

MFS INTERMEDIATE INCOME TRUST

Form N-CSR

December 29, 2011

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF

REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5440

MFS INTERMEDIATE INCOME TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: October 31

Date of reporting period: October 31, 2011

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ITEM 1. REPORTS TO STOCKHOLDERS.

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MFS® Intermediate Income Trust

ANNUAL REPORT

October 31, 2011

MIN-ANN

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Managed Distribution Policy Disclosure

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

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

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

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MFS® INTERMEDIATE INCOME TRUST

New York Stock Exchange Symbol: **MIN**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholders:

We are indeed living through some volatile times. Economic uncertainty is everywhere, as it seems no place in the world has been unmoved by crisis this year. We have seen a devastating earthquake and tsunami that have led to disruptions in the Japanese markets and supply chains. Protests have changed the face of the Middle East and left in their wake

lingering tensions and resultant higher oil prices. We have seen debt limits tested in Europe and the United States and policymakers grappling to craft often unpopular monetary and fiscal responses at a time when consumers and businesses struggle with what appears to be a slowing global economy. On top of all of that, we have seen long-term U.S. debt lose its Standard & Poor's AAA rating.

When markets become volatile, managing risk becomes a top priority for investors and their

advisors. At MFS® risk management is foremost in our minds in all market climates. Our analysts and portfolio managers keep risks firmly in mind when evaluating securities. Additionally, we have a team of quantitative analysts that measures and assesses the risk profiles of our portfolios and securities on an ongoing basis. The chief investment risk officer, who oversees the team, reports directly to the firm's president and chief investment officer so the risk associated with each portfolio can be assessed objectively and independently of the portfolio management team.

As always, we continue to be mindful of the many economic challenges faced at the local, national, and international levels. It is in times such as these that we want to remind investors of the merits of maintaining a long-term view, adhering to basic investing principles such as asset allocation and diversification, and working closely with their advisors to research and identify appropriate investment opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

December 16, 2011

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

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High Grade Corporates	53.1%
Non-U.S. Government Bonds	26.9%
Emerging Markets Bonds	8.7%
Mortgage-Backed Securities	6.8%
U.S. Treasury Securities	4.3%
U.S. Government Agencies	2.3%
Commercial Mortgage-Backed Securities	1.8%
Asset-Backed Securities	1.0%
High Yield Corporates	0.2%
Collateralized Debt Obligations	0.1%
Residential Mortgage-Backed Securities (o)	0.0%

Composition including fixed income credit quality (a)(i)

AAA	15.7%
AA	20.1%
A	25.2%
BBB	29.6%
BB	1.2%
B (o)	0.0%
U.S. Government (o)	0.0%
Federal Agencies	9.1%
Not Rated	4.3%
Cash & Other	(5.2)%

Portfolio facts (i)

Average Duration (d)	3.8
Average Effective Maturity (m)	4.5 yrs.

Issuer country weightings (i)(x)

United States	46.9%
United Kingdom	8.4%
Japan	6.6%
France	4.6%
Germany	3.6%
Netherlands	3.3%
Canada	3.2%
Italy	2.6%
Brazil	2.2%
Other Countries	18.6%

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Portfolio Composition continued

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency mortgage-backed securities, and collateralized mortgage obligations of U.S. Agency mortgage-backed securities. Not Rated includes fixed income securities, including fixed income futures, which have not been rated by any rating agency. Cash & Other includes cash, other assets less liabilities, offsets to derivative positions, and short-term securities. The fund may not hold all of these instruments. The fund itself has not been rated.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if applicable. These amounts may be negative from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.
- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- (o) Less than 0.1%.
- (x) Represents the portfolio's exposure to issuer countries as a percentage of a portfolio's total net assets. From time to time Cash & Other Net Assets may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets as of 10/31/11.

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

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MANAGEMENT REVIEW

Summary of Results

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

For the twelve months ended October 31, 2011, shares of the MFS Intermediate Income Trust (the fund) provided a total return of 1.97%, at net asset value. This compares with a return of 3.16% for the fund's benchmark, the Barclays Capital Intermediate U.S. Government Bond Index. Over the same period, the fund's other benchmark, the MFS Intermediate Income Trust Blended Index (the Blended Index), generated a return of 2.70%. The Blended Index reflects the blended returns of various fixed income market indices, with percentage allocations to each index designed to resemble the fixed income allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

Market Environment

Early in the period, the U.S. Federal Reserve (the Fed) indicated that further monetary loosening would be forthcoming if macroeconomic activity did not show signs of improvement. The prospects for, and subsequent implementation of, more easing by the Fed improved market sentiment and drove risk-asset prices markedly higher. The December agreement on a surprisingly large (relative to expectations) expansionary U.S. fiscal package also boosted sentiment. During the subsequent several months, the renewed positive market sentiment, coupled with better indications of global macroeconomic activity, pushed many asset valuations to post-crisis highs. At the same time, global sovereign bond yields rose amidst the more risk-seeking environment.

However, towards the middle of the period, a weakening macroeconomic backdrop and renewed concerns over Greek debt sustainability began to challenge equity valuations and pushed high-quality sovereign bond yields lower. Towards the end of the reporting period, uncertainty in financial markets continued to increase. European policy makers debated and disagreed over elements of a new Greek bailout package, while Spanish and Italian bond yields increased markedly signaling a widening European crisis. In the U.S., concerns about sovereign debt default and the long-term sustainability of the trend in U.S. fiscal policy resulted in one agency downgrading U.S. credit quality. Amidst this turmoil, global equity markets declined sharply. As a result of these developments, global consumer and producer sentiment indicators fell precipitously, highly-rated sovereign bond yields hit multi-decade lows and,

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Management Review continued

despite a more mixed picture emanating from the hard data, markets grew increasingly worried about a return to global recession.

Detractors from Performance

Relative to the Blended Index, the fund's greater exposure to bonds in the *financial* and *banking* sectors detracted from results as holdings within these sectors turned in poor performance over the reporting period amidst a weakening economic environment.

The fund's greater exposure to emerging markets debt, most notably to Brazil, also held back relative results as this market segment underperformed the index over the reporting period.

Additionally, the fund's lesser relative exposure to longer-term maturity European and United Kingdom government bonds also weakened relative performance.

Contributors to Performance

During the reporting period, the fund's return from yield, which was greater than that of the Blended Index, was a key contributor to relative performance.

