special Value Trust, approval of this matter as to any nominee will require the affirmative vote of a plurality of a Trust's outstanding shares voting at the Meeting in person or by proxy.

For MFS Municipal Income Trust, approval of this proposal as to any nominee other than Messrs. Ives and Perera will require the affirmative vote of a plurality of the Trust's outstanding preferred and common shares, voting together as a single class, at the Meeting in person or by proxy. Approval of this proposal as to Messrs. Ives and Perera will require the affirmative vote of a plurality of the Trust's outstanding preferred shares at the Meeting in person or by proxy.

THE TRUSTEES OF THE TRUSTS UNANIMOUSLY RECOMMEND THAT THE SHAREHOLDERS OF THE TRUSTS VOTE TO ELECT EACH OF THE NOMINEES AS TRUSTEES OF EACH TRUST.

COMMITTEES

Each Trust's Board of Trustees meets regularly throughout the year to discuss matters and take certain actions relating to the Trust. Each Trust's Board has several standing committees, which are described below.

| NAME OF COMMITTEE | NUMBER OF MEETINGS IN LAST FISCAL YEAR(1) | FUNCTIONS | CURRENT MEMBERS (2) |
|-------------------|--|--|----------------------------|
| AUDIT COMMITTEE | 6 | Oversees the accounting and auditing procedures of the Trust and, among other things, considers the selection of the Independent Registered Public Accounting Firm for the Trust and the scope of the audit, and considers the effect on the independence of those accountants of any non-audit services such accountants provide to the Trust and any audit or non-audit services such accountants provide to other MFS Funds, MFS and/or certain affiliates. The Committee is also responsible for the periodic review and approval of the Trust's custodial, transfer agency and administrative service fee arrangements, as well as for establishing procedures for the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting controls, or auditing matters and the confidential, | Ives*, Lane* and Sherratt* |

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anonymous submission of concerns regarding questionable Trust accounting matters by officers of the Trust and employees of the Trust's investment adviser, administrator, principal underwriter or any other provider of accounting-related services to the Trust.

COMPLIANCE AND GOVERNANCE COMMITTEE 12

Oversees the development and implementation of the Trust's regulatory and fiduciary compliance policies, procedures and practices under the 1940 Act and other applicable laws as well as oversight of compliance policies of the Trust's investment adviser and certain other service providers as they relate to Trust activities. The Trust's Independent Chief Compliance Officer reports directly to the Committee and assists the Committee in carrying out its responsibilities. In addition, the Committee advises and makes recommendations to the Board on matters concerning Trustee practices and recommendations concerning the functions and duties of the committees of the Board.

Cohn*, Gunning*, Hegarty*, Ives* (officio member) Sherratt*

CONTRACTS REVIEW COMMITTEE 2

Requests, reviews and considers the information deemed reasonably necessary to evaluate the terms of the investment advisory and principal underwriting agreements and the Plan of Distribution under Rule 12b-1 that the Trust proposes to renew or continue, and to make its recommendations to the full Board of Trustees on these matters.

All Independent of the Board (Cohn, Gunning, Gutow, Ives, Lane, Pere, Sherratt and Smi

NOMINATION AND COMPENSATION COMMITTEE 2

Recommends qualified candidates to the Board in the event that a position is vacated or created. The Committee will consider recommendations by shareholders when a vacancy exists. Shareholders wishing to recommend candidates for Trustee for consideration by the Committee may do so in writing to the Trust's Secretary at the principal executive office of the Trust. Such recommendations must be accompanied by biographical and occupational data on the candidate (including whether the candidate would be an "interested person" of the Trust), a written consent of the candidate to be named as a nominee and to serve as Trustee if

All Independent of the Board (Cohn, Gunning, Gutow, Ives, Lane, Pere, Sherratt and Smi

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elected, record and ownership information for the recommending shareholder with respect to the Trust, and a description of any arrangements or understandings regarding recommendation of the candidate for consideration. The Committee is also responsible for making recommendations to the Board regarding any necessary standards or qualifications for service on the Board. The Committee also reviews and makes recommendations to the Board regarding compensation for the Independent Trustees.

PORTFOLIO TRADING AND
MARKETING REVIEW
COMMITTEE

6

Oversees the policies, procedures, and practices of the Trust with respect to brokerage transactions involving portfolio securities as those policies, procedures and practices are carried out by MFS and its affiliates. The Committee also oversees the administration of the Trust's proxy voting policies and procedures by MFS. In addition, the Committee receives reports from MFS regarding the policies, procedures and practices of MFS and its affiliates in connection with their marketing and distribution of shares of the Trust.

Cohn*, Gunning*,
Hegarty*, Ives*
(officio member),
and Smith*

PRICING COMMITTEE

6

Oversees the determination of the value of the portfolio securities and other assets held by the Trust and determines or causes to be determined the fair value of securities and assets for which market quotations are not "readily available" in accordance with the 1940 Act. The Committee delegates primary responsibility for carrying out these functions to MFS and MFS' internal valuation committee pursuant to pricing policies and procedures approved by the Committee and adopted by the full Board, which include methodologies to be followed by MFS to determine the fair values of portfolio securities and other assets held by the Trust for which market quotations are not readily available. The Committee meets periodically with the members of MFS' internal valuation committee to review and assess the quality of fair valuation and other pricing determinations made pursuant to the Trust's pricing policies and procedures, and to review and

Ives* (ex-officio
member), Lane*,
and Smith*

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assess the policies and procedures themselves. The Committee also exercises the responsibilities of the Board under the Amortized Cost Valuation Procedures approved by the Board on behalf of each Fund which holds itself out as a "money market fund" in accordance with Rule 2a-7 under the 1940 Act.

- (1) The number of committee meetings for fiscal years ending October 31, 2004 and November 30, 2004 is the same.
 - (2) Information about each committee member (other than Ms. Smith, who is not standing for reelection) is set forth above on pages 3, 4, 5 and 6.
- * Independent Trustees.

The Trustees generally hold at least nine regular meetings each calendar year. These regular meetings take place over a two-day period. The performance and operations of each of the Trusts is reviewed by the Trustees at each meeting and more in-depth reviews of particular Trusts are conducted by the Trustees throughout the year. MFS Charter Income Trust and MFS Government Markets Income Trust each held 12 Board meetings during the fiscal year ended November 30, 2004. MFS Intermediate Income Trust, MFS Multimarket Income Trust, MFS Municipal Income Trust and MFS Special Value Trust each held 14 Board meetings during the fiscal year ended October 31, 2004. Each Trustee attended at least 75% of the Board and applicable committee meetings noted for each Trust.

AUDIT COMMITTEE

Each Trust's Audit Committee consists only of Independent Trustees and Trustees who are independent of the Trust as defined by New York Stock Exchange Listing Standards. Each Trust's Audit Committee's report on the Trust's most recent audited financials is included below. Each Trust's Board has adopted a written charter for the Audit Committee that is attached as Exhibit 1 to this proxy statement as required by applicable rules. The charter was approved by the Committee on April 27, 2004 and amended by the Committee as of October 26, 2004.

NOMINATION AND COMPENSATION COMMITTEE

The Trustees have adopted a written charter for the Nomination and Compensation Committee. Although the Trusts currently do not maintain a website on which the charter is available, the charter was attached as an exhibit to the proxy statement, as required by applicable rules, for the 2004 Annual Meeting of Shareholders of each Trust.

Each Trust's Nomination and Compensation Committee consists only of Independent Trustees and Trustees who are independent of the Trust as defined by New York Stock Exchange Listing Standards.

