

Edgar Filing: MFS SPECIAL VALUE TRUST - Form N-Q

MFS SPECIAL VALUE TRUST
Form N-Q
October 01, 2004

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 811-5912

MFS SPECIAL VALUE TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

James R. Bordewick, Jr.
Massachusetts Financial Services Company
500 Boylston Street
Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: July 31, 2004

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Mutual Funds

QUARTERLY PORTFOLIO 7/31/04

MFS(R) SPECIAL VALUE TRUST

[graphic omitted]

[logo] M F S(R)
INVESTMENT MANAGEMENT

The Trust is a closed-end investment product. Shares of the Trust are only available for purchase/sale on the NYSE at the current market price. Shares may trade at a discount to NAV.

Visit MFS.COM for the latest information about your investment.

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- o Annual and semiannual reports contain information regarding the specific securities held in the fund and how the fund has performed over the period.
- o Week in Review provides a look at key events influencing U.S. and global financial markets for the week.
- o MFS Global Perspective is a commentary and analysis of markets around the globe.
- o Chief Investment Strategist Corner is a commentary by James Swanson, MFS' Chief Investment Strategist.

A fact sheet, annual, and semiannual report for the fund can be accessed by clicking "Closed End Funds" on the home page. Week in Review, MFS Global Perspective, and Chief Investment Strategist Corner are located under "Updates and Announcements."

PORTFOLIO OF INVESTMENTS (UNAUDITED) 07/31/2004 MFS(R) SPECIAL VALUE TRUST

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BONDS - 60.8%

U.S. BONDS - 46.8%

Advertising & Broadcasting - 3.0%

Allbritton Communications Co., 7.75%, 2012

Granite Broadcasting Corp., 9.75%, 2010

LBI Media Holdings, Inc., 0% to 2008, 11% to 2013

XM Satellite Radio Holdings, Inc., 0% to 2005, 14% to 2009

XM Satellite Radio, Inc., 12%, 2010

Aerospace - 2.1%

Argo-Tech Corp., 9.25%, 2011##

BE Aerospace, Inc., 8.875%, 2011

Hexcel Corp., 9.75%, 2009

K&F Industries, Inc., 9.625%, 2010

Airlines - 1.6%

Continental Airlines, Inc., 7.568%, 2006

Continental Airlines, Inc., 8.307%, 2018

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Continental Airlines, Inc., 6.795%, 2018

Continental Airlines, Inc., 7.566%, 2020

Apparel Manufacturers - 0%

WestPoint Stevens, Inc., 7.875%, 2005 - 2008**

Asset Backed & Securitized - 2.2%

Anthracite CDO Ltd., 6%, 2037##

DLJ Mortgage Acceptance Corp., 8%, 2004+

Falcon Auto Dealership LLC, 3.8486%, 2023^^

GMAC Commercial Mortgage Securities, Inc., 6.02%, 2033

Morgan Stanley Capital I, Inc., 1.5921%, 2014##^^

Automotive - 1.8%

Advanced Accessory Systems LLC, 10.75%, 2011

Delco Remy International, Inc., 9.375%, 2012##

Eagle-Picher Industries, Inc., 9.75%, 2013

Intermet Corp., 9.75%, 2009

Metaldyne Corp., 11%, 2012

Oxford Automotive, Inc., 12%, 2010##

TRW Automotive, Inc., 11%, 2013

TRW Automotive, Inc., 11.75%, 2013

Basic Industry - 0.2%

Thermadyne Holdings Corp., 9.25%, 2014

Broadcast & Cable TV - 5.8%

Adelphia Communications Corp., 10.25%, 2011**

CSC Holdings, Inc., 8.125%, 2009

CSC Holdings, Inc., 6.75%, 2012##

Cablevision Systems Corp., 8%, 2012##

Charter Communications, Inc., 8.625%, 2009

Charter Communications, Inc., 9.92%, 2011

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Charter Communications, Inc., 8.375%, 2014##