Respectfully,

James Calmas
Portfolio Manager

Erik Weisman
Portfolio Manager

(y) A yield curve graphically depicts the yields of different maturity bonds of the same credit quality and type; a normal yield curve is upward sloping, with short-term rates lower than long-term rates.

The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

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PERFORMANCE SUMMARY THROUGH 10/31/11

The following chart represents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares. Performance data shown represents past performance and is no guarantee of future results.

Price Summary for MFS Intermediate Income Trust

Year Ended 10/31/11

	Date	Price
Net Asset Value	10/31/11	\$6.37
	10/31/10	\$6.82
New York Stock Exchange Price	10/31/11	\$6.29
	11/05/10 (high) (t)	\$7.02
	10/04/11 (low) (t)	\$5.92
	10/31/10	\$6.95

Total Returns vs Benchmarks

Year Ended 10/31/11

MFS Intermediate Income Trust at	
New York Stock Exchange Price (r)	(1.19)%
Net Asset Value (r)	1.97%
Barclays Capital Intermediate U.S. Government Bond Index (f)	3.16%
MFS Intermediate Income Trust Blended Index (f)(x)	2.70%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2010 through October 31, 2011.

(x) MFS Intermediate Income Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2011 the blended index was comprised of 75% Barclays Capital Intermediate U.S. Government Bond Index and 25% of the JPMorgan Global Government Bond Index ex U.S. (Hedged).

Benchmark Definitions

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

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Performance Summary continued

well as quasi-federal corporations and corporate or foreign debt guaranteed by the U.S. Government, with maturity from 1 year up to (but not including) 10 years.

JPMorgan Global Government Bond Index ex U.S. (Hedged) measures the currency- hedged performance of developed government bond markets around the world, excluding the U.S. This index generated a total return of 1.32% for the year ended October 31, 2011.

It is not possible to invest directly in an index.

Notes to Performance Summary

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

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains are insufficient to meet the fund's target annual distribution rate. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. It may also result in a recharacterization of what economically represents a return of capital to ordinary income in those situations where a fund has long term capital gains and a capital loss carryforward. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

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

Performance results do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the financial highlights.

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

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INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

Investment Objective

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

Principal Investment Strategies

MFS (Massachusetts Financial Services Company, the fund's investment adviser) normally invests the fund's assets, including borrowings for investment purposes, primarily in debt instruments. MFS generally invests substantially all of the fund's assets in investment grade debt instruments.

The fund's dollar-weighted average effective maturity will normally be between three and ten years. In determining an instrument's effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.

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

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

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

While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments.

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

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

MFS considers sector allocations, yield curve positioning, macroeconomic factors and risk management factors.

If approved by the fund's Board of Trustees, the fund may use leverage through the issuance of preferred shares, borrowing from banks, and/or other methods of creating leverage, and investing the proceeds pursuant to its investment strategies.

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

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

Principal Risks

The fund may not achieve its objective and/or you could lose money on your investment in the fund.

Investments in debt instruments may decline in value as the result of increases in interest rates, declines in the credit quality of the issuer, borrower, counterparty or underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile.

Investments in foreign markets through issuers or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, or other conditions.

Investments in derivatives can be used to take both long and short positions, be highly volatile, result in leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk.

The market price of common shares of the fund will be based on factors such as the supply and demand for common shares in the market and general market, economic, political or regulatory conditions. Whether shareholders will realize gains or losses upon the sale of common shares of the fund will depend on the market price of common shares at the time of the sale, not on the fund's net asset value. The market price may be lower or higher than the fund's net asset value. Shares of closed-end funds frequently trade at a discount or premium to their net asset value.

Leverage involves investment exposure in an amount exceeding the initial investment. Leverage can cause increased volatility by magnifying gains or losses.

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

Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

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PORTFOLIO MANAGERS PROFILES

James Calmas	Investment Officer of MFS; employed in the investment management area of MFS since 1988. Portfolio Manager of the Fund since March 2002.
Erik Weisman	Investment Officer of MFS; employed in the investment management area of MFS since 2002; Portfolio Manager of the Fund since May 2004.

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount \$100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares the automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

You may withdraw from the Plan at any time by going to the Plan Agent's website at www.computershare.com, by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078. Please have available the name of the fund and your account number. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent's website at www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

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10/31/11

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

Bonds - 99.2%		
Issuer	Shares/Par	Value (\$)
Airlines - 0.3%		
Continental Airlines, Inc., FRN, 0.677%, 2013	\$ 2,210,372	\$ 2,085,812
Apparel Manufacturers - 0.2%		
VF Corp., FRN, 1.058%, 2013	\$ 1,350,000	\$ 1,348,929
Asset-Backed & Securitized - 2.9%		
Anthracite Ltd., A , CDO, FRN, 0.604%, 2019 (z)	\$ 966,365	\$ 806,915
Commercial Mortgage Acceptance Corp., FRN, 1.847%, 2030 (i)	8,858,028	389,195
Credit Suisse Mortgage Capital Certificate, FRN, 5.695%, 2040	2,000,000	2,069,642
Falcon Franchise Loan LLC, FRN, 4.616%, 2023 (i)(z)	3,579,690	202,610
FUEL Trust, 4.207%, 2016 (n)	1,970,000	1,977,661
Goldman Sachs Mortgage Securities Corp. II, 5.587%, 2038	3,158,287	3,359,473
Hertz Global Holdings, Inc., 4.26%, 2014 (n)	2,300,000	2,380,055
Hertz Vehicle Financing LLC, 2010-1A, A1 , 2.6%, 2015 (n)	630,000	636,780
JPMorgan Chase Commercial Mortgage Securities Corp., FRN, 5.475%, 2043	3,000,000	3,344,073
Lehman Brothers/UBS Commercial Mortgage Trust, 5.642%, 2032	1,898,573	2,009,421
Mercedes-Benz Auto Lease Trust, A2 , 0.79%, 2013 (n)	2,223,752	2,224,978
Nationstar Home Equity Loan Trust, FRN, 0.374%, 2036	256,814	247,817
Wachovia Bank Commercial Mortgage Trust, 5.418%, 2045	2,000,000	2,187,156
		\$ 21,835,776
Automotive - 1.4%		
Daimler Finance North America LLC, FRN, 1.542%, 2013 (z)	\$ 2,450,000	\$ 2,450,194
Harley-Davidson Financial Services, 3.875%, 2016 (n)	2,880,000	2,955,004
RCI Banque S.A., 4.6%, 2016 (n)	2,110,000	2,049,479
Toyota Motor Credit Corp., 3.2%, 2015	2,740,000	2,893,656
		\$ 10,348,333
Banks & Diversified Financials (Covered Bonds) - 1.0%		
BNP Paribas Home Loan, 2.2%, 2015 (n)	\$ 2,640,000	\$ 2,539,588
Compagnie de Financement Foncier, 2.125%, 2013 (n)	1,600,000	1,597,189
Eurohypo AG, 5.125%, 2016	3,140,000	3,175,168
		\$ 7,311,945
Broadcasting - 0.3%		
CBS Corp., 5.75%, 2020	\$ 940,000	\$ 1,058,739