The Nomination and Compensation Committee requires that Trustee candidates have a college degree or equivalent business experience, but has not otherwise established specific, minimum qualifications that must be met by an individual to be considered by the Committee for nomination as a Trustee. The Nomination and Compensation Committee may take into account a wide variety of factors in considering Trustee candidates, including, but not limited to: (i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities to the Board; (ii) relevant industry and related experience; (iii) educational background; (iv) financial expertise; (v) an assessment of the candidate's ability, judgment and expertise; (vi) overall diversity of the composition of the Board and (vii) such other factors as the Committee deems appropriate. The Nomination and Compensation Committee may consider candidates for Trustee recommended by each Trust's current Trustees, officers or

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shareholders or by MFS or any other source deemed appropriate by the Nomination and Compensation Committee. The Nomination and Compensation Committee may, but is not required to, retain a third-party search firm at the applicable Trust's expense to identify potential candidates.

The Nomination and Compensation Committee will review and consider nominees recommended by shareholders to serve as Trustee, provided that the recommending shareholder follows the Procedures for Shareholders to Submit Nominee Candidates, which are set forth as Appendix B to the Trusts' Nomination and Compensation Committee Charter (which was attached as an exhibit to the proxy statement for the 2004 Annual Meeting of Shareholders of each Trust). Among other requirements, these procedures provide that the recommending shareholder must submit any recommendation in writing to the Trust, to the attention of the Trust's Secretary, at the address of the principal executive offices of the Trust. Any recommendation must include certain biographical information and other information regarding the candidate and the recommending shareholder, and must include a written and signed consent of the candidate to be named as a nominee and to serve as a Trustee if elected. The foregoing description is only a summary.

The Nomination and Compensation Committee has full discretion to reject nominees recommended by shareholders, and there is no assurance that any such person properly recommended and considered by the Committee will be nominated for election to the Board of a Trust.

SHARE OWNERSHIP

As of January 18, 2005, the Trustees and officers of each Trust as a whole owned less than 1% of the outstanding shares of any class of any Trust.

The following table shows the dollar range of equity securities beneficially owned by each nominee (a) of each Trust and (b) on an aggregate basis, in all MFS funds overseen, or to be overseen, by the nominee, as of January 18, 2005.

The following dollar ranges apply:

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

| NAME OF TRUSTEE | INDIVIDUAL TRUST NAME | AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN THE TRUST | AGGR SE AL O TO B T |
|------------------------------------|---|--|------------------------------------|
| INTERESTED TRUSTEE NOMINEES | | | |
| Robert J. Manning | MFS Charter Income Trust | N | |
| | MFS Government Markets Income Trust | N | |
| | MFS Intermediate Income Trust | N | |
| | MFS Multimarket Income Trust | N | |
| | MFS Municipal Income Trust (Common Shares) | N | |
| | MFS Municipal Income Trust (Preferred Shares) | N | |
| | MFS Special Value Trust | N | |
| Robert C. Pozen | MFS Charter Income Trust | N | |

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| | | |
|------------------------------|---|---|
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | N |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| INDEPENDENT TRUSTEE NOMINEES | | |
| Lawrence H. Cohn, M.D. | MFS Charter Income Trust | C |
| | MFS Government Markets Income Trust | B |
| | MFS Intermediate Income Trust | B |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | D |
| David H. Gunning | MFS Charter Income Trust | A |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | A |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| William R. Gutow | MFS Charter Income Trust | A |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | A |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| Michael Hegarty | MFS Charter Income Trust | N |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | N |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| J. Atwood Ives | MFS Charter Income Trust | A |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | A |
| | MFS Multimarket Income Trust | C |
| | MFS Municipal Income Trust (Common Shares) | A |
| | MFS Municipal Income Trust (Preferred Shares) | D |
| | MFS Special Value Trust | N |
| Amy B. Lane | MFS Charter Income Trust | A |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | A |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| Lawrence T. Perera | MFS Charter Income Trust | A |
| | MFS Government Markets Income Trust | A |
| | MFS Intermediate Income Trust | A |
| | MFS Multimarket Income Trust | C |
| | MFS Municipal Income Trust (Common Shares) | A |

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| | | |
|-------------------|---|---|
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |
| J. Dale Sherratt | MFS Charter Income Trust | C |
| | MFS Government Markets Income Trust | B |
| | MFS Intermediate Income Trust | B |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | D |
| Laurie J. Thomsen | MFS Charter Income Trust | N |
| | MFS Government Markets Income Trust | N |
| | MFS Intermediate Income Trust | N |
| | MFS Multimarket Income Trust | N |
| | MFS Municipal Income Trust (Common Shares) | N |
| | MFS Municipal Income Trust (Preferred Shares) | N |
| | MFS Special Value Trust | N |

SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF TRUSTEES

The Board of Trustees of each Trust has adopted procedures by which shareholders may send communications to the Board. Shareholders may mail written communications to the Board to the attention of the Board of Trustees, [Name of Trust], c/o Massachusetts Financial Services Company, 500 Boylston Street, Boston, Massachusetts 02116, Attention: Frank Tarantino, Independent Chief Compliance Officer. Shareholder communications must (i) be in writing and be signed by the shareholder, (ii) identify the MFS Trust to which they relate and (iii) identify the class and number of shares held by the shareholder. The Fund's Independent Chief Compliance Officer ("ICCO") is responsible for reviewing all properly submitted shareholder communications. The ICCO shall either (i) provide a copy of each properly submitted shareholder communication to the Board at its next regularly scheduled meeting or (ii) if the ICCO determines that the communication requires more immediate attention, forward the communication to the Chair of the Trustees promptly after receipt. The ICCO may, in good faith, determine that a shareholder communication should not be provided to the Board because it is ministerial in nature (such as a request for Trust literature, share data or financial information). The ICCO may in such cases forward the communication to the appropriate party or parties at MFS. These procedures do not apply to (i) any communication from an officer or Trustee of the Trust, (ii) any communication from an employee or agent of the Trust, unless such communication is made solely in such employee's or agent's capacity as a shareholder or (iii) any shareholder proposal submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or any communication made in connection with such a proposal. Each Trust's Trustees are not required to attend the Trust's shareholder meetings or to otherwise make themselves available to shareholders for communications, other than pursuant to the aforementioned procedures. No Board members attended the 2004 Annual Meeting of Shareholders.

Each Trust's Declaration of Trust currently provides that the Trust will indemnify its Trustees and officers against liabilities and expenses incurred in connection with litigation in which they may be involved because of their offices with the Trust, unless it is finally adjudicated or, in case of a settlement, it has been determined by Trustees not involved in the matter or independent legal counsel, that they have not acted in good faith in the reasonable belief that their actions were in the best interests of the Trust or that they engaged in willful misfeasance or acted with bad faith, gross negligence or reckless disregard of the duties involved in the conduct of their offices.