FrontierVision Holdings LP, 11.875%, 2007**

FrontierVision Operating Partners LP, 11%, 2006

Grande Communications, 14%, 2011

Insight Midwest LP, 9.75%, 2009

Mediacom Broadband LLC, 11%, 2013

Building - 1.8%

Building Materials Corp.of America, 7.75%, 2014##

Interface, Inc., 10.375%, 2010

Interface, Inc., 9.5%, 2014##

Williams Scotsman, Inc., 9.875%, 2007

Chemicals - 4.4%

Equistar Chemicals LP, 10.625%, 2011

Huntsman International LLC, 10.125%, 2009

IMC Global, Inc., 10.875%, 2013

JohnsonDiversey Holding, Inc., 0% to 2007, 10.67% to 2013

Lyondell Chemical Co., 11.125%, 2012

Nalco Finance Holdings, Inc., 0% to 2009, 9% to 2014##

Resolution Performance Products LLC, 13.5%, 2010

Rockwood Specialties Group, Inc., 10.625%, 2011

Sovereign Specialty Chemicals, Inc., 11.875%, 2010

Conglomerates - 0.2%

Rexnord Industries, Inc., 10.125%, 2012

Consumer Goods & Services - 1.0%

K2, Inc., 7.375%, 2014

Leiner Health Products, Inc., 11%, 2012##

Revlon Consumer Products Corp., 8.625%, 2008

Werner Holding Co., Inc., 10%, 2007

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Containers - 0.9%

Pliant Corp., 13%, 2010

Portola Packaging, Inc., 8.25%, 2012

Energy - Independent - 0.4%

Belden Blake Corp., 8.75%, 2012

Chesapeake Energy Corp., 7%, 2014##

Chesapeake Energy Corp., 6.875%, 2016

Entertainment - 0.8%

AMF Bowling Worldwide, Inc., 10%, 2010##

Loews Cineplex Entertainment Corp., 9%, 2014##

Six Flags, Inc., 9.75%, 2013

Financial Institutions - 0.1%

Refco Finance Holdings LLC, 9%, 2012##

Forest & Paper Products - 0.6%

Newark Group, Inc., 9.75%, 2014##

Gaming & Lodging - 0.7%

Resorts International Hotel & Casino, Inc., 11.5%, 2009

Industrial - 0.8%

Da-Lite Screen Co., Inc., 9.5%, 2011##

Milacron Escrow Corp., 11.5%, 2011##

Polypore International, Inc., 8.75%, 2012##

Machinery & Tools - 1.4%

Amsted Industries, Inc., 10.25%, 2011##

Case New Holland, Inc., 9.25%, 2011##

Columbus McKinnon Corp., 8.5%, 2008

Manitowoc Co., Inc., 10.375%, 2011

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United Rentals, Inc., 7.75%, 2013

Medical & Health Technology & Services - 0.9%

Alliance Imaging, Inc., 10.375%, 2011

Healthsouth Corp., 8.5%, 2008

Universal Hospital Services, Inc., 10.125%, 2011

Medical Equipment - 0.4%

MedCath Holdings Corp., 9.875%, 2012##

Metals & Mining - 1.8%

Doe Run Resources Corp., 8.5%, 2008#

Foundation PA Coal Co., 7.25%, 2014##

Ispat Inland PLC, 9.75%, 2014

Kaiser Aluminum & Chemical Corp., 9.875%, 2002**

Oregon Steel Mills, Inc., 10%, 2009

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

Natural Gas - Pipeline - 1.1%

ANR Pipeline Co., 9.625%, 2021

El Paso Energy Corp., 7%, 2011

El Paso Energy Corp., 7.75%, 2013

Oil Services - 0.3%

Dresser, Inc., 9.375%, 2011

Oils - 0.3%

Citgo Petroleum Corp., 11.375%, 2011

Printing & Publishing - 1.9%

Dex Media, Inc., 0% to 2008, 9% to 2013##

Hollinger, Inc., 12.875%, 2011##

Houghton Mifflin Co., 9.875%, 2013

Houghton Mifflin Co., 0% to 2008, 11.5% to 2013

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R.H.Donnelley Finance Corp., 10.875%, 2012