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Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Broadcasting - continued		
WPP Finance, 8%, 2014	\$ 812,000	\$ 928,290
		\$ 1,987,029
Brokerage & Asset Managers - 0.3%		
TD Ameritrade Holding Co., 4.15%, 2014	\$ 2,007,000	\$ 2,137,818
Building - 0.2%		
CRH PLC, 8.125%, 2018	\$ 1,160,000	\$ 1,337,355
Cable TV - 1.2%		
DIRECTV Holdings LLC, 5.875%, 2019	\$ 1,400,000	\$ 1,606,623
Myriad International Holdings B.V., 6.375%, 2017 (n)	1,825,000	1,957,313
Time Warner Cable, Inc., 5.4%, 2012	2,670,000	2,748,554
Time Warner Cable, Inc., 4%, 2021	2,770,000	2,836,727
		\$ 9,149,217
Chemicals - 1.3%		
Dow Chemical Co., 8.55%, 2019	\$ 3,190,000	\$ 4,144,094
PPG Industries, Inc., 5.75%, 2013	3,465,000	3,677,179
Sociedad Quimica y Minera de Chile S.A., 6.125%, 2016	1,463,000	1,600,395
		\$ 9,421,668
Computer Software - 0.3%		
Adobe Systems, Inc., 3.25%, 2015	\$ 1,950,000	\$ 2,041,201
Conglomerates - 0.6%		
Ingersoll-Rand Global Holding Co. Ltd., 6%, 2013	\$ 4,460,000	\$ 4,798,447
Consumer Products - 1.2%		
Newell Rubbermaid, Inc., 5.5%, 2013	\$ 1,015,000	\$ 1,071,324
Procter & Gamble Co., 0.7%, 2014	1,450,000	1,449,320
Royal Philips Electronics N.V., 4.625%, 2013	4,290,000	4,504,067
Whirlpool Corp., 8%, 2012	2,165,000	2,236,895
		\$ 9,261,606
Consumer Services - 0.4%		
Western Union Co., 5.4%, 2011	\$ 3,000,000	\$ 3,005,547
Defense Electronics - 0.4%		
BAE Systems Holdings, Inc., 6.4%, 2011 (n)	\$ 1,575,000	\$ 1,584,653
BAE Systems Holdings, Inc., 6.375%, 2019 (n)	1,400,000	1,578,882
		\$ 3,163,535

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Emerging Market Quasi-Sovereign - 4.6%		
Banco del Estado de Chile, 4.125%, 2020 (n)	\$ 228,000	\$ 233,995
Banco do Brasil (Cayman Branch), 6%, 2020 (n)	1,430,000	1,576,575
Banco do Nordeste do Brasil (BNB), 3.625%, 2015 (n)	992,000	987,040
BNDES Participacoes S.A., 6.5%, 2019 (n)	3,267,000	3,740,715
BNDES Participacoes S.A., 5.5%, 2020 (n)	138,000	148,764
CNPC (HK) Overseas Capital Ltd., 4.5%, 2021 (n)	1,090,000	1,156,982
Corporacion Nacional del Cobre de Chile, 4.75%, 2014 (n)	1,312,000	1,400,757
Corporacion Nacional del Cobre de Chile, 3.75%, 2020 (n)	840,000	843,510
Corporacion Nacional del Cobre de Chile, 3.875%, 2021 (z)	200,000	199,179
Development Bank of Kazakhstan, 5.5%, 2015 (n)	2,378,000	2,473,120
Empresa Nacional del Petroleo, 6.25%, 2019	723,000	810,571
Empresa Nacional del Petroleo, 5.25%, 2020 (n)	188,000	197,763
Gaz Capital S.A., 8.125%, 2014 (n)	2,036,000	2,265,050
Majapahit Holding B.V., 7.75%, 2020 (n)	871,000	1,007,094
Pemex Project Funding Master Trust, 5.75%, 2018	760,000	836,000
Petrobras International Finance Co., 3.875%, 2016	572,000	585,328
Petrobras International Finance Co., 7.875%, 2019	1,777,000	2,133,934
Petroleos Mexicanos, 8%, 2019	776,000	968,060
Petroleos Mexicanos, 6%, 2020	2,970,000	3,304,125
Petroleos Mexicanos, 5.5%, 2021	1,315,000	1,403,762
Petronas Capital Ltd., 7.875%, 2022	1,089,000	1,482,629
Ras Laffan Liquefied Natural Gas Co. Ltd., 6.75%, 2019 (n)	1,584,000	1,875,298
SCF Capital Ltd., 5.375%, 2017 (n)	860,000	784,750
Transnet Ltd., 4.5%, 2016 (n)	212,000	221,958
VEB Finance Ltd., 6.902%, 2020 (n)	1,699,000	1,834,920
VTB Capital S.A., 6.465%, 2015 (n)	857,000	891,280
VTB Capital S.A., 6.551%, 2020 (n)	1,339,000	1,318,915
		\$ 34,682,074
Emerging Market Sovereign - 0.5%		
Republic of Peru, 9.875%, 2015	\$ 485,000	\$ 598,975
Republic of Poland, 5%, 2022	269,000	265,638
Republic of South Africa, 5.5%, 2020	2,423,000	2,695,587
Republic of Sri Lanka, 6.25%, 2020 (n)	147,000	148,837
		\$ 3,709,037
Energy - Independent - 0.1%		
Talisman Energy, Inc., 7.75%, 2019	\$ 480,000	\$ 597,180
Energy - Integrated - 2.4%		
BG Energy Capital PLC, 2.875%, 2016 (z)	\$ 2,320,000	\$ 2,384,248
BP Capital Markets PLC, 4.5%, 2020	853,000	936,630
BP Capital Markets PLC, 4.742%, 2021	1,810,000	2,030,161