TRUSTEE COMPENSATION TABLE

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The table below shows the cash compensation paid to the Trustees by each Trust for the fiscal year ended on the date noted (see footnote 2). Interested Trustees receive no compensation from a Trust for their services as Trustees. The table includes information for Mr. Ward Smith, who passed away on August 15, 2004, Mr. William Poorvu, who retired as a Trustee of each Trust at the end of calendar year 2004, and Ms. Smith, who is not standing for reelection.

| NAME OF TRUSTEE(1) | INDIVIDUAL TRUST NAME | TRUSTEE FEES FROM TRUST(2) | TOTAL CASH COMPENSATION FROM TRUST A FUND COMPLEX(3) |
|------------------------|-------------------------------------|-------------------------------|---|
| Lawrence H. Cohn, M.D. | MFS Charter Income Trust | \$7,031.77 | \$196,098.20 |
| | MFS Government Markets Income Trust | \$6,023.18 | |
| | MFS Intermediate Income Trust | \$10,719.04 | |
| | MFS Multimarket Income Trust | \$6,254.24 | |
| | MFS Municipal Income Trust | \$3,572.87 | |
| | MFS Special Value Trust | \$892.68 | |
| David H. Gunning(4) | MFS Charter Income Trust | \$6,253.99 | \$196,098.20 |
| | MFS Government Markets Income Trust | \$5,356.51 | |
| | MFS Intermediate Income Trust | \$9,385.71 | |
| | MFS Multimarket Income Trust | \$5,476.46 | |
| | MFS Municipal Income Trust | \$3,128.42 | |
| | MFS Special Value Trust | \$781.57 | |
| William R. Gutow | MFS Charter Income Trust | \$7,031.77 | \$196,098.20 |
| | MFS Government Markets Income Trust | \$6,023.18 | |
| | MFS Intermediate Income Trust | \$10,719.04 | |
| | MFS Multimarket Income Trust | \$6,254.24 | |
| | MFS Municipal Income Trust | \$3,572.87 | |
| | MFS Special Value Trust | \$892.68 | |
| Michael Hegarty(5) | MFS Charter Income Trust | N/A | \$20,977.44 |
| | MFS Government Markets Income Trust | N/A | |
| | MFS Intermediate Income Trust | N/A | |
| | MFS Multimarket Income Trust | N/A | |
| | MFS Municipal Income Trust | N/A | |
| | MFS Special Value Trust | N/A | |
| J. Atwood Ives | MFS Charter Income Trust | \$7,431.38 | \$266,098.20 |
| | MFS Government Markets Income Trust | \$6,315.49 | |
| | MFS Intermediate Income Trust | \$11,292.39 | |
| | MFS Multimarket Income Trust | \$6,603.55 | |
| | MFS Municipal Income Trust | \$3,761.64 | |
| | MFS Special Value Trust | \$934.10 | |
| Amy B. Lane(4) | MFS Charter Income Trust | \$6,260.34 | \$197,098.20 |
| | MFS Government Markets Income Trust | \$5,361.14 | |
| | MFS Intermediate Income Trust | \$9,396.19 | |
| | MFS Multimarket Income Trust | \$5,482.86 | |
| | MFS Municipal Income Trust | \$3,131.87 | |
| | MFS Special Value Trust | \$782.33 | |
| Lawrence T. Perera | MFS Charter Income Trust | \$7,071.79 | \$201,098.20 |
| | MFS Government Markets Income Trust | \$6,052.94 | |
| | MFS Intermediate Income Trust | \$10,762.56 | |
| | MFS Multimarket Income Trust | \$6,280.09 | |
| | MFS Municipal Income Trust | \$3,587.00 | |

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| | | | |
|-------------------|-------------------------------------|-------------|--------------|
| | MFS Special Value Trust | \$895.59 | |
| William J. Poorvu | MFS Charter Income Trust | \$7,109.88 | \$207,098.20 |
| | MFS Government Markets Income Trust | \$6,080.75 | |
| | MFS Intermediate Income Trust | \$10,790.51 | |
| | MFS Multimarket Income Trust | \$6,297.16 | |
| | MFS Municipal Income Trust | \$3,596.21 | |
| | MFS Special Value Trust | \$897.61 | |
| J. Dale Sherratt | MFS Charter Income Trust | \$7,126.98 | \$211,098.20 |
| | MFS Government Markets Income Trust | \$6,092.66 | |
| | MFS Intermediate Income Trust | \$10,876.26 | |
| | MFS Multimarket Income Trust | \$6,350.20 | |
| | MFS Municipal Income Trust | \$3,624.71 | |
| | MFS Special Value Trust | \$904.10 | |
| Elaine R. Smith | MFS Charter Income Trust | \$7,063.50 | \$201,098.20 |
| | MFS Government Markets Income Trust | \$6,046.35 | |
| | MFS Intermediate Income Trust | \$10,771.46 | |
| | MFS Multimarket Income Trust | \$6,286.21 | |
| | MFS Municipal Income Trust | \$3,590.16 | |
| | MFS Special Value Trust | \$896.50 | |
| Ward Smith | MFS Charter Income Trust | \$5,304.43 | \$144,152.43 |
| | MFS Government Markets Income Trust | \$4,525.70 | |
| | MFS Intermediate Income Trust | \$9,083.59 | |
| | MFS Multimarket Income Trust | \$5,305.44 | |
| | MFS Municipal Income Trust | \$3,026.51 | |
| | MFS Special Value Trust | \$753.54 | |

- (1) Each Trustee who is an "interested person" of MFS (within the meaning of the 1940 Act) serves without any compensation from the Trust.
- (2) Information provided for the MFS Charter Income Trust and MFS Government Markets Income Trust for the fiscal year ended November 30, 2004. Information provided for the MFS Intermediate Income Trust, MFS Multimarket Income Trust, MFS Municipal Income Trust and MFS Special Value Trust is for the fiscal year ended October 31, 2004.
- (3) For calendar year 2004. Trustees receiving compensation from each Trust served as Trustee of funds within the MFS Fund complex (having aggregate net assets at December 31, 2004 of approximately \$92 billion). This column does not include fees in the amount of \$20,977.44 received by Ms. Thomsen from the MFS Fund complex for her services as an Advisory Trustee.
- (4) Mr. Gunning and Ms. Lane became Trustees on January 27, 2004.
- (5) Mr. Hegarty became a Trustee after the fiscal-year end of the Trusts but before the end of calendar year 2004. Accordingly, the table indicates that he did not receive compensation from the specific Trusts during their reporting period but did receive compensation from the complex during calendar year 2004.

Prior to December 31, 2001, each Trust had a retirement plan for Independent Trustees and Trustees who were not officers of the Trust. Effective December 31, 2001, each Trust's retirement plan terminated, except with respect to those Trustees who retired on or before that date. The remaining Trustees who were previously covered under the retirement plan had their accrued benefits under the plan "rolled-over" into a deferred compensation arrangement along with other compensation to account for future benefits they would have received under the retirement plan if it had continued for such Trustees.

TRUST INFORMATION

This section provides certain information about each Trust, including information about its investment adviser and administrator, independent registered public accounting firm, executive officers and the identity of persons holding more than 5% of the outstanding shares of any class of any

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Trust.

INVESTMENT ADVISER AND ADMINISTRATOR

Each Trust engages as its investment adviser and administrator MFS, a Delaware corporation with offices at 500 Boylston Street, Boston, Massachusetts 02116. MFS is a majority owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is a majority-owned subsidiary of Sun Life Financial (U.S.) Holdings, Inc., 500 Boylston Street, Boston, Massachusetts 02116, which in turn is a wholly-owned subsidiary of Sun Life Assurance Company of Canada--U.S. Operations Holdings, Inc., One Sun Life Executive Park, Wellesley Hills, Massachusetts 02481 ("Sun Life U.S. Operations"). Sun Life U.S. Operations is a wholly-owned subsidiary of Sun Life Financial Corp., 150 King Street West, Toronto, Canada MSH 1J9, which in turn is a wholly-owned subsidiary of Sun Life Financial Inc.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Independent Registered Public Accounting Firm and fiscal year end for each Trust is listed below:

| TRUST | INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | FISCAL YEAR END |
|-------------------------------------|---|--------------------|
| MFS Charter Income Trust | Ernst & Young LLP ("Ernst & Young") | November 30 |
| MFS Government Markets Income Trust | Deloitte & Touche LLP ("Deloitte") | November 30 |
| MFS Intermediate Income Trust | Deloitte | October 31 |
| MFS Multimarket Income Trust | Ernst & Young | October 31 |
| MFS Municipal Income Trust | Deloitte | October 31 |
| MFS Special Value Trust | Ernst & Young | October 31 |

No Independent Registered Public Accounting Firm has a direct or material indirect interest in a Trust.

