

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

MFS SPECIAL VALUE TRUST
Form N-Q
September 28, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5912

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)

Susan S. Newton
Massachusetts Financial Services Company
500 Boylston Street
Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: July 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Special Value Trust

7/31/06

Quarterly portfolio holdings

[graphic omitted]

M F S (R)
INVESTMENT MANAGEMENT

MFS Special Value Trust
PORTFOLIO OF INVESTMENTS (Unaudited) 07/31/2006

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ISSUER

BONDS - 68.1%

AIRLINES 0.9%

Continental Airlines, Inc., 8.307%, 2018

\$

Continental Airlines, Inc., 6.795%, 2018

Continental Airlines, Inc., 7.566%, 2020

APPAREL MANUFACTURERS 1.1%

Levi Strauss & Co., 9.75%, 2015

\$

Propex Fabrics, Inc., 10%, 2012

ASSET BACKED & SECURITIZED 2.9%

Anthracite CDO Ltd., 6%, 2037 (z)

\$

Asset Securitization Corp., FRN, 8.4991%, 2029 (z)

Falcon Franchise Loan LLC, FRN, 3.9126%, 2025 (i) (z)

Morgan Stanley Capital I, Inc., FRN, 1.4476%, 2039 (a) (i)

Preferred Term Securities XII Ltd., 9.8%, 2033 (e) (z)

Preferred Term Securities XVI Ltd., 14%, 2035 (e) (z)

Preferred Term Securities XVII Ltd., 9.3%, 2035 (e) (z)

AUTOMOTIVE 7.1%

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

\$

Cooper Standard Automotive, Inc., 8.375%, 2014

Ford Motor Credit Co., 6.625%, 2008

Ford Motor Credit Co., 5.625%, 2008

Ford Motor Credit Co., 5.8%, 2009

Ford Motor Credit Co., 9.75%, 2010 (a)

Ford Motor Credit Co., 8.625%, 2010

Ford Motor Credit Co., 7%, 2013

General Motors Acceptance Corp., 6.875%, 2011

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General Motors Acceptance Corp., 6.75%, 2014

General Motors Acceptance Corp., 8%, 2031

General Motors Corp., 8.375%, 2033

Goodyear Tire & Rubber Co., 9%, 2015

Lear Corp., 8.11%, 2009

Lear Corp., 5.75%, 2014

BANKS & CREDIT COMPANIES 0.7%

ATF Bank, 9%, 2016 (a) \$

ATF Bank JSC, 9.25%, 2012 (a)

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

BROADCASTING 4.7%

Allbritton Communications Co., 7.75%, 2012 \$

EchoStar DBS Corp., 6.375%, 2011

Granite Broadcasting Corp., 9.75%, 2010

Hughes Network Systems LLC, 9.5%, 2014 (a)

Inmarsat Finance II PLC, 0% to 2008, 10.375% to 2012

Intelsat Ltd., 7.625%, 2012

Intelsat Ltd., 9.25%, 2016 (a)

Intelsat Ltd., 11.25%, 2016 (a)

Intelsat Ltd., 0% to 2010, 9.25% to 2015 (a)

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

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

XM Satellite Radio, Inc., 9.75%, 2014 (a)

Young Broadcasting, Inc., 10%, 2011

BUILDING 2.0%

Goodman Global Holdings, Inc., 7.875%, 2012 \$

Interface, Inc., 10.375%, 2010

Interface, Inc., 9.5%, 2014

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Nortek Holdings, Inc., 8.5%, 2014

Nortek Holdings, Inc., 0% to 2009, 10.75% to 2014

BUSINESS SERVICES 0.8%

Nortel Networks Ltd., 10.75%, 2016 (a)

\$

Northern Telecom Corp., 6.875%, 2023

SunGard Data Systems, 10.25%, 2015

CABLE TV 3.9%

Cablevision Systems Corp., 8%, 2012

\$

CCH I Holdings LLC, 9.92%, 2014

CCH I Holdings LLC, 11%, 2015

Corsair B.V., FRN, 11.35%, 2016

CSC Holdings, Inc., 7.25%, 2012 (a)