Retailers - 1.9%

Couche-Tard, Inc., 7.5%, 2013

Duane Reade, Inc., 9.75%, 2011##

J. Crew Operating Corp., 10.375%, 2007

Levi Strauss & Co., 7%, 2006

PCA LLC, 11.875%, 2009

Rite Aid Corp., 9.25%, 2013

Rite Aid Corp., 6.875%, 2013

Supermarkets - 0%

Jitney Jungle Stores of America, Inc., 12%, 2006**

Telecommunications - Wireless - 3.7%

Alamosa Holdings, Inc., 0% to 2005, 12% to 2009

Centennial Communications Corp., 10.125%, 2013

Dobson Communications Corp., 8.875%, 2013

MetroPCS, Inc., 10.75%, 2011

Rural Cellular Corp., 9.75%, 2010

U.S. Unwired, Inc., 10%, 2012##

Telecommunications - Wireline - 1.8%

Qwest Corp., 9.125%, 2012##

Qwest Services Corp., 14%, 2010##

Time Warner Telecom, Inc., 10.125%, 2011

Time Warner Telecom, Inc., 9.25%, 2014##

Utilities - Electric Power - 2.9%

Dynegy Holdings, Inc., 6.875%, 2011

FirstEnergy Corp., 6.45%, 2011

Midwest Generation LLC, 8.75%, 2034##

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Mirant Americas Generation, Inc., 8.3%, 2011**

Mission Energy Holding Co., 13.5%, 2008

NGC Corp.Capital Trust, 8.316%, 2027

Reliant Resources, Inc., 9.25%, 2010

Reliant Resources, Inc., 9.5%, 2013

Sierra Pacific Resources, 8.625%, 2014##

Total U.S.Bonds

FOREIGN BONDS - 14.0%

Australia - 0.7%

Burns, Philp & Co.Ltd., 9.75%, 2012 (Food & Non-Alcoholic Beverages)

Belgium - 0.8%

Telenet Group Holdings N.V., 0% to 2008, 11.5% to 2014 (Broadcast & Cable TV)##

Brazil - 1.7%

Federal Republic of Brazil, 2.125%, 2012 (Emerging Market Sovereign)

Federal Republic of Brazil, 8%, 2014 (Emerging Market Sovereign)

Federal Republic of Brazil, 2.0625%, 2024 (Emerging Market Sovereign)

Federal Republic of Brazil, 11%, 2040 (Emerging Market Sovereign)

Canada - 0.6%

Norske Skog Canada Ltd., 7.375%, 2014 (Forest & Paper Products)

Nortel Networks Ltd., 6.125%, 2006 (Business Services)

France - 1.8%

Crown European Holdings S.A., 10.875%, 2013 (Containers)

Rhodia S.A., 6%, 2006 (Chemicals)

Rhodia S.A., 8.875%, 2011 (Chemicals)##

Germany - 0.4%

Kabel Deutschland, 10.625%, 2014 (Broadcast & Cable TV)##

Luxembourg - 1.5%

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BCP Caylux Holdings Luxembourg S.A., 9.625%, 2014 (Chemicals)##

Lighthouse International Co.S.A., 8%, 2014 (Printing & Publishing)## E

Safilo Capital International S.A., 9.625%, 2013 (Consumer Goods & Services)##

Mexico - 2.0%

Axtel S.A.de C.V., 11%, 2013 (Telecommunications - Wireline)##

Corporacion Durango S.A.de C.V., 13.75%, 2009 (Forest & Paper Products)##**

Pemex Project Funding Master Trust, 8.625%, 2022 (Emerging Market Agencies)

TFM S.A.de C.V., 11.75%, 2009 (Transportation - Services)

TV Azteca S.A.de C.V., 10.5%, 2007 (Broadcast & Cable TV)

United Mexican States, 8%, 2022 (Emerging Market Sovereign)

Netherlands - 0.2%

Kappa Beheer B.V., 10.625%, 2009 (Forest & Paper Products)

Norway - 1.2%

NCL Corp., 10.625%, 2014 (Gaming & Lodging)##

Ocean Rig Norway S.A., 10.25%, 2008 (Oil Services)

Panama - 0.4%

Republic of Panama, 9.375%, 2023 - 2029 (Emerging Market Sovereign)

Poland - 0.8%

PTC International Finance II S.A., 11.25%, 2009 (Telecommunications - Wireless)