Representatives of the applicable Independent Registered Public Accounting Firm are expected to be present at the Meeting and will have an opportunity to make a statement if they desire to do so. Such representatives also are expected to be available to respond to appropriate questions.

The Audit Committee of the Board of Trustees of each Trust issued the following report concerning the financial statements for each Trust's most recent fiscal year.

The Audit Committee reviewed and discussed the audited financial statements with Trust management. The Audit Committee also discussed with the Auditor the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards). The Audit Committee received the written disclosures and the letter from the Auditor required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and discussed with the Auditor its independence.

Based on this review and these discussions, the Audit Committee recommended to the Board of Trustees that the audited financial statements be included in the Trust's annual report to shareholders for the Trust's 2004 fiscal year for filing with the Securities and Exchange Commission.

J. Atwood Ives
Amy B. Lane
J. Dale Sherratt

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To the extent required by applicable regulations, pre-approval by the Audit Committee of the Board is needed for all audit and permissible non-audit services rendered by the Independent Registered Public Accounting Firm to each Trust and all permissible non-audit services rendered by the Independent Registered Public Accounting Firm to MFS and any entity controlling, controlled by or under common control with MFS that provides ongoing services to a Trust (including MFS Service Center, Inc.) (each, a "Service Affiliate") if the services relate directly to the operations and financial reporting of such Trust. Pre-approval is currently on an engagement-by-engagement basis. In the event pre-approval of such services is necessary between regular meetings of the Audit Committee and it is not practical to wait to seek pre-approval at the next regular meeting of the Audit Committee, pre-approval of such services may be referred to the Chair of the Audit Committee; provided that the Chair may not pre-approve any individual engagement for such services exceeding \$50,000 or multiple engagements for such services in the aggregate exceeding \$100,000 between such regular meetings of the Audit Committee. Any engagement pre-approved by the Chair between regular meetings of the Audit Committee shall be presented for ratification by the entire Audit Committee at its next regularly scheduled meeting.

Schedule A attached hereto includes tables that set forth for each Trust, for each Trust's two most recent fiscal years, the fees billed by each Trust's Independent Registered Public Accounting Firm for (a) all audit and non-audit services provided directly to the Trust and (b) those non-audit services provided to the Trust's Service Affiliates that relate directly to the Trust's operations and financial reporting under the following captions:

- (i) Audit Fees - fees related to the audit and review of the financial statements included in annual reports and registration statements, and other services that are normally provided in connection with statutory and regulatory filings or engagements.
- (ii) Audit-Related Fees - fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under "Audit Fees", including accounting consultations, agreed-upon procedure reports (inclusive of annual review of basic maintenance testing associated with the Preferred Shares), attestation reports, comfort letters and internal control reviews.
- (iii) Tax Fees - fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews and tax distribution and analysis reviews.
- (iv) All Other Fees - fees for products and services provided to a Trust by the Independent Registered Public Accounting Firm other than those reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees."

Schedule A attached hereto also sets forth the aggregate fees billed by each Independent Registered Public Accounting Firm for each Trust's two most recent fiscal years, for non-audit services rendered to each Trust and each Trust's Service Affiliates.

The Audit Committee has considered whether the provision by a Trust's Independent Registered Public Accounting Firm of non-audit services to the Trust's Service Affiliates that were not pre-approved by the Audit Committee (because such services were provided prior to the effectiveness of SEC rules requiring pre-approval or because such services did not relate directly to the operations and financial reporting of the Trust) was compatible with maintaining

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the independence of the Independent Registered Public Accounting Firm as the Trust's principal auditor.

EXECUTIVE OFFICERS

The following table provides information about the current executive officers of each Trust including their principal occupations, which, unless specific dates are shown, are of more than five years duration, although the titles may not have been the same throughout. Each officer will hold office until his or her successor is chosen and qualified, or until he or she retires, resigns or is removed from office.

| NAME, DATE OF BIRTH | POSITION(s) HELD WITH THE TRUST | OFFICER SINCE (1) | PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS & DIRECTORSHIP |
|---|---|----------------------|--|
| OFFICERS | | | |
| Robert J. Manning(3) (born 10/20/63) | President | February 2004 | Massachusetts Financial Company, Chief Executive Officer, President, Chief Investment Officer and Director |
| James R. Bordewick, Jr.(3) (born 03/06/59) | Assistant Secretary and Assistant Clerk | September 1990 | Massachusetts Financial Company, Senior Vice President and Associate General Counsel |
| Jeffrey N. Carp(3) (born 12/01/56) | Secretary and Clerk | September 2004 | Massachusetts Financial Company, Senior Vice President and General Counsel and Secretary (April 2004); Hale and Dorr LLP (prior to April 2004) |
| Stephanie A. DeSisto(3) (born 10/01/53) | Assistant Treasurer | May 2003 | Massachusetts Financial Company, Vice President (prior to 2003); Brown Brothers Harriman (financial services company), Vice President (November 2003); ING Groep N.V./Amgen, Investment Management, President (prior to November 2003) |
| James F. DesMarais(3) (born 03/09/61) | Assistant Secretary and Assistant Clerk | September 2004 | Massachusetts Financial Company, Assistant General Counsel |
| Richard M. Hisey(3) (born 08/29/58) | Treasurer | August 2002 | Massachusetts Financial Company, Senior Vice President (prior to July 2002); The Bank of America, Senior Vice President (prior to July 2002); Lexington Management, Inc., Executive Vice President and Chief Financial Officer (prior to September 2000); Financial Funds, Chief Financial Officer (prior to September 2000) |
| Brian T. Hourihan(3) (born 11/11/64) | Assistant Secretary and Assistant Clerk | September 2004 | Massachusetts Financial Company, Vice President and General Counsel and Assistant Secretary (June 2004); Affiliated |

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| | | | |
|---------------------------------------|---|----------------|---|
| | | | Inc., Chief Legal Officer Compliance Program (January 2004 to January 2004); Fidelity Research Company, Assistant General Counsel (prior to January 2004) |
| Ellen Moynihan(3) (born 11/13/57) | Assistant Treasurer | April 1997 | Massachusetts Financial Services, Inc., Vice President |
| Frank L. Tarantino (born 03/07/44) | Independent Chief Compliance Officer | June 2004 | MFS Family of Funds, Inc., Compliance Officer; CRAI, Strategies Group (consulting services), Executive Vice President (April 2003 to June 2004); Babson & Co. (investment advisor), Managing Director, Chief Administrative Officer (February 1997 to March 2004) |
| James O. Yost(3) (born 06/12/60) | Assistant Treasurer | September 1990 | Massachusetts Financial Services, Inc., Senior Vice President |

- (1) Date first appointed to serve as an officer of a Trust. Each officer has served continuously since the date of his or her appointment.
- (2) Directorships or trusteeships of companies required to report to the SEC (i.e., "public companies").
- (3) "Interested person" of the Trust within the meaning of the 1940 Act, as a result of position held.