Kabel Deutschland, 10.625%, 2014 (a)

Mediacom LLC, 9.5%, 2013

Telenet Group Holdings N.V., 0% to 2008, 11.5% to 2014 (a)

CHEMICALS 3.8%

Basell AF SCA, 8.375%, 2015 (a)

\$

Crystal U.S. Holdings LLC, "A", 0% to 2009, 10% to 2014

Crystal U.S. Holdings LLC, "B", 0% to 2009, 10.5% to 2014

Equistar Chemicals, 10.625%, 2011

Huntsman International LLC, 10.125%, 2009

Huntsman International LLC, 7.375%, 2015 (a)

KI Holdings, Inc., 0% to 2009, 9.875% to 2014

Lyondell Chemical Co., 11.125%, 2012

Nalco Co., 8.875%, 2013

Polypore, Inc., 8.75%, 2012

Rockwood Specialties Group, Inc., 10.625%, 2011

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CONSTRUCTION 0.0%

 Technical Olympic USA, Inc., 7.5%, 2015 \$

CONSUMER GOODS & SERVICES 1.8%

 AAC Group Holding Corp., 12.75%, 2012 (a) (p) \$

Affinion Group, Inc., 11.5%, 2015 (a)

GEO Group, Inc., 8.25%, 2013

Jarden Corp., 9.75%, 2012

Playtex Products, Inc., 9.375%, 2011

Revlon Consumer Products Corp., 9.5%, 2011

Simmons Co., 7.875%, 2014

 CONTAINERS 1.3%

 Crown Americas, 7.75%, 2015 (a) \$

Graham Packaging Co. LP, 9.875%, 2014

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

 DEFENSE ELECTRONICS 0.2%

 L-3 Communications Holdings, Inc., 6.125%, 2014 \$

ELECTRONICS 0.3%

 Magnachip Semiconductor S.A., 8%, 2014 \$

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

 EMERGING MARKET QUASI-SOVEREIGN 0.6%

 Gazprom OAO, 9.625%, 2013 (a) \$

Gazprom OAO, 9.625%, 2013

Pemex Project Funding Master Trust, 8.625%, 2022

 EMERGING MARKET SOVEREIGN 0.8%

 Federative Republic of Brazil, 8.875%, 2019 \$

Republic of Argentina, FRN, 0%, 2035

Republic of Panama, 9.375%, 2029

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Republic of Panama, 6.7%, 2036

ENERGY INDEPENDENT 1.4%

Chesapeake Energy Corp., 6.375%, 2015

\$

Chesapeake Energy Corp., 6.875%, 2016

Hilcorp Energy I, 9%, 2016 (a)

Whiting Petroleum Corp., 7%, 2014

ENTERTAINMENT 1.9%

AMC Entertainment, Inc., 11%, 2016

\$

HRP Myrtle Beach Operations, FRN, 9.8181%, 2012 (z)

Marquee Holdings, Inc., 0% to 2009, 12% to 2014

Six Flags, Inc., 8.875%, 2010

Six Flags, Inc., 9.75%, 2013

FOOD & BEVERAGES 0.5%

Chaoda Modern Agriculture Holdings, 7.75%, 2010 (a)

\$

FOREST & PAPER PRODUCTS 3.2%

Graphic Packaging International Corp., 9.5%, 2013

\$

Jefferson Smurfit Corp., 8.25%, 2012

JSG Funding LLC, 11.5%, 2015 (a) (p)

EUR

JSG Funding PLC, 7.75%, 2015

\$

Millar Western Forest Products Ltd., 7.75%, 2013

Sino-Forest Corp., 9.125%, 2011 (a)

Stone Container Corp., 7.375%, 2014

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

Verso Paper Holdings LLC, 11.375%, 2016 (a)

GAMING & LODGING 3.6%

Greektown Holdings, 10.75%, 2013 (a)