Russia - 1.6%

Gazprom OAO, 9.625%, 2013 (Oils)##

Siberian Oil Co., 10.75%, 2009 (Energy - Integrated)

Tyumen Oil Co., 11%, 2007 (Energy - Integrated)

Vimpel-Communications, 10%, 2009 (Telecommunications - Wireless)##

United Kingdom - 0.3%

Dunlop Standard Aerospace Holdings PLC, 11.875%, 2009 (Aerospace)##

Invensys PLC, 9.875%, 2011 (Electronics)##

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Total Foreign Bonds

Total Bonds (Identified Cost, \$40, 095, 667)

STOCKS - 29.3%

U.S. STOCKS - 23.9%

Airlines - 1.3%

Southwest Airlines Co.^

Automotive - 0.7%

Hayes Lemmerz International, Inc.^*

Broadcast & Cable TV - 4.3%

Comcast Corp., "A"^*

Cumulus Media, Inc.^*

NTL, Inc.*

Sinclair Broadcast Group, Inc., "A"^

Sirius Satellite Radio, Inc.^

Business Services - 0%

Anacomp, Inc.*

Containers - 2.2%

Owens-Illinois, Inc.*^

Food & Drug Stores - 0.1%

Rite Aid Corp.*

Gaming & Lodging - 0.8%

Ameristar Casinos, Inc.^

Pinnacle Entertainment, Inc.^*

Machinery & Tools - 0.1%

Thermadyne Holdings Corp.^*

Medical & Health Technology & Services - 1.9%

Tenet Healthcare Corp.^*

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Oil Services - 6.4%

BJ Services Co.^*

Cooper Cameron Corp.^*

GlobalSantaFe Corp.

Noble Corp.^

Pharmaceuticals - 1.3%

Wyeth^

Specialty Chemicals - 0%

Sterling Chemicals, Inc.*

Telephone Services - 2.2%

MCI, Inc.^*

Sprint FON Group

Utilities - Electric Power - 2.4%

Calpine Corp.*

DPL, Inc.^

El Paso Electric Co.

NRG Energy, Inc.*

Utilities - Gas - 0.2%

Ferrell Gas Partners LP

Total U.S.Stocks

FOREIGN STOCKS - 5.4%

Canada - 2.4%

Nortel Networks Corp.(Telecommunications - Wireline)^*

Finland - 1.7%

Nokia Corp., ADR (Telecommunications - Wireless)^

Netherlands - 0.5%

Comptel Europe N.V.(Telephone Services)*

Sweden - 0.6%

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Song Networks Holding AB (Telephone Services)

United Kingdom - 0.2%

Jazztel PLC (Telephone Services)*

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Total Foreign Stocks

Total Stocks (Identified Cost, \$24,789,616)

CONVERTIBLE PREFERRED STOCKS - 1.3%

U.S. STOCKS - 1.2%

Automotive - 0.1%

Ford Motor Co.Capital Trust II

HLI Operating Co., Inc., "A"*

Broadcast & Cable TV - 1.1%

Spanish Broadcasting Systems, Inc., "B"

Total U.S.Stocks

FOREIGN STOCKS - 0.1%

Sweden - 0.1%

Song Networks Holding AB (Telephone Services)*

Total Convertible Preferred Stocks (Identified Cost, \$831,552)

PREFERRED STOCKS - 2.6%

Broadcast & Cable TV - 2.6%

Paxson Communications Corp., 14.25%

Telephone Services - 0%

PTV, Inc., "A", 0.0%

Total Preferred Stocks (Identified Cost, \$1,559,600)

WARRANTS - 0%

Anacomp, Inc.(Business Services)^*

Grande Communications Holdings (Broadcast & Cable TV)*

Sterling Chemicals, Inc.(Specialty Chemicals)*

Thermadyne Holdings Corp.(Basic Industry)*

Total Warrants (Identified Cost, \$38,821)

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CONVERTIBLE BONDS - 2.0%

United Kingdom - 2.0%

COLT Telecom Group PLC, 2%, 2006 (Telecommunications - Wireline) EUR

Total Convertible Bonds (Identified Cost, \$817,304)

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COLLATERAL FOR SECURITIES LOANED - 16.7%