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Integrated - continued		
Hess Corp., 8.125%, 2019	\$ 1,230,000	\$ 1,583,241
Husky Energy, Inc., 5.9%, 2014	2,755,000	3,022,560
Petro-Canada, 6.05%, 2018	904,000	1,065,589
Petro-Canada Financial Partnership, 5%, 2014	2,140,000	2,316,385
Royal Dutch Shell PLC, 3.1%, 2015	2,710,000	2,885,440
TOTAL S.A., 3%, 2015	1,860,000	1,973,458
		\$ 18,197,712
Financial Institutions - 1.3%		
General Electric Capital Corp., 5.45%, 2013	\$ 2,000,000	\$ 2,103,346
General Electric Capital Corp., 4.8%, 2013	2,120,000	2,231,018
General Electric Capital Corp., 6%, 2019	1,180,000	1,340,679
NYSE Euronext, Inc., 4.8%, 2013	4,000,000	4,240,872
		\$ 9,915,915
Food & Beverages - 3.9%		
Anheuser-Busch InBev S.A., 7.75%, 2019	\$ 4,080,000	\$ 5,334,025
Cadbury Schweppes U.S. Finance, 5.125%, 2013	1,590,000	1,697,209
Coca-Cola Co., 1.8%, 2016 (n)	1,930,000	1,925,532
Conagra Foods, Inc., 5.875%, 2014	2,240,000	2,462,499
Diageo Capital PLC, 7.375%, 2014	2,200,000	2,504,535
Dr Pepper Snapple Group, Inc., 1.7%, 2011	2,340,000	2,342,946
Dr Pepper Snapple Group, Inc., 2.35%, 2012	1,650,000	1,675,011
Kraft Foods, Inc., 6.75%, 2014	1,390,000	1,567,698
Kraft Foods, Inc., 6.125%, 2018	1,310,000	1,558,912
Miller Brewing Co., 5.5%, 2013 (n)	2,200,000	2,359,804
Pernod-Ricard S.A., 4.45%, 2022 (z)	1,428,000	1,469,989
Wm. Wrigley Jr. Co., 2.45%, 2012 (n)	4,070,000	4,114,774
		\$ 29,012,934
Food & Drug Stores - 0.2%		
CVS Caremark Corp., 3.25%, 2015	\$ 1,096,000	\$ 1,158,798
Forest & Paper Products - 0.4%		
Inversiones CMPC S.A., 4.75%, 2018 (n)	\$ 1,125,000	\$ 1,173,450
Votorantim Participacoes S.A., 6.75%, 2021 (n)	2,063,000	2,160,993
		\$ 3,334,443
Industrial - 1.1%		
Johns Hopkins University, 5.25%, 2019	\$ 4,350,000	\$ 5,195,945
Princeton University, 4.95%, 2019	2,860,000	3,326,409
		\$ 8,522,354

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Insurance - 2.8%		
ING Groep N.V., 5.775% to 2015, FRN to 2049	\$ 150,000	\$ 118,875
Jackson National Life Global Funding, 5.375%, 2013 (n)	5,000,000	5,276,400
Lincoln National Corp., 4.3%, 2015	1,360,000	1,419,656
Metropolitan Life Global Funding I, 5.125%, 2013 (n)	2,815,000	2,958,920
Metropolitan Life Global Funding I, 5.125%, 2014 (n)	1,020,000	1,102,671
New York Life Global Funding, 4.65%, 2013 (n)	3,000,000	3,156,855
Principal Financial Group, Inc., 8.875%, 2019	2,230,000	2,825,414
Prudential Financial, Inc., 6.2%, 2015	2,210,000	2,429,433
UnumProvident Corp., 6.85%, 2015 (n)	1,740,000	1,922,312
		\$ 21,210,536
Insurance - Property & Casualty - 1.9%		
ACE Ltd., 2.6%, 2015	\$ 2,000,000	\$ 2,045,724
Aon Corp., 3.5%, 2015	2,750,000	2,849,668
AXIS Capital Holdings Ltd., 5.875%, 2020	4,110,000	4,109,770
PartnerRe Ltd., 5.5%, 2020	2,120,000	2,187,891
ZFS Finance USA Trust V, 6.5% to 2017, FRN to 2067 (n)	3,000,000	2,775,000
		\$ 13,968,053
International Market Quasi-Sovereign - 4.0%		
Bank of Ireland, 2.75%, 2012 (e)(n)	\$ 1,610,000	\$ 1,566,002
Eksportfinans A.S.A., 1.6%, 2014	JPY 350,000,000	4,610,966
Electricite de France PLC, 5.5%, 2014 (n)	\$ 3,475,000	3,773,346
ING Bank N.V., 3.9%, 2014 (n)	3,150,000	3,366,862
Irish Life & Permanent PLC, 3.6%, 2013 (e)(n)	3,600,000	3,137,620
Societe Financement de l' Economie Francaise, 3.375%, 2014 (n)	2,315,000	2,445,670
Swedish Export Credit Corp., FRN, 1.036%, 2014	3,300,000	3,346,385
Swedish Housing Finance Corp., 3.125%, 2012 (n)	5,260,000	5,313,310
Westpac Banking Corp., 3.45%, 2014 (n)	2,015,000	2,156,382
		\$ 29,716,543
International Market Sovereign - 20.5%		
Federal Republic of Germany, 3.75%, 2015	EUR 8,922,000	\$ 13,493,602
Federal Republic of Germany, 4.25%, 2018	EUR 2,608,000	4,222,203
Government of Bermuda, 5.603%, 2020 (n)	\$ 1,098,000	1,209,370
Government of Canada, 4.5%, 2015	CAD 1,980,000	2,204,628
Government of Canada, 4.25%, 2018	CAD 1,024,000	1,179,262
Government of Canada, 5.75%, 2033	CAD 358,000	518,472
Government of Japan, 1.3%, 2014	JPY 978,000,000	12,920,058
Government of Japan, 1.7%, 2017	JPY 2,201,000,000	30,057,895
Kingdom of Belgium, 5.5%, 2017	EUR 2,494,000	3,718,534
Kingdom of Spain, 4.6%, 2019	EUR 4,110,000	5,468,603