\$

Majestic Star Casino LLC, 9.75%, 2011 (a)

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MTR Gaming Group, Inc., 9%, 2012 (a)

NCL Corp. Ltd., 11.625%, 2014

Pinnacle Entertainment, Inc., 8.25%, 2012

\$

Pokagon Gaming Authority, 10.375%, 2014 (a)

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

Trump Entertainment Resorts Holdings, Inc., 8.5%, 2015

Wynn Las Vegas LLC, 6.625%, 2014

INDUSTRIAL 2.8%

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

\$

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

Education Management LLC, 10.25%, 2016 (a)

Interline Brands, Inc., 8.125%, 2014 (a)

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

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

Knowledge Learning Corp., 7.75%, 2015 (z)

Milacron Escrow Corp., 11.5%, 2011

RBS Global & Rexnord Corp., 11.75%, 2016 (a)

MACHINERY & TOOLS 0.9%

Case Corp., 7.25%, 2016

\$

Case New Holland, Inc., 9.25%, 2011

Case New Holland, Inc., 7.125%, 2014

MEDICAL & HEALTH TECHNOLOGY & SERVICES 3.4%

Accellent, Inc., 10.5%, 2013

\$

CDRV Investors, Inc., 0% to 2010, 9.625% to 2015

DaVita, Inc., 6.625%, 2013

DaVita, Inc., 7.25%, 2015

Hanger Orthopedic Group, 10.25%, 2014 (a)

HCA, Inc., 8.75%, 2010

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HCA, Inc., 6.375%, 2015

HealthSouth Corp., 10.75%, 2016 (a)

Select Medical Corp., 7.625%, 2015

Triad Hospitals, Inc., 7%, 2013

US Oncology, Inc., 10.75%, 2014

Vanguard Health Holding II, 9%, 2014

NATURAL GAS PIPELINE 1.3%

ANR Pipeline Co., 9.625%, 2021

Atlas Pipeline Partners LP, 8.125%, 2015 (a)

Colorado Interstate Gas Co., 5.95%, 2015

El Paso Energy Corp., 7%, 2011

El Paso Energy Corp., 7.75%, 2013

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

NETWORK & TELECOM 3.0%

Cincinnati Bell, Inc., 8.375%, 2014

Citizens Communications Co., 9.25%, 2011

Citizens Communications Co., 9%, 2031

Global Crossing UK Finance, 10.75%, 2014

Hawaiian Telecom Communications, Inc., 9.75%, 2013

Hawaiian Telecom Communications, Inc., 12.5%, 2015

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

Qwest Corp., 7.875%, 2011

Qwest Corp., 8.875%, 2012

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

Verizon New York, Inc., 7.375%, 2032

Windstream Corp., 8.625%, 2016 (a)

OIL SERVICES 0.4%

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

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Hanover Compressor Co., 9%, 2014

PHARMACEUTICALS 0.6%

Warner Chilcott Corp., 8.75%, 2015

PRINTING & PUBLISHING 3.3%

American Media Operations, Inc., 8.875%, 2011

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

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

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

PRIMEDIA, Inc., 8.875%, 2011

PRIMEDIA, Inc., 8%, 2013

R.H. Donnelley Corp., 8.875%, 2016

WDAC Subsidiary Corp., 8.375%, 2014 (a)

RAILROAD & SHIPPING 0.2%

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

RESTAURANTS 0.6%

Denny's Corp. Holdings, Inc., 10%, 2012

El Pollo Loco, Inc., 11.75%, 2013 (a)

Uno Restaurant Corp., 10%, 2011 (z)

RETAILERS - 2.8%

Buhrmann U.S., Inc., 7.875%, 2015

Burlington Coat Factory Warehouse Corp., 11.125%, 2014 (a)

Burlington Coat Factory Warehouse Corp., 0% to 2008, 14.5% to 2014 (a)