Navigator Securities Lending Prime Portfolio, at Cost and Net Asset Value 11,0

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REPURCHASE AGREEMENT - 3.6%

Goldman Sachs, 1.36%, dated 07/30/2004, due 08/02/2004,
total to be received \$2,392,181 (secured by various U.S.Treasury
and Federal Agency obligations in a jointly traded account), at Cost

Total Investments (Identified Cost, \$81,566,846)

OTHER ASSETS, LESS LIABILITIES - (16.3)%

Net Assets - 100.0%

- * Non-income producing security.
- # Payment-in-kind security.
- ## SEC Rule 144A restriction.
- ** Non-income producing security -- in default.
- ^ All or a portion of this security is on loan.
- ^^ Interest only security.
- + Restricted security.

Abbreviations have been used throughout this report to indicate amounts shown in currencies other than U.S. dollars. A list of abbreviations is shown below

EUR = Euro
SEK = Swedish Kroner

SEE ATTACHED SCHEDULES. SEE NOTES TO FINANCIAL STATEMENTS AS DISCLOSED IN THE MOST RECENT SEMI-ANNUAL REPORT. THIS INFORMATION IS INCORPORATED BY REFERENCE.

SUPPLEMENTAL SCHEDULES (UNAUDITED)

(1) PORTFOLIO SECURITIES

The cost and unrealized appreciation and depreciation in the value of the investments owned by the Trust on an income tax basis, are as follows:

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| | |
|-------------------------------|---------------|
| Aggregate cost | \$81,607,485 |
| | ----- |
| Gross unrealized depreciation | (\$8,852,990) |
| | ----- |
| Gross unrealized appreciation | 4,375,211 |
| | ----- |
| Net unrealized depreciation | (\$4,477,779) |
| | ----- |

(2) FINANCIAL INSTRUMENTS

The trust trades financial instruments with off-balance-sheet risk in the normal course of its in manage exposure to market risks such as interest rates and foreign currency exchange rates. These forward foreign currency exchange contracts. The notional or contractual amounts of these instruments trust has in particular classes of financial instruments and does not necessarily represent the a risk. The measurement of the risks associated with these instruments is meaningful only when all r transactions are considered.

FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

| SETTLEMENT DATE | CONTRACTS TO DELIVER/RECEIVE | IN EXCHANGE FOR | CONTRACTS AT VALUE |
|-----------------|------------------------------|-----------------|--------------------|
| ----- | | | |
| SALES | | | |
| ----- | | | |
| 8/4/04-10/6/04 | EUR 3,395,593 | \$4,105,195 | \$4,081,203 |
| 8/16/04 | SEK 2,898,285 | 380,611 | 377,307 |
| | | ----- | ----- |
| | | \$4,485,806 | \$4,458,510 |
| | | ===== | ===== |
| PURCHASES | | | |
| ----- | | | |
| 8/4/04-10/6/04 | EUR 593,430 | \$716,917 | \$713,157 |

At July 31, 2004, the trust had sufficient cash and/or securities to cover any commitments under the

(3) RESTRICTED SECURITIES

The trust may invest not more than 20% of its total assets in securities which are subject to leg resale. At July 31, 2004, the trust owned the following restricted securities, excluding securities i 144A, constituting 1% of net assets which may not be publicly sold without registration under the does not have the right to demand that such securities be registered. The value of these securities furnished by dealers or by a pricing service, or if not available, in good faith at the direction o

| Description | Date of Acquisition | Par Amount | Cost |
|---|---------------------|------------|-----------|
| ----- | | | |
| DLJ Mortgage Acceptance Corp., 8%, 2004 | 4/6/01 | 694,195 | \$694,195 |

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ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures 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 Investment Company Act of 1940 (the "Act")) that occurred during the registrant's last fiscal quarter that has materially affected, or is 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.

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 SPECIAL VALUE TRUST

By (Signature and Title)* ROBERT J. MANNING

 Robert J. Manning, President

Date: September 22, 2004

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)* ROBERT J. MANNING

 Robert J. Manning, President (Principal Executive Officer)

Date: September 22, 2004

By (Signature and Title)* RICHARD M. HISEY

 Richard M. Hisey, Treasurer (Principal Financial Officer and Accounting Officer)

Date: September 22, 2004

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