Each Trust's officers hold comparable positions with the 97 funds in the MFS Family of Funds, and with certain affiliates of MFS. The address of each officer is c/o MFS, 500 Boylston Street, Boston, Massachusetts 02116.

INTERESTS OF CERTAIN PERSONS

Schedule B attached hereto sets forth, as of January 18, 2005, to the best knowledge of each Trust, the shareholders who beneficially owned more than 5% of the outstanding shares of any class of such Trust.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires Trustees, directors and certain officers of each Trust and MFS, and persons who own more than ten percent of any class of a Trust's shares, to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. Such persons are required by SEC regulation to furnish each Trust with copies of all Section 16(a) forms they file in relation to that Trust.

Based solely on a review of the copies of Forms 3, 4 and 5 and amendments thereto furnished to each Trust during and with respect to its most recent fiscal year, each Trust believes that during its 2004 fiscal year, all Section 16(a) filing requirements applicable to Trustees, directors and certain officers of the Trust and MFS and greater than ten percent beneficial owners were complied with except as follows: MFS Special Value Trust believes that Dr. Cohn (Trustee) did not file a Form 4 (Statement of Changes of Beneficial Ownership) on a timely basis with respect to the purchase of shares of the Trust. Dr. Cohn filed a Form 5 (Annual Statement of Beneficial Ownership) for the fiscal year ending October 31, 2004 to report the transaction that he failed to report on Form 4.

LITIGATION

Since December 2003, MFS, MFS Fund Distributors, Inc., MFS Service Center, Inc., MFS Corporation Retirement Committee, Sun Life Financial Inc., various MFS funds and Trusts, certain current and/or former Trustees of the trusts of

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which these MFS funds are series and certain officers of MFS have been named as defendants in multiple lawsuits filed in federal and state courts. Of these lawsuits, four are derivative actions that have been brought on behalf of all the MFS funds and name among the defendants the following Trustees who are nominees: Dr. Lawrence H. Cohn, M.D., Mr. William R. Gutow, Mr. J. Atwood Ives, Mr. Lawrence T. Perera and Mr. J. Dale Sherratt. The derivative action relating to market timing and related matters, styled as *Hammerslough v. Massachusetts Financial Services Company, et al.*, U.S.D.C. (D. Md.), MDL 1586, is a consolidated action before the United States District Court for the District of Maryland, in the multi-district litigation of market timing and related claims involving several other fund complexes (*In re Mutual Funds Investment Litigation (Alger, Columbia, Janus, MFS, One Group, Putnam, Allianz Dresdner)*, No. 1:04-md-15863 (consolidation began March 19, 2004)). The plaintiffs in this consolidated action generally seek injunctive relief including removal of the named Trustees, adviser and distributor, rescission of contracts and 12b-1 Plans, disgorgement of fees and profits, monetary damages, punitive damages, attorney's fees and costs and other equitable and declarative relief. The other three derivative lawsuits, which have been brought on behalf of certain MFS funds, not including the Trust, allege improper brokerage allocation practices and excessive compensation and are pending in the United States District Court for the District of Massachusetts: *Forsythe v. Sun Life Financial Inc., et al.*, No. 04cv10584 (GAO) (instituted on March 25, 2004); *Eddings v. Sun Life Financial Inc., et al.*, No. 04cv10764 (GAO) (instituted on April 15, 2004); and *Koslow v. Sun Life Financial Inc., et al.*, U.S.D.C. (D. Mass.), No. 04cv11019 (instituted on May 20, 2004). The plaintiffs in these lawsuits generally seek compensatory damages, punitive damages, recovery of fees, rescission of contracts, an accounting, restitution, declaratory relief, equitable and/or injunctive relief and attorney's fees and costs. These various lawsuits generally allege that some or all of the defendants (i) permitted or acquiesced in market timing and/or late trading in some of the MFS funds, inadequately disclosed MFS' internal policies concerning market timing and such matters, and received excessive compensation as fiduciaries to the MFS funds, or (ii) permitted or acquiesced in the improper use of fund assets by MFS to support the distribution of MFS fund shares and inadequately disclosed MFS' use of fund assets in this manner. The actions assert that some or all of the defendants violated the federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940, the Employee Retirement Income Security Act of 1974, as well as fiduciary duties and other violations of common law. Insofar as any of the actions is appropriately brought derivatively on behalf of any of the MFS funds, any recovery will inure to the benefit of the MFS funds.

FURTHER INFORMATION ABOUT VOTING AND THE MEETING

MANNER OF VOTING PROXIES

All proxies received by management will be voted on all matters presented at the Meeting, and if not limited to the contrary, will be voted FOR the election of Lawrence H. Cohn, M.D., David H. Gunning, William R. Gutow, Michael Hegarty, J. Atwood Ives, Amy B. Lane, Robert J. Manning, Lawrence T. Perera, Robert C. Pozen, J. Dale Sherratt and Laurie J. Thomsen as Trustees of the Trust (if still available for election).

All proxies received, including proxies that reflect (i) broker non-votes (i.e., shares held by brokers or nominees as to which (a) instructions have not been received from the beneficial owners or the persons entitled to vote, and (b) the broker or nominee does not have discretionary voting power on a particular matter), (ii) abstentions or (iii) the withholding of authority to vote for a nominee for election as Trustee, will be counted as shares that are present on a particular matter for purposes of determining the presence of a quorum for that matter. A majority of a Trust's outstanding shares entitled to be cast at the Meeting that are present in person or represented by proxy constitutes a quorum, except that with respect to the election of Messrs. Ives and Perera as Trustees

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of MFS Municipal Income Trust, a quorum requires a majority of that Trust's outstanding preferred shares entitled to be cast at the Meeting be present in person or represented by proxy. With respect to the election of Trustees, neither broker non-votes nor abstentions nor withholding authority to vote have any effect on the outcome of the voting.

Each shareholder of a Trust is entitled to one vote for each share of the Trust that such shareholder owns at the close of business on January 18, 2005, on each matter on which the shareholder is entitled to vote. Each fractional share is entitled to a proportionate fractional vote.

Each Trust will reimburse the record holders of its shares for their expenses incurred in sending proxy material to and obtaining voting instructions from beneficial owners.

Each Trust knows of no other matters to be brought before the Meeting. If, however, because of any unexpected occurrence, any nominee is not available for election or if any other matters properly come before the Meeting, it is each Trust's intention that proxies not limited to the contrary will be voted in accordance with the judgment of the persons named in the enclosed form of proxy.

INSTRUCTIONS FOR VOTING PROXIES

The giving of a proxy will not affect a shareholder's right to vote in person should the shareholder decide to attend the Meeting. To vote by mail, please mark, sign, date and return the enclosed proxy card following the instructions printed on the card.

SUBMISSION OF PROPOSALS

Proposals of shareholders which are intended to be presented at the 2006 Annual Meeting of Shareholders must be received by the Trust on or prior to April 13, 2006. The submission by a shareholder of a proposal for inclusion in the proxy materials does not guarantee that it will be included. Shareholder proposals are subject to certain requirements under the federal securities laws.