Couche-Tard, Inc., 7.5%, 2013

Eye Care Centers of America, 10.75%, 2015

Jean Coutu Group (PJC), Inc., 7.625%, 2012

Jean Coutu Group (PJC), Inc., 8.5%, 2014

Mothers Work, Inc., 11.25%, 2010

Neiman Marcus Group, Inc., 9%, 2015

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Neiman Marcus Group, Inc., 10.375%, 2015

Rite Aid Corp., 7.7%, 2027

SPECIALTY STORES 0.7%

GSC Holdings Corp., 8%, 2012

Payless ShoeSource, Inc., 8.25%, 2013

STEEL 0.3%

Chaparral Steel Co., 10%, 2013

SUPERMARKETS 0.1%

Pathmark Stores, Inc., 8.75%, 2012

TELECOMMUNICATIONS WIRELESS 1.1%

Centennial Communications Corp., 10%, 2013

Centennial Communications Corp., 10.125%, 2013

Rogers Wireless, Inc., 7.5%, 2015

Rural Cellular Corp., 9.75%, 2010

Wind Acquisition Finance S.A., 10.75%, 2015 (a)

TOBACCO 0.5%

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

TRANSPORTATION 0.4%

PT Arpeni Pratama Ocean Line Tbk, 8.75%, 2013 (a)

UTILITIES ELECTRIC POWER 2.2%

Edison Mission Energy, 7.75%, 2016 (a)

Midwest Generation LLC, 8.75%, 2034

Mission Energy Holding Co., 13.5%, 2008

NGC Corp. Capital Trust, 8.316%, 2027

NRG Energy, Inc., 7.375%, 2016

Reliant Energy, Inc., 6.75%, 2014

Reliant Resources, Inc., 9.25%, 2010

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TOTAL BONDS

COMMON STOCKS - 24.8%

AUTOMOTIVE - 0.9%

Magna International, Inc., "A" (1)

BROADCASTING 0.4%

Sinclair Broadcast Group, Inc., "A" (1)

BUSINESS SERVICES 0.0%

Anacomp, Inc., "B" (1) (n)

CHEMICALS 0.4%

Huntsman Corp. (n)

Nalco Holding Co. (1) (n)

COMPUTER SOFTWARE 1.7%

Symantec Corp. (1) (n)

CONSTRUCTION 1.4%

Masco Corp. (1)

CONSUMER GOODS & SERVICES 0.2%

Brink's Co. (1)

CONTAINERS 2.5%

Crown Holdings, Inc. (n)

Owens-Illinois, Inc. (1) (n)

ELECTRICAL EQUIPMENT 1.7%

Tyco International Ltd.

ENERGY INDEPENDENT 1.9%

Apache Corp. (1)

Foundation Coal Holdings, Inc. (1)

MEDICAL & HEALTH TECHNOLOGY & SERVICES 1.6%

HCA, Inc. (1)

Tenet Healthcare Corp. (1) (n)

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MEDICAL EQUIPMENT 1.4%

Pall Corp. (1)

METALS & MINING 0.0%

International Utility Structures, Inc. (n)

NATURAL GAS DISTRIBUTION 0.2%

Ferrell Gas Partners LP

NETWORK & TELECOM 1.3%

Nortel Networks Corp. (1) (n)

OIL SERVICES 3.2%

GlobalSantaFe Corp. (1)

PHARMACEUTICALS 1.9%

Wyeth

PRINTING & PUBLISHING 0.0%

Golden Books Family Entertainment, Inc. (n)

REAL ESTATE 0.2%

Mills Corp., REIT (1)

SPECIALTY CHEMICALS 0.3%

Lyondell Chemical Co. (1)

Sterling Chemicals, Inc. (n)

TELECOMMUNICATIONS WIRELESS 0.1%

Vodafone Group PLC, ADR

TELEPHONE SERVICES 3.0%

Adelphia Business Solutions, Inc. (n)

Embarq Corp. (1)

NTL, Inc. (1)

Sprint Nextel Corp.

Windstream Corp.