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
International Market Sovereign - continued		
Kingdom of Sweden, 4.5%, 2015	SEK 9,300,000	\$ 1,585,757
Kingdom of the Netherlands, 3.75%, 2014	EUR 1,389,000	2,060,821
Kingdom of the Netherlands, 4%, 2016	EUR 2,000,000	3,078,733
Republic of Austria, 4.65%, 2018	EUR 4,138,000	6,442,615
Republic of France, 5%, 2016	EUR 9,214,000	14,446,359
Republic of Iceland, 4.875%, 2016 (n)	\$ 2,587,000	2,554,388
Republic of Italy, 5.25%, 2017	EUR 11,388,000	15,278,545
State of Israel, 5.125%, 2014	\$ 5,000,000	5,374,240
United Kingdom Treasury, 5%, 2012	GBP 6,837,000	11,166,557
United Kingdom Treasury, 8%, 2015	GBP 7,664,000	15,761,546
		\$ 152,742,188
Local Authorities - 1.3%		
Louisiana Gas & Fuels Tax Rev. (Build America Bonds), FRN, 3%, 2043	\$ 2,780,000	\$ 2,834,377
Province of Ontario, 4.75%, 2016	6,000,000	6,771,366
		\$ 9,605,743
Machinery & Tools - 0.1%		
Atlas Copco AB, 5.6%, 2017 (n)	\$ 510,000	\$ 577,072
Major Banks - 9.2%		
ABN Amro Bank N.V., FRN, 2.198%, 2014 (n)	\$ 3,010,000	\$ 2,952,768
BAC Capital Trust XIV, 5.63% to 2012, FRN to 2049	2,000,000	1,220,000
Bank of America Corp., 4.9%, 2013	2,300,000	2,325,008
Bank of America Corp., 7.375%, 2014	200,000	213,781
Bank of Tokyo-Mitsubishi UFJ, 2.6%, 2013 (n)	2,930,000	2,969,051
Barclays Bank PLC, 5.125%, 2020	2,760,000	2,871,995
BB&T Corp., 2.05%, 2014	2,030,000	2,059,295
Commonwealth Bank of Australia, 5%, 2019 (n)	2,560,000	2,746,330
Credit Suisse New York, 5.5%, 2014	3,790,000	4,041,777
Goldman Sachs Group, Inc., 6%, 2014	2,490,000	2,645,603
HSBC USA, Inc., 4.875%, 2020	3,370,000	3,287,327
ING Bank N.V., FRN, 1.397%, 2013 (n)	1,230,000	1,213,639
ING Bank N.V., FRN, 1.736%, 2014 (n)	4,650,000	4,573,182
Intesa Sanpaolo S.p.A., FRN, 2.708%, 2014 (n)	1,540,000	1,405,481
JPMorgan Chase & Co., 4.625%, 2021	2,890,000	2,961,580
JPMorgan Chase & Co., FRN, 0.964%, 2013	2,800,000	2,805,642
JPMorgan Chase & Co., FRN, 1.215%, 2014	1,300,000	1,291,438
Kookmin Bank, 7.25%, 2014 (n)	2,100,000	2,353,441
Macquarie Group Ltd., 6%, 2020 (n)	3,361,000	3,376,830
Merrill Lynch & Co., Inc., 6.15%, 2013	2,190,000	2,248,585
Morgan Stanley, 6%, 2014	2,330,000	2,420,658

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Major Banks - continued		
Morgan Stanley, 6.625%, 2018	\$ 1,532,000	\$ 1,596,690
Morgan Stanley, 5.625%, 2019	640,000	631,951
Royal Bank of Scotland PLC, 6.125%, 2021	1,800,000	1,900,726
Santander UK PLC, 3.875%, 2014 (n)	3,440,000	3,368,795
Standard Chartered PLC, 3.85%, 2015 (n)	2,320,000	2,364,718
SunTrust Banks, Inc., 3.5%, 2017	2,237,000	2,251,941
Wells Fargo & Co., 3.75%, 2014	2,900,000	3,092,256
Wells Fargo & Co., 7.98% to 2018, FRN to 2049	1,190,000	1,273,300
		\$ 68,463,788
Medical & Health Technology & Services - 0.7%		
Hospira, Inc., 6.05%, 2017	\$ 1,060,000	\$ 1,194,320
Thermo Fisher Scientific, Inc., 2.25%, 2016	3,650,000	3,740,115
		\$ 4,934,435
Metals & Mining - 1.1%		
ArcelorMittal, 6.5%, 2014	\$ 2,070,000	\$ 2,177,936
Gold Fields Orogen Holding Ltd., 4.875%, 2020 (n)	2,590,000	2,411,932
Vale Overseas Ltd., 5.625%, 2019	492,000	530,835
Vale Overseas Ltd., 4.625%, 2020	1,561,000	1,577,906
Vale Overseas Ltd., 6.875%, 2039	1,086,000	1,251,541
		\$ 7,950,150
Mortgage-Backed - 6.8%		
Fannie Mae, 4.845%, 2013	\$ 1,891,205	\$ 1,972,853
Fannie Mae, 4.609%, 2014	2,752,523	2,933,265
Fannie Mae, 4.842%, 2014	3,137,788	3,356,998
Fannie Mae, 5.412%, 2014	1,819,883	1,970,743
Fannie Mae, 4.62%, 2015	892,957	965,134
Fannie Mae, 4.893%, 2015	1,116,398	1,229,283
Fannie Mae, 5.395%, 2016	1,296,215	1,443,233
Fannie Mae, 5.423%, 2016	2,246,912	2,505,666
Fannie Mae, 6%, 2016	368,564	400,152
Fannie Mae, 5.5%, 2017 - 2025	3,513,241	3,803,251
Fannie Mae, 4.5%, 2019	3,687,603	3,952,304
Fannie Mae, 5%, 2019	496,827	536,770
Fannie Mae, 6.5%, 2031	2,820,576	3,197,632
Freddie Mac, 3.882%, 2017	1,423,992	1,531,221
Freddie Mac, 5.5%, 2017 - 2020	3,849,112	4,172,595
Freddie Mac, 6%, 2017 - 2034	775,314	844,396
Freddie Mac, 5%, 2019 - 2020	2,416,082	2,604,318
Freddie Mac, 4.224%, 2020	2,249,154	2,453,288
Ginnie Mae, 6%, 2033	984,860	1,105,900