A shareholder who wishes to make a proposal at the 2006 Annual Meeting of Shareholders without including the proposal in the Trust's proxy statement must ensure that the proposal is received by the Trust in good order and in compliance with all applicable legal requirements and requirements set forth in the Trust's By-Laws and Declaration of Trust by June 27, 2006 at the Trust's principal office at 500 Boylston Street, Boston, Massachusetts 02116. The persons named as proxies for the 2006 Annual Meeting of Shareholders will have discretionary authority to vote on all matters presented at the meeting consistent with the SEC's proxy rules.

ADDITIONAL INFORMATION

The Meeting of shareholders of each Trust is called to be held at the same time as the Meetings of shareholders of each of the other Trusts. It is anticipated that all Meetings will be held simultaneously.

If any shareholder at the Meeting objects to the holding of a simultaneous Meeting and moves for an adjournment of the Meeting to a time promptly after the simultaneous Meetings, the persons named as proxies will vote in favor of such adjournment.

The expense of the preparation, printing and mailing of the enclosed form of proxy, the Notice and this Proxy Statement, and any tabulation costs, will be borne on a proportional basis by the Trusts.

Only one copy of this Proxy Statement may be mailed to a household, even if more than one person in a household is a Trust shareholder of record, unless the Trust has received contrary instructions from one or more of the shareholders in such household. If you need additional copies of this Proxy Statement and you

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are the holder of record of your shares, please contact MFS at 1-877-383-7949. If your shares are held in broker street name please contact your financial service firm to obtain additional copies of this proxy statement. If in the future you do not want the mailing of proxy statements to be combined with those for other members of your household or if you are receiving multiple copies of this Proxy Statement and do want the mailings to be combined with those for other members of your household, contact MFS Service Center, Inc., in writing at 500 Boylston Street, Boston, Massachusetts 02116, or by telephone at 1-877-383-7949, or contact your financial service firm.

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY

February 3, 2005

MFS(R) CHARTER INCOME TRUST
MFS(R) GOVERNMENT MARKETS INCOME TRUST
MFS(R) INTERMEDIATE INCOME TRUST
MFS(R) MULTIMARKET INCOME TRUST
MFS(R) MUNICIPAL INCOME TRUST
MFS(R) SPECIAL VALUE TRUST

EXHIBIT 1

MFS FUNDS BOARD AUDIT COMMITTEE CHARTER

(ADOPTED AS OF APRIL 27, 2004,
AS AMENDED
THROUGH OCTOBER 26, 2004)

The Board of Trustees (the "Board") of each of the Trusts listed in Appendix A hereto, as the same may be periodically updated (each a "Trust" and, collectively, the "Trusts"), has adopted this Charter to govern the activities of the Audit Committee (the "Committee") of the particular Board with respect to its oversight of each series of a Trust and each Trust which is itself a single series (each such series a "Fund" and, collectively, the "Funds"). This Charter supercedes and replaces any Audit Committee charter previously adopted by the Board or a committee of the Board.

STATEMENT OF PURPOSE AND FUNCTIONS

The Committee's general purpose is to oversee the Fund's accounting and financial reporting policies and practices and its internal controls, including by assisting with the Board's oversight of the integrity of the Fund's financial statements, the Fund's compliance with legal and regulatory requirements related to the Fund's financial reporting and internal controls(1), the qualifications and independence of the Fund's independent accountants, and the performance of the Fund's internal control systems and independent accountants. With respect to each closed-end Fund, the Committee's purpose is also to prepare or cause to be prepared reports required by Securities and Exchange Commission rules to be included in the Fund's annual proxy statements.

- (1) The Committee will oversee the Fund's compliance with legal and regulatory requirements relating to the Fund's accounting and financial reporting policies and practices and its internal controls. The Board has established other committees, including a Compliance and Governance Committee, to oversee the Fund's compliance with other legal and regulatory requirements.

The Committee's function is oversight. The authority and responsibilities of the Committee set forth in this Charter do not reflect or create any duty, obligation or responsibility of the Committee to plan or conduct Fund audits, to prepare or determine or certify that the Fund's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted

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accounting principles or applicable law, or to assure compliance with laws, regulations or any internal rules or policies of the Fund. The Committee's oversight role does not provide any expert or special assurance as to the Fund's financial statements or other financial information provided by the Fund to its shareholders, and it is not the Committee's responsibility to guarantee any independent accountant's report. Fund management is responsible for Fund accounting and the implementation and maintenance of the Fund's internal control systems, and the independent accountants are responsible for conducting a proper audit of the Fund's financial statements and for reviewing the Funds' unaudited interim financial statements. Members of the Committee are not employees of the Fund and, in serving on this Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within management and outside the Fund from which it receives information and (ii) the accuracy of financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

MEMBERSHIP

The Committee shall be comprised of as many trustees as the Board of Trustees shall determine, but in any event not less than three (3) Trustees. Each member of the Committee must be a member of the Board. The Board may remove or replace any member of the Committee at any time in its sole discretion. One or more members of the Committee may be designated by the Board as the Committee's chair or co-chair, as the case may be.

No member of the Committee may be an "interested person" of the Fund, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and each member of the Committee must otherwise satisfy the standards for independence of an audit committee member of an investment company issuer as set forth in Rule 10A-3(b) under the Securities Exchange Act of 1934, as amended, and under applicable listing standards of the New York Stock Exchange (the "NYSE"). Each member of the Committee must be "financially literate" (or must become so within a reasonable time after his or her appointment to the Committee) and at least one member of the Committee must have "accounting or related financial management expertise," in each case as the Board interprets such qualification in its business judgment under NYSE listing standards.

RESPONSIBILITIES AND DUTIES

The Committee's policies and procedures shall remain flexible to facilitate the Committee's ability to react to changing conditions and to generally discharge its functions. The following describe areas of attention in broad terms. The Committee shall:

1. Determine the selection, compensation, retention or termination of the Fund's independent accountants based on an evaluation of their independence and the nature and performance of the audit and any permitted non-audit services. Decisions by the Committee concerning the selection, compensation, retention or termination of the independent accountants shall be submitted to the Board for ratification in accordance with the requirements of Section 32(a) of the Investment Company Act. The Fund's independent accountants must report directly to the Committee, which shall be responsible for resolution of disagreements between management and the independent accountants relating to financial reporting.

2. To consider the independence of the Fund's independent accountants at least annually, and in connection therewith receive on a periodic basis formal written disclosures and letters from the independent accountants as required by the Independence Standards Board Standard ("ISB") No. 1.

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3. To the extent required by applicable regulations, pre-approve (i) all audit and permitted non-audit services rendered by the independent accountants to the Fund and (ii) all non-audit services rendered by the independent accountants to the Fund's investment adviser and to certain of the investment adviser's affiliates. The Committee may establish policies and procedures pursuant to which such pre-approval is granted, which may include pre-approval by other than by the full Committee.

4. Review any non-audit services provided by the independent accountants to the Fund's investment adviser and certain of its affiliates that were not subject to pre-approval by the Committee under paragraph 3 above, and the fees associated therewith.

5. If and to the extent that the Fund intends to have employees, set clear policies for the hiring by the Fund of employees or former employees of the Fund's independent accountants.

6. Obtain and review at least annually a report from the independent accountants describing (i) the accounting firm's internal quality-control procedures, (ii) any material issues raised (a) by the accounting firm's most recent internal quality-control review or peer review or (b) by any governmental or other professional inquiry or investigation performed within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to address any such issues and (iii) (to assess the independent accountants' independence) all relationships between the independent accountants and the Fund.

7. Review with the Fund's independent accountants arrangements for and the scope of the annual audit and any special audits, including the form of any opinion proposed to be rendered to the Board and shareholders of the Fund.