UTILITIES ELECTRIC POWER 0.5%

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NRG Energy, Inc. (l) (n)

TOTAL COMMON STOCKS

FLOATING RATE LOANS 0.9% (G) (R)

CONTAINERS 0.4%

Bluegrass Container Co. LLC, Second Lien Term Loan, 10.4%, 2013

\$

GAMING & LODGING 0.5%

Gulfside Casino, Inc., Term Loan B, 10.44%, 2012

\$

TOTAL FLOATING RATE LOANS

CONVERTIBLE PREFERRED STOCKS 0.6%

AUTOMOTIVE 0.4%

General Motors Corp., "B", 5.25% (l)

REAL ESTATE 0.2%

Mills Corp., 6.75% (z)

Mills Corp., "F", 6.75%

TOTAL CONVERTIBLE PREFERRED STOCKS

PREFERRED STOCKS - 3.5%

BROADCASTING - 3.5%

Ion Media Networks, Inc., 14.25% (p)

Spanish Broadcasting Systems, Inc., "B", 10.75% (p)

CONSUMER GOODS & SERVICES 0.0%

Renaissance Cosmetics, Inc., 14% (n)

REAL ESTATE 0.0%

HRPT Properties Trust, REIT, "B", 8.75% (l)

TOTAL PREFERRED STOCKS

ISSUER

STRIKE PRICE

FIRST EXERCISE

WARRANTS - 0.5%

BUSINESS SERVICES - 0.0%

Anacomp, Inc., "B" (n)

\$ 61.54

12/10/2001

EMERGING MARKET SOVEREIGN - 0.5%

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| | | |
|--|----------|------------|
| Republic of Venezuela, Oil-Indexed Payment Obligation, expires 2020 | N/A | N/A |
| ----- | | |
| NETWORK & TELECOM - 0.0% | | |
| ----- | | |
| Metricom, Inc. (n) | \$ 87.00 | 8/15/2000 |
| ----- | | |
| SPECIALTY CHEMICALS - 0.0% | | |
| ----- | | |
| Sterling Chemicals, Inc. (n) | \$ 52.00 | 12/31/2002 |
| ----- | | |
| TOTAL WARRANTS | | |
| ----- | | |
| SHORT-TERM OBLIGATIONS - 0.2% | | |
| ----- | | |
| New Center Asset Trust, 5.29%, due 8/01/06 (y) | | \$ |
| ----- | | |
| COLLATERAL FOR SECURITIES LOANED - 15.9% | | |
| ----- | | |
| Navigator Securities Lending Prime Portfolio, at Net Asset Value | | \$1 |
| ----- | | |
| TOTAL INVESTMENTS (K) | | |
| ----- | | |
| OTHER ASSETS, LESS LIABILITIES - (14.5)% | | |
| ----- | | |
| NET ASSETS - 100.0% | | |
| ----- | | |

- (a) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities are sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional investors. At period end, the aggregate value of these securities was \$9,057,601, representing 14.2% of net assets.
- (e) The rate shown represents a current effective yield.
- (g) The rate shown represents a weighted average coupon rate on settled positions at period end.
- (i) Interest only security for which the trust receives interest on notional principal (Par amount) and does not reflect the cost of the security.
- (k) As of July 31, 2006, the trust held securities fair valued in accordance with the policies and procedures for valuing securities aggregating \$43,661,873 and 59.80% of market value. An independent pricing service provided a valuation of the market value.
- (l) All or a portion of this security is on loan.
- (n) Non-income producing security.
- (p) Payment-in-kind security.
- (r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans are sold on resale. Floating rate loans generally have rates of interest which are determined periodically as the lending rate plus a premium.
- (y) The rate shown represents an annualized yield at time of purchase.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the issuer or to a party subsequently registered. Disposal of these securities may involve time-consuming negotiations and an acceptable price may be difficult. The trust holds the following restricted securities:

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| RESTRICTED SECURITIES | ACQUISITION DATE | ACQUISITION COST |
|---|------------------|------------------|
| Amsted Industries, Inc., 10.25%, 2011 | 7/19/2004 | \$ 213,663 |
| Anthracite CDO Ltd., 6%, 2037 | 5/14/2002 | 290,438 |
| Asset Securitization Corp., FRN, 8.4991%, 2029 | 1/25/2005 | 604,160 |
| Falcon Franchise Loan LLC, FRN, 3.9126%, 2025 | 1/29/2003 | 105,888 |
| HRP Myrtle Beach Operations, FRN, 9.8181%, 2012 | 3/23/2006 | 155,000 |
| Knowledge Learning Corp., 7.75%, 2015 | 1/28/2005 | 85,000 |
| Mills Corp., 6.75% | 3/30/2006 | 78,750 |
| Preferred Term Securities XII Ltd., 9.8%, 2033 | 1/7/2005 | 236,250 |
| Preferred Term Securities XVI Ltd., 14%, 2035 | 12/8/2004 | 300,000 |
| Preferred Term Securities XVII Ltd., 9.3%, 2035 | 3/9/2005 | 187,000 |
| Uno Restaurant Corp., 10%, 2011 | 1/31/2005 | 192,812 |
| TOTAL RESTRICTED SECURITIES | | |

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

| | |
|------|---|
| ADR | American Depository Receipt |
| FRN | Floating Rate Note. The interest rate is the rate in effect as of period end. |
| REIT | Real Estate Investment Trust |

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

EUR Euro

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

MFS SPECIAL VALUE TRUST
SUPPLEMENTAL SCHEDULES (UNAUDITED) 07/31/2006

(1) PORTFOLIO SECURITIES

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

| | |
|--|----------------|
| Aggregate Cost | \$ 77,728,125 |
| | ===== |
| Gross unrealized appreciation | \$ 3,314,769 |
| Gross unrealized depreciation | (8,028,153) |
| | ----- |
| Net unrealized appreciation (depreciation) | \$ (4,713,384) |
| | ===== |

(2) UNFUNDED LOAN COMMITMENTS

As of July 31, 2006, the portfolio had unfunded loan commitments of \$90,909, which could be extended at the option of the borrower, pursuant to the following loan agreements:

| BORROWER | UNFUNDED LOAN COMMITMENT | UNREALIZED APPRECIATION (DEPRECIATION) |
|----------|--------------------------|--|
| | | |

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 Bluegrass Container Co. LLC, Second Lien Term Loan \$ 90,909 \$ 758

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

(3) FINANCIAL INSTRUMENTS

DERIVATIVES

CREDIT DEFAULT SWAPS

| EXPIRATION | NOTIONAL PRINCIPAL AMOUNT OF CONTRACT | DESCRIPTION | UNREALIZED APPRECIATION (DEPRECIATION) |
|------------|--|---|--|
| ----- | | | |
| 3/20/11 | \$ 500,000 | Agreement between the trust and Merrill Lynch International to exchange the credit risk of Sherwin-Williams Co. As a buyer of protection, the trust agrees to pay Merrill Lynch quarterly at a fixed annual rate of 0.98% of the notional amount of \$500,000 until maturity on March 20, 2011. If Sherwin-Williams Co. experiences one of the following credit events: bankruptcy, failure to pay, or a restructuring, the trust would then purchase \$500,000 par of Sherwin-Williams bonds at the post credit event market price, and then deliver those bonds to Merrill Lynch, who in turn would deliver \$500,000 in cash to the trust. | \$ (9,746) |

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

ITEM 2. CONTROLS AND PROCEDURES.

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

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ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

NOTICE

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

SIGNATURES

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

Registrant: MFS SPECIAL VALUE TRUST

By (Signature and Title)* MARIA F. DWYER

Maria F. Dwyer, President

Date: September 25, 2006

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

By (Signature and Title)* MARIA F. DWYER

Maria F. Dwyer, President (Principal Executive Officer)

Date: September 25, 2006

By (Signature and Title)* TRACY ATKINSON

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

Date: September 25, 2006

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