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Mortgage-Backed - continued		
Ginnie Mae, 6%, 2036 (f)	\$ 1,291,372	\$ 1,447,156
Ginnie Mae, 5.612%, 2058	4,206,592	4,484,710
Ginnie Mae, 6.357%, 2058	3,849,078	3,968,912
		\$ 50,879,780
Natural Gas - Pipeline - 1.9%		
Enbridge Energy Partners LP, 4.2%, 2021	\$ 3,080,000	\$ 3,225,696
Energy Transfer Partners LP, 8.5%, 2014	2,630,000	2,988,080
Enterprise Products Operating LP, 5.65%, 2013	376,000	397,418
Enterprise Products Operating LP, 3.7%, 2015	2,930,000	3,090,731
Kinder Morgan Energy Partners LP, 5.85%, 2012	2,115,000	2,189,939
TransCanada PipeLines Ltd., 3.4%, 2015	1,957,000	2,071,291
		\$ 13,963,155
Network & Telecom - 1.2%		
AT&T, Inc., 3.875%, 2021	\$ 3,700,000	\$ 3,852,921
British Telecommunications PLC, 5.15%, 2013	943,000	985,354
Telefonica S.A., 5.877%, 2019	2,940,000	3,050,550
Verizon Communications, Inc., 8.75%, 2018	1,060,000	1,432,015
		\$ 9,320,840
Oil Services - 0.5%		
Noble Corp., 5.875%, 2013	\$ 2,200,000	\$ 2,354,073
Noble Corp., 3.45%, 2015	1,030,000	1,088,568
		\$ 3,442,641
Oils - 0.4%		
LUKOIL International Finance B.V., 6.125%, 2020 (n)	\$ 2,738,000	\$ 2,779,070
Other Banks & Diversified Financials - 3.6%		
Banco Santander Chile, 2.875%, 2012 (n)	\$ 1,840,000	\$ 1,842,083
Capital One Financial Corp., FRN, 1.553%, 2014	2,780,000	2,728,072
Citigroup, Inc., 5.5%, 2013	5,500,000	5,706,756
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	2,556,000	2,375,265
Lloyds TSB Bank PLC, 5.8%, 2020 (n)	3,960,000	4,054,200
Santander Holdings USA, Inc., 4.625%, 2016	450,000	443,141
Santander International Debt S.A., 2.991%, 2013 (n)	2,100,000	2,032,218
Svenska Handelsbanken AB, 4.875%, 2014 (n)	3,060,000	3,248,560
UBS Preferred Funding Trust V, 6.243% to 2016, FRN to 2049	2,000,000	1,805,000
Union Bank, FRN, 1.28%, 2014	2,500,000	2,471,767
		\$ 26,707,062

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Pharmaceuticals - 1.5%		
Celgene Corp., 3.95%, 2020	\$ 2,320,000	\$ 2,341,766
Pfizer, Inc., 6.2%, 2019	2,490,000	3,120,548
Roche Holdings, Inc., 6%, 2019 (n)	3,200,000	3,879,901
Sanofi, 1.2%, 2014	1,550,000	1,565,683
		\$ 10,907,898
Pollution Control - 0.4%		
Republic Services, Inc., 5.25%, 2021	\$ 2,620,000	\$ 2,987,238
Printing & Publishing - 0.1%		
Pearson PLC, 5.5%, 2013 (n)	\$ 410,000	\$ 434,292
Real Estate - 0.4%		
Kimco Realty Corp., REIT, 6.875%, 2019	\$ 690,000	\$ 789,389
WEA Finance LLC, REIT, 6.75%, 2019 (n)	2,290,000	2,585,598
		\$ 3,374,987
Retailers - 1.7%		
AutoZone, Inc., 6.5%, 2014	\$ 2,660,000	\$ 2,958,231
Kohl's Corp., 4%, 2021	1,346,000	1,378,233
Macy's, Inc., 8.125%, 2015	2,670,000	3,093,852
Staples, Inc., 9.75%, 2014	2,330,000	2,688,326
Wesfarmers Ltd., 6.998%, 2013 (n)	2,330,000	2,496,942
		\$ 12,615,584
Specialty Chemicals - 0.3%		
Airgas, Inc., 2.95%, 2016	\$ 1,900,000	\$ 1,911,400
Supermarkets - 0.0%		
Kroger Co., 5%, 2013	\$ 303,000	\$ 317,420
Supranational - 1.7%		
Central American Bank, 4.875%, 2012 (n)	\$ 3,800,000	\$ 3,821,227
Corporacion Andina de Fomento, 6.875%, 2012	6,000,000	6,112,536
Corporacion Andina de Fomento, 5.2%, 2013	3,000,000	3,147,555
		\$ 13,081,318
Telecommunications - Wireless - 1.6%		
America Movil S.A.B. de C.V., 2.375%, 2016	\$ 1,007,000	\$ 1,005,382
Crown Castle Towers LLC, 6.113%, 2020 (n)	2,934,000	3,242,049
Net Servicos de Comunicacao S.A., 7.5%, 2020	1,006,000	1,144,325
Rogers Communications, Inc., 6.8%, 2018	2,950,000	3,587,758