8. With respect to each closed-end Fund (i) meet with management and the independent accountants to review and discuss the Fund's annual audited financial statements and quarterly unaudited financial statements, including a review of any specific disclosures of management's discussion of the Fund's investment performance and (ii) with respect to the Fund's audited financial statements, discuss with the independent accountants matters required by Statement of Accounting Standards ("SAS") No. 61 and any other matters required to be reported to the Committee under applicable law and provide a statement whether, based on its review of such audited financial statements, the Committee recommends to the Board that the audited financial statements be included in the Fund's Annual Report.

9. With respect to the open-end Funds, meet at least annually with management and the independent accountants to discuss the form of the Funds' audited financial statements and any specific issues regarding the content thereof raised by management or the independent accountants.

10. Review with the independent accountants any audit problems or difficulties encountered in the course of their audit work and management's responses thereto.

11. Review with management and, as applicable, with the independent accountants the Fund's accounting and financial reporting policies, practices and internal controls, and management's guidelines and policies with respect to risk assessment and risk management, including the effect on the Fund of any recommendation of changes in accounting principles or practices by management or the independent accountants.

12. Receive any reports from the Fund's independent accountants, Chief Executive Officer or Chief Financial Officer relating to (i) significant

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deficiencies or material weaknesses in the design or operation of internal control over the Fund's financial reporting which are reasonably likely to adversely affect the Fund's ability to record, process, summarize and report financial information and (ii) the maintenance and design of the Fund's internal controls over financial reporting.

13. With respect to each closed-end Fund, discuss with management the Fund's earnings press releases as well as financial information and earnings guidance provided by management to analysts and rating agencies, if any. The Committee may discharge this responsibility by discussing the general types of information to be disclosed by the Fund and the form of presentation (i.e., a case-by-case review is not required) and need not discuss in advance each such release of information.

14. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Fund, the Fund's investment adviser, administrator, principal underwriter (if any) or any other provider of accounting-related services for the Fund of concerns regarding accounting or auditing matters.

15. Investigate or initiate the investigation of any improprieties or suspected improprieties in the Fund's accounting operations or financial reporting.

16. Review with counsel legal and regulatory matters that have a material impact on the Fund's financial and accounting reporting policies and practices or its internal controls.

17. Report to the Board on the Committee's activities ordinarily at each regularly scheduled Board meeting (but at least annually) or at such other times as requested by the Board or deemed appropriate by the Committee.

18. Periodically review and recommend for approval by the Board the Fund's custodial, transfer agency and administrative service fee arrangements.

19. Perform such other functions consistent with this Charter, the Agreement and Declaration of Trust and Bylaws applicable to the Fund, and applicable law or regulation, as the Committee or the Board deems necessary or appropriate.

The Committee may delegate any portion of its authority and responsibilities as set forth in this Charter to a subcommittee of one or more members of the Committee. The Committee may also delegate certain responsibilities to the Treasurer and Chief Financial Officer of the Fund. Any action taken by a subcommittee or by the Treasurer and Chief Financial Officer shall be presented to the full Committee for ratification at the Committee's next regularly scheduled meeting.

MEETINGS

The Committee will ordinarily meet in connection with regularly scheduled Board meetings and when the Committee determines necessary or appropriate in accordance with the Fund's By-Laws. At least annually, the Committee shall meet separately with the independent accountants and separately with the representatives of Fund management responsible for the financial and accounting operations of the Fund, including the Fund's Treasurer and Chief Financial Officer or such other person as may have primary responsibility for the Fund's financial and accounting operations, and shall also meet separately with representatives of MFS's internal audit department with responsibility for oversight of Fund matters. A Chair of the Trustees, the chair or vice-chair of the Committee or a majority of the members of the Committee are authorized to

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call a meeting of the Committee and send notice thereof.

A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The action of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the action of the Committee. The Committee may also take action by written consent of a majority of the Committee members. The Committee may meet by means of a telephone conference circuit or similar communications equipment by means of which all persons participating in the meeting can hear each other.

OUTSIDE RESOURCES AND ASSISTANCE FROM MANAGEMENT

The appropriate officers of the Fund shall provide or arrange to provide such information, data and services as the Committee may request. The Committee shall have the authority to engage at the Fund's expense independent counsel and other experts and consultants whose expertise the Committee considers necessary to carry out its responsibilities. The Fund shall provide for appropriate funding, as determined by the Committee, for the payment of: (i) compensation of the Fund's independent accountants for the issuance of an audit report relating to the Fund's financial statements or the performance of other audit, review or attest services for the Fund; (ii) compensation of independent legal counsel or other advisers retained by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in fulfilling its purposes or carrying out its responsibilities under this Charter.

ANNUAL EVALUATIONS

The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any changes to the Board. In addition, the performance of the Committee shall be evaluated at least annually by the Board or the Committee itself.

ADOPTION AND AMENDMENTS

The Board shall adopt and approve this Charter and may amend the Charter at any time on the Board's own motion.

APPENDIX A TO EXHIBIT 1

TRUSTS COVERED BY THE CHARTER (AS OF OCTOBER 26, 2004)

MFS Series Trust I
MFS Series Trust II
MFS Series Trust III
MFS Series Trust IV
MFS Series Trust V
MFS Series Trust VI
MFS Series Trust VII
MFS Series Trust VIII
MFS Series Trust IX
MFS Series Trust X
MFS Series Trust XI
Massachusetts Investors Growth Stock Fund
Massachusetts Investors Trust
MFS Charter Income Trust
MFS Government Limited Maturity Fund
MFS Government Markets Income Trust
MFS Government Securities Fund
MFS Growth Opportunities Fund
MFS Institutional Trust
MFS Intermediate Income Trust
MFS Multimarket Income Trust

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MFS Municipal Income Trust
MFS Municipal Series Trust
MFS Special Value Trust
MFS Variable Insurance Trust

SCHEDULE A

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

For each Fund's last two fiscal years, fees billed by each Trust's Independent Registered Public Accounting Firm for services provided directly to each Trust:

| TRUST | INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | AUDIT FEES | | AUDIT-RELATED FEES |
|-------------------------------------|---|------------|----------|-----------------------|
| | | 2004 | 2003 | 2004 |
| | | | | |
| MFS Charter Income Trust | Ernst & Young | \$37,900 | \$36,330 | \$0 |
| MFS Government Markets Income Trust | Deloitte | \$40,175 | \$38,650 | \$0 |
| MFS Intermediate Income Trust | Deloitte | \$40,375 | \$38,850 | \$0 |
| MFS Multimarket Income Trust | Ernst & Young | \$37,900 | \$36,330 | \$0 |
| MFS Municipal Income Trust | Deloitte | \$37,115 | \$34,910 | \$18,000 |
| MFS Special Value Trust | Ernst & Young | \$34,050 | \$32,590 | \$0 |

For each Trust's last two fiscal years, no fees were billed by any Independent Registered Public Accounting Firm disclosed under the caption "All Other Fees" to any Trust.

For each Fund's last two fiscal years, fees billed by each Trust's Independent Registered Public Accounting Firm provided to each Trust's Service Affiliates that relate directly to such Trust's operations and financial reporting:

| TRUST | INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | AUDIT-RELATED FEES (1) | | TAX FEES (1) |
|---|---|---------------------------|-----------|--------------|
| | | 2004 | 2003 | 2004 |
| | | | | |
| Service Affiliates of MFS Charter Income Trust | Ernst & Young | \$0 | \$0 | \$0 |
| Service Affiliates of MFS Government Markets Income Trust | Deloitte | \$1,160,170 | \$166,150 | \$37,000 |
| Service Affiliates of MFS Intermediate Income Trust | Deloitte | \$928,350 | \$166,150 | \$35,000 |
| Service Affiliates of MFS Multimarket Income Trust | Ernst & Young | \$0 | \$0 | \$0 |
| Service Affiliates of MFS Municipal Income Trust | Deloitte | \$928,350 | \$166,150 | \$35,000 |
| Service Affiliates of MFS Special Value Trust | Ernst & Young | \$0 | \$0 | \$0 |

(1) This amount reflects the fees billed to Service Affiliates of the Fund for non-audit services related to the operations and financial reporting of the Fund (portions of which services also related to the financial reporting of all funds within the MFS funds complex).

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For periods prior to May 6, 2003, the amounts shown above under "Audit-Related Fees," "Tax Fees" and "All Other Fees" relate to permitted non-audit services that would have been subject to pre-approval if the SEC rules relating to pre-approval of non-audit services had been in effect. During the periods indicated in the tables above, no services described under "Audit- Related Fees," "Tax Fees" or "All Other Fees" were approved pursuant to the de minimis exception set forth in paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X.

Aggregate fees billed by each Independent Registered Public Accounting Firm, for each Trust's two most recent fiscal years, for non-audit services rendered to each Trust and each Trust's Service Affiliates:

| TRUST | INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM | 2004 |
|--|--|-------------|
| MFS Charter Income Trust and its Service Affiliates | Ernst & Young | \$88,600 |
| MFS Government Markets Income Trust and its Service Affiliates | Deloitte | \$1,262,270 |
| MFS Intermediate Income Trust and its Service Affiliates | Deloitte | \$1,041,550 |
| MFS Multimarket Income Trust and its Service Affiliates | Ernst & Young | \$58,600 |
| MFS Municipal Income Trust and its Service Affiliates | Deloitte | \$1,060,450 |
| MFS Special Value Trust and its Service Affiliates | Ernst & Young | \$58,040 |

INTERESTS OF CERTAIN PERSONS

As of January 18, 2005, to the best knowledge of each Trust, the shareholders who beneficially own the outstanding shares of any class of such Trust.

| TRUST NAME | NAME AND ADDRESS OF SHAREHOLDER | CLASS OF SHARES | NUMBER OUTSTAND SHARE BENEFICI OWNED |
|-------------------------------------|--|--------------------|--|
| MFS Charter Income Trust | Cede & Co. Fast PO Box 20 Bowling Green Station New York, NY 10274-0020 | Common | 52,323 |
| MFS Government Markets Income Trust | Cede & Co. Fast PO Box 20 Bowling Green Station New York, NY 10274-0020 | Common | 47,383 |
| MFS Intermediate Income Trust | Cede & Co. WT Fast PO Box 20 Bowling Green Station | Common | 113,293 |

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| | | | |
|------------------------------|---|-----------|--------|
| | New York, NY 10274-0020 | | |
| MFS Multimarket Income Trust | Cede & Co. Fast PO Box 20 Bowling Green Station New York, NY 10274-0020 | Common | 71,270 |
| MFS Municipal Income Trust | Cede & Co. Fast PO Box 20 Bowling Green Station New York, NY 10274-0020 | Common | 32,989 |
| | Morgan Stanley & Co., Inc. One Pierrepont Plaza 7th Floor Brooklyn, NY 11201 | Preferred | |
| | Citigroup Global Markets, Inc. 333 W. 34th Street New York, NY 10001 | Preferred | |
| | UBS PaineWebber, Inc. 1000 Harbor Blvd. Weehawken, NJ 07087 | Preferred | |
| | Oppenheimer and Co./Fahnestock 125 Broad St. 15th Floor New York, NY 10004 | Preferred | |
| MFS Special Value Trust | Cede & Co. Fast PO Box 20 Bowling Green Station New York, NY 10274-0020 | Common | 5,896 |

M F S (SM)
INVESTMENT MANAGEMENT (R)

CE-PRX-2/05

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES OF THE TRUST

PROXY FOR THE MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 23, 2005

MFS(R) MUNICIPAL INCOME TRUST

The undersigned hereby appoints James R. Bordewick, Jr., Jeffrey N. Carp, James F. DesMarais, Richard M. Hisey and Brian T. Hourihan and each of them separately, proxies, with power of substitution, and hereby authorizes each of them to represent, and to vote, as designated on the reverse side, at the Meeting of Shareholders of the above-referenced Trust, on Wednesday, March 23, 2005 at 9:30 a.m., Boston time, and at any adjournments thereof, all of the preferred shares of the Trust that the undersigned would be entitled to vote if personally present.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSAL. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. THE TRUSTEES RECOMMEND A VOTE FOR THE PROPOSAL ON THE REVERSE SIDE.

Date _____, 2005

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED

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Signature (PLEASE SIGN WITHIN BOX)

NOTE: Please sign exactly as your name appears on this card. All joint owners should sign. When signing as executor, administrator, attorney, trustee or guardian or as custodian for a minor, please give full title as such. If a corporation, please sign in full corporate name and indicate the signer's office. If a partnership, sign in the partnership name.

mfs-cefp-jh

PLEASE FILL IN BOX(ES) AS SHOWN USING BLACK OR BLUE INK OR NUMBER 2 PENCIL. X PLEASE DO NOT USE FINE POINT PENS.

YOUR TRUSTEES RECOMMEND THAT YOU VOTE FOR THE ITEM.

ITEM 1. To elect Trustees

NOMINEES:

- (01) Lawrence H. Cohn, M.D.
- (02) David H. Gunning
- (03) William R. Gutow
- (04) Michael Hegarty
- (05) J. Atwood Ives
- (06) Amy B. Lane
- (07) Robert J. Manning
- (08) Lawrence T. Perera
- (09) Robert C. Pozen
- (10) J. Dale Sherratt
- (11) Laurie J. Thomsen

FOR all nominees listed
(except as marked to the
contrary at left)

WITHHOLD authority to
vote for all nominees

0

0

INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, WRITE THE NOMINEE'S NAME IN THE SPACE PROVIDED BELOW.

PLEASE SIGN AND DATE ON THE REVERSE SIDE.

mfs-cefp-jh

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Date _____, 2005

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mfs-cef-jh

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FOR all nominees listed WITHHOLD authority to
(except as marked to the vote for all nominees
contrary at left)

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PLEASE SIGN AND DATE ON THE REVERSE SIDE.

mfs-cef-jh

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PROXY FOR THE MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 23, 2005

FUND NAME PRINTS HERE

The undersigned hereby appoints James R. Bordewick, Jr., Jeffrey N. Carp, James F. DesMarais, Richard M. Hisey and Brian T. Hourihan and each of them

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separately, proxies, with power of substitution, and hereby authorizes each of them to represent, and to vote, as designated on the reverse side, at the Meeting of Shareholders of the above-referenced Trust, on Wednesday, March 23, 2005 at 9:30 a.m., Boston time, and at any adjournments thereof, all of the shares of the Trust that the undersigned would be entitled to vote if personally present.

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| | |
|--------------------------|-----------------------|
| FOR all nominees listed | WITHHOLD authority to |
| (except as marked to the | vote for all nominees |
| contrary at left) | |

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PLEASE SIGN AND DATE ON THE REVERSE SIDE.

mfs-cef2-jh