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telecommunications - Wireless - continued		
Vodafone Group PLC, 5%, 2013	\$ 3,000,000	\$ 3,246,909
		\$ 12,226,423
Tobacco - 1.2%		
Altria Group, Inc., 8.5%, 2013	\$ 2,700,000	\$ 3,088,444
B.A.T. International Finance PLC, 8.125%, 2013 (n)	2,250,000	2,537,285
Lorillard Tobacco Co., 8.125%, 2019	1,252,000	1,508,815
Lorillard Tobacco Co., 6.875%, 2020	1,340,000	1,514,637
		\$ 8,649,181
Transportation - Services - 0.2%		
ERAC USA Finance Co., 2.75%, 2013 (n)	\$ 1,500,000	\$ 1,516,499
U.S. Government Agencies and Equivalents - 2.2%		
Aid-Egypt, 4.45%, 2015	\$ 3,963,000	\$ 4,452,985
National Credit Union Administration Guaranteed Note, 2.9%, 2020	520,000	542,768
Small Business Administration, 6.35%, 2021	1,049,753	1,161,234
Small Business Administration, 6.34%, 2021	867,687	956,135
Small Business Administration, 6.44%, 2021	832,961	920,309
Small Business Administration, 6.625%, 2021	1,103,635	1,224,089
Small Business Administration, 5.34%, 2021	2,660,938	2,895,554
Small Business Administration, 4.93%, 2024	1,245,181	1,355,225
Small Business Administration, 5.36%, 2025	1,594,790	1,772,472
Small Business Administration, 5.39%, 2025	1,155,342	1,277,429
		\$ 16,558,200
U.S. Treasury Obligations - 0.0%		
U.S. Treasury Notes, 10.625%, 2015	\$ 30,000	\$ 41,213
Utilities - Electric Power - 5.4%		
Allegheny Energy, Inc., 5.75%, 2019 (n)	\$ 2,820,000	\$ 3,070,619
Dominion Resources, Inc., 1.95%, 2016	2,660,000	2,658,760
Duke Energy Corp., 5.65%, 2013	1,800,000	1,927,480
Duke Energy Corp., 3.35%, 2015	3,280,000	3,453,007
E.ON International Finance B.V., 5.8%, 2018 (n)	5,000,000	5,796,265
EDP Finance B.V., 6%, 2018 (n)	2,240,000	2,008,895
Enel Finance International S.A., 6.25%, 2017 (n)	2,240,000	2,321,953
Exelon Generation Co. LLC, 5.35%, 2014	2,300,000	2,458,939
Exelon Generation Co. LLC, 5.2%, 2019	1,340,000	1,441,025
FirstEnergy Solutions Corp., 6.05%, 2021	1,861,000	2,106,795
Georgia Power Co., 6%, 2013	1,350,000	1,482,623
Iberdrola Finance Ireland Ltd., 3.8%, 2014 (n)	3,950,000	4,006,833
Oncor Electric Delivery Co., 5.95%, 2013	5,060,000	5,458,424

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Electric Power - continued		
PPL WEM Holdings PLC, 3.9%, 2016 (n)	\$ 2,380,000	\$ 2,473,498
		40,665,116
Total Bonds (Identified Cost, \$692,602,773)		\$ 739,912,490
Money Market Funds (v) - 0.1%		
MFS Institutional Money Market Portfolio, 0.07%, at Cost and Net Asset Value		
	381,588	\$ 381,588
Total Investments (Identified Cost, \$692,984,361)		\$ 740,294,078
Other Assets, Less Liabilities - 0.7%		
		5,245,039
Net Assets - 100.0%		\$ 745,539,117

(e) Guaranteed by Minister for Finance of Ireland.

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

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

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$185,875,057, representing 24.9% of net assets.

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

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

Restricted Securities	Acquisition		
	Date	Cost	Value
Anthracite Ltd., A , CDO, FRN, 0.604%, 2019	1/28/10	\$724,860	\$806,915
BG Energy Capital PLC, 2.875%, 2016	10/06/11	2,316,165	2,384,248
Corporacion Nacional del Cobre de Chile, 3.875%, 2021	10/27/11	197,178	199,179
Daimler Finance North America LLC, FRN, 1.542%, 2013	9/07/11	2,450,000	2,450,194
Falcon Franchise Loan LLC, FRN, 4.616%, 2023	1/18/02	158,847	202,610
Pernod-Ricard S.A., 4.45%, 2022	10/20/11	1,424,378	1,469,989
Total Restricted Securities			\$7,513,135
% of Net assets			1%

Table of Contents*Portfolio of Investments continued*

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

CDO Collateralized Debt Obligation
 FRN Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.
 PLC Public Limited Company
 REIT Real Estate Investment Trust

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

CAD	Canadian Dollar
EUR	Euro
GBP	British Pound
JPY	Japanese Yen
SEK	Swedish Krona

Derivative Contracts at 10/31/11**Forward Foreign Currency Exchange Contracts at 10/31/11**

Type	Currency	Counterparty	Contracts		Settlement Date Range	In Exchange For	Contracts at Value	Net Unrealized Appreciation (Depreciation)
			to	Deliver/ Receive				
Asset Derivatives								
BUY	CAD	Merrill Lynch International Bank		3,148,000	1/12/12	\$ 3,004,849	\$ 3,153,120	\$ 148,271
BUY	EUR	Credit Suisse Group		426,668	1/12/12	576,100	590,085	13,985
BUY	EUR	HSBC Bank		426,668	1/12/12	575,311	590,086	14,775
SELL	JPY	Credit Suisse Group		3,479,913,927	1/12/12	45,381,105	44,573,799	807,306
								\$ 984,337

Liability Derivatives

SELL	CAD	Merrill Lynch International Bank		6,886,879	1/12/12	\$ 6,573,708	\$ 6,898,080	\$ (324,372)
SELL	EUR	UBS AG		49,207,954	12/15/11	67,076,838	68,063,781	(986,943)
SELL	GBP	Barclays Bank PLC		7,746,739	1/12/12	11,906,815	12,446,511	(539,696)
SELL	GBP	Deutsche Bank AG		7,746,739	1/12/12	11,908,326	12,446,512	(538,186)
SELL	SEK	Barclays Bank PLC		4,768,079	1/12/12	698,537	728,873	(30,336)
SELL	SEK	Deutsche Bank AG		4,768,079	1/12/12	698,691	728,873	(30,182)
								\$ (2,449,715)

Table of Contents*Portfolio of Investments continued***Futures Contracts Outstanding at 10/31/11**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Long)	USD	60	\$7,743,750	December - 2011	\$398
U.S. Treasury Note 5 yr (Long)	USD	198	24,276,656	December - 2011	3,948
					\$4,346

Swap Agreements at 10/31/11

Expiration	Notional Amount	Counterparty	Cash Flows to Receive	Cash Flows to Pay	Value
Asset Derivatives					
<i>Credit Default Swaps</i>					
9/20/14	USD 3,960,000	Goldman Sachs International (a)	1.00% (fixed rate)	(1)	\$ 53,590

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

(a) Net unamortized premiums received by the fund amounted to \$5,293.

The credit ratings presented here are an indicator of the current payment/performance risk of the related swap, the reference obligation for which may be either a single security or, in the case of a credit default index, a basket of securities issued by corporate or sovereign issuers. Ratings are assigned to each reference security, including each individual security within a reference basket of securities, utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). The ratings for a credit default index are calculated by MFS as a weighted average of the external credit ratings of the individual securities that compose the index's reference basket of securities.

At October 31, 2011, the fund had sufficient cash and/or securities to cover any commitments under these derivative contracts.

See Notes to Financial Statements

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

At 10/31/11

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

Assets	
Investments-	
Non-affiliated issuers, at value (identified cost, \$692,602,773)	\$739,912,490
Underlying affiliated funds, at cost and value	381,588
Total investments, at value (identified cost, \$692,984,361)	\$740,294,078
Cash	403,148
Restricted cash	1,050,000
Receivables for	
Forward foreign currency exchange contracts	984,337
Daily variation margin on open futures contracts	166,406
Interest	8,420,439
Swaps, at value (net unamortized premiums received, \$5,293)	53,590
Other assets	17,330
Total assets	\$751,389,328
Liabilities	
Payables for	
Distributions	\$318,737
Forward foreign currency exchange contracts	2,449,715
Investments purchased	2,696,652
Payable to affiliates	
Investment adviser	40,023
Transfer agent and dividend disbursing costs	9,764
Payable for independent Trustees' compensation	120,600
Accrued expenses and other liabilities	214,720
Total liabilities	\$5,850,211
Net assets	\$745,539,117
Net assets consist of	
Paid-in capital	\$767,218,947
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	45,894,842
Accumulated net realized gain (loss) on investments and foreign currency transactions	(50,473,098)
Accumulated distributions in excess of net investment income	(17,101,574)
Net assets	\$745,539,117
Shares of beneficial interest outstanding	117,058,168
Net asset value per share (net assets of \$745,539,117 / 117,058,168 shares of beneficial interest outstanding)	\$6.37

See Notes to Financial Statements

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

Year ended 10/31/11

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

Net investment income	
Income	
Interest	\$31,718,401
Dividends from underlying affiliated funds	19,290
Total investment income	\$31,737,691
Expenses	
Management fee	\$4,364,524
Transfer agent and dividend disbursing costs	161,899
Administrative services fee	116,798
Independent Trustees' compensation	131,203
Stock exchange fee	103,171
Custodian fee	97,053
Shareholder communications	318,693
Auditing fees	69,070
Legal fees	18,404
Miscellaneous	46,060
Total expenses	\$5,426,875
Fees paid indirectly	(229)
Reduction of expenses by investment adviser	(3,132)
Net expenses	\$5,423,514
Net investment income	\$26,314,177
Realized and unrealized gain (loss) on investments and foreign currency transactions	
Realized gain (loss) (identified cost basis)	
Investment transactions	\$9,879,201
Futures contracts	1,830,606
Swap transactions	41,949
Foreign currency transactions	(7,194,972)
Net realized gain (loss) on investments and foreign currency transactions	\$4,556,784
Change in unrealized appreciation (depreciation)	
Investments	\$(23,360,418)
Futures contracts	(433,214)
Swap transactions	(19,820)
Translation of assets and liabilities in foreign currencies	5,896,513
Net unrealized gain (loss) on investments and foreign currency translation	\$(17,916,939)
Net realized and unrealized gain (loss) on investments and foreign currency	\$(13,360,155)
Change in net assets from operations	\$12,954,022
See Notes to Financial Statements	

Table of Contents*Financial Statements***STATEMENTS OF CHANGES IN NET ASSETS**

These statements describe the increases and/or decreases in net assets resulting from operations, any distributions, and any shareholder transactions.

	Years ended 10/31	
	2011	2010
Change in net assets		
From operations		
Net investment income	\$26,314,177	\$29,824,398
Net realized gain (loss) on investments and foreign currency transactions	4,556,784	16,382,043
Net unrealized gain (loss) on investments and foreign currency translation	(17,916,939)	14,459,769
Change in net assets from operations	\$12,954,022	\$60,666,210
Distributions declared to shareholders		
From net investment income	\$(30,140,709)	\$(45,154,288)
From tax return of capital	(35,082,544)	(22,314,003)
Total distributions declared to shareholders	\$(65,223,253)	\$(67,468,291)
Change in net assets from fund share transactions	\$729,418	\$2,661,145
Total change in net assets	\$(51,539,813)	\$(4,140,936)
Net assets		
At beginning of period	797,078,930	801,219,866
At end of period (including accumulated distributions in excess of net investment income of \$17,101,574 and \$17,490,017, respectively)	\$745,539,117	\$797,078,930
See Notes to Financial Statements		

Table of Contents*Financial Statements***FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the fund's financial performance for the past 5 years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

	Years ended 10/31				
	2011	2010	2009	2008	2007
Net asset value, beginning of period	\$6.82	\$6.87	\$6.55	\$6.97	\$6.97
Income (loss) from investment operations					
Net investment income (d)	\$0.22	\$0.26	\$0.26	\$0.26	\$0.28
Net realized and unrealized gain (loss) on investments and foreign currency	(0.11)	0.27	0.63	(0.14)	0.03
Total from investment operations	\$0.11	\$0.53	\$0.89	\$0.12	\$0.31
Less distributions declared to shareholders					
From net investment income	\$(0.26)	\$(0.39)	\$(0.30)	\$(0.45)	\$(0.30)
From tax return of capital	(0.30)	(0.19)	(0.27)	(0.09)	(0.01)
Total distributions declared to shareholders	\$(0.56)	\$(0.58)	\$(0.57)	\$(0.54)	\$(0.31)
Net asset value, end of period (x)	\$6.37	\$6.82	\$6.87	\$6.55	\$6.97
Per share market value, end of period	\$6.29	\$6.95	\$6.64	\$5.92	\$6.24
Total return at market value (%)	(1.19)	13.97	22.45	3.45	7.15
Total return at net asset value (%) (j)(r)(s)(x)	1.97	8.09	14.51	2.48	5.09
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions (f)	0.71	0.74	0.79	0.82	0.75
Expenses after expense reductions (f)	0.71	0.74	0.79	0.82	0.75
Net investment income	3.45	3.76	3.89	3.73	3.99
Portfolio turnover	16	30	50	57	49
Net assets at end of period (000 omitted)	\$745,539	\$797,079	\$801,220	\$763,236	\$812,210

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

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

(j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.

(r) Certain expenses have been reduced without which performance would have been lower.

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

(x) The net asset values per share and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Intermediate Income Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end management investment company.

(2) Significant Accounting Policies

General The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests in foreign securities. Investments in foreign securities are vulnerable to the effects of changes in the relative values of the local currency and the U.S. dollar and to the effects of changes in each country's legal, political, and economic environment.

Investment Valuations Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Forward foreign currency exchange contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates provided by a third-party pricing service for proximate time periods. Swaps are generally valued at valuations provided by a third-party pricing service. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon