

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

MFS INTERMEDIATE INCOME 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 811-5440

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: July 31, 2006

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Intermediate Income Trust

7/31/06

Quarterly portfolio holdings

[graphic omitted]

M F S (R)
INVESTMENT MANAGEMENT

MFS Intermediate Income Trust
PORTFOLIO OF INVESTMENTS (Unaudited) 07/31/2006

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ISSUER

BONDS - 90.8%

AGENCY - OTHER - 0.1%

Small Business Administration, 7.64%, 2010

\$

ASSET BACKED & SECURITIZED - 1.2%

Commercial Mortgage Acceptance Corp., FRN, 1.1344%, 2008 (i)

\$7

Falcon Franchise Loan LLC, FRN, 3.4032%, 2023 (a) (i)

1

J.P. Morgan Chase Commercial Mortgage Securities Corp., FRN, 5.5423%, 2043

Multi-Family Capital Access One, Inc., 6.65%, 2024

BANKS & CREDIT COMPANIES - 0.1%

SG Capital Trust I, 7.875% to 2010, FRN to 2049

EUR

EMERGING MARKET QUASI-SOVEREIGN - 0.5%

Pemex Project Funding Master Trust, 9.375%, 2008

\$

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

Petronas Capital Ltd., 7.875%, 2022

EMERGING MARKET SOVEREIGN - 2.1%

Federative Republic of Brazil, 8%, 2018

\$

Republic of Chile, FRN, 5.9%, 2008

Republic of Panama, 9.375%, 2029

Republic of South Africa, 9.125%, 2009

Russian Federation, 3%, 2008

State of Israel, 5.125%, 2014

United Mexican States, 8.125%, 2019

United Mexican States, 8.3%, 2031

INTERNATIONAL MARKET QUASI-SOVEREIGN - 6.8%

KfW Bankengruppe, 2.375%, 2006

\$

KfW Bankengruppe, FRN, 2.844%, 2007

EUR

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| | |
|---|------|
| KfW Bankengruppe, 3.25%, 2007 | \$ |
| KfW Bankengruppe, 4.625%, 2008 | |
| KfW Bankengruppe, 5.25%, 2009 | |
| Landesbank Baden-Wurttemberg, 5.125%, 2007 | |
| Landesbank Baden-Wurttemberg, FRN, 3.092%, 2007 | EUR |
| Landesbank Baden-Wurttemberg, FRN, 2.879%, 2007 | EUR |
| Landesbank Baden-Wurttemberg, FRN, 2.961%, 2007 | EUR |
| Network Rail MTN Finance PLC, FRN, 2.913%, 2007 | EUR |
| Province of Ontario, 4.75%, 2016 | \$ |
| ----- | |
| INTERNATIONAL MARKET SOVEREIGN - 22.3% | |
| Federal Republic of Germany, 3.5%, 2008 | EUR |
| Federal Republic of Germany, 3.75%, 2015 | EUR |
| Government of Canada, 4.5%, 2015 | CAD |
| Government of New Zealand, 6%, 2017 | NZD |
| Kingdom of Denmark, 4%, 2015 | DKK |
| Kingdom of Netherlands, 5.75%, 2007 | EUR |
| Kingdom of Netherlands, 3.75%, 2009 | EUR |
| Kingdom of Spain, 6%, 2008 | EUR |
| Kingdom of Spain, 5.35%, 2011 | EUR |
| Republic of Austria, 5.5%, 2007 | EUR |
| Republic of Finland, 5.375%, 2013 | EUR1 |
| Republic of France, 4.75%, 2007 | EUR |
| Republic of France, 4.75%, 2012 | EUR |
| Republic of Ireland, 4.25%, 2007 | EUR1 |
| Republic of Ireland, 4.6%, 2016 | EUR |
| United Kingdom Treasury, 5.75%, 2009 | GBP |
| United Kingdom Treasury, 5%, 2012 | GBP |
| United Kingdom Treasury, 8%, 2015 | GBP |
| ----- | |
| MORTGAGE BACKED - 21.6% | |

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| | |
|---|----|
| Fannie Mae, 7.007%, 2007 | \$ |
| Fannie Mae, 3.92%, 2008 | |
| Fannie Mae, 6.022%, 2010 | |
| Fannie Mae, 4.505%, 2011 | |
| Fannie Mae, 4.845%, 2013 | |
| Fannie Mae, 4.667%, 2014 | |
| Fannie Mae, 4.848%, 2014 | |
| Fannie Mae, 5.412%, 2014 | |
| Fannie Mae, 4.62%, 2015 | |
| Fannie Mae, 4.925%, 2015 | |
| Fannie Mae, 4%, 2016 | |
| Fannie Mae, 5.423%, 2016 | |
| Fannie Mae, 6%, 2016 - 2034 | 1 |
| Fannie Mae, 5.5%, 2017 - 2035 | 2 |
| Fannie Mae, 5%, 2018 - 2019 | |
| Fannie Mae, 4.5%, 2019 | 1 |
| Fannie Mae, 6.5%, 2031 | |
| Freddie Mac, 5.5%, 2017 - 2020 | 1 |
| Freddie Mac, 6%, 2017 - 2034 | |
| Freddie Mac, 5%, 2019 - 2025 | 3 |
| Freddie Mac, 3%, 2021 | |
| Ginnie Mae, 6%, 2033 | |
| SUPRANATIONAL - 0.4% | |
| Central American Bank, 4.875%, 2012 (a) | \$ |
| U.S. GOVERNMENT AGENCIES - 20.3% | |
| Aid-Egypt, 4.45%, 2015 | |
| Fannie Mae, 4.75%, 2007 | |
| Fannie Mae, 6.625%, 2007 | |
| Fannie Mae, 3.375%, 2008 | 1 |
| Fannie Mae, 3.875%, 2008 | 1 |

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| | |
|--|-----|
| Fannie Mae, 6%, 2008 | 1 |
| Fannie Mae, 4.25%, 2009 | |
| Farmer Mac, 5.5%, 2011 (a) | |
| Freddie Mac, 4.25%, 2009 | |
| Freddie Mac, 4.125%, 2010 | 1 |
| Freddie Mac, 6.875%, 2010 | |
| Freddie Mac, 5.125%, 2012 | 2 |
| Small Business Administration, 5.34%, 2021 | |
| Small Business Administration, 6.34%, 2021 | |
| Small Business Administration, 6.35%, 2021 | |
| Small Business Administration, 6.44%, 2021 | |
| Small Business Administration, 6.625%, 2021 | |
| Small Business Administration, 4.93%, 2024 | |
| Small Business Administration, 5.36%, 2025 | |
| Small Business Administration, 5.39%, 2025 | |
| U.S. Department of Housing & Urban Development, 5.53%, 2008 | 1 |
| U.S. Department of Housing & Urban Development, 7.198%, 2009 | |
| U.S. TREASURY OBLIGATIONS - 15.0% | |
| U.S. Treasury Bonds, 10.375%, 2012 | \$2 |
| U.S. Treasury Bonds, 12%, 2013 | 3 |
| U.S. Treasury Notes, 6.125%, 2007 | |
| U.S. Treasury Notes, 6.5%, 2010 | |
| U.S. Treasury Notes, 4.875%, 2012 | |
| U.S. Treasury Notes, 4.25%, 2013 | 1 |
| U.S. Treasury Notes, 4.25%, 2013 | 2 |
| U.S. Treasury Notes, 4.75%, 2014 | |
| UTILITIES - ELECTRIC POWER - 0.4% | |
| HQI Transelec Chile S.A., 7.875%, 2011 | \$ |
| TOTAL BONDS | |

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SHORT-TERM OBLIGATIONS - 8.2%

American Express Credit Corp., 5.29%, due 8/01/06 (y) \$

Edison Asset Securitization LLC, 5.29%, due 8/01/06 (t)(y) 3

New Center Asset Trust, 5.29%, due 8/01/06 (y) 3

TOTAL SHORT-TERM OBLIGATIONS

TOTAL INVESTMENTS (K)

OTHER ASSETS, LESS LIABILITIES - 1.0%

NET ASSETS - 100.0%

- (a) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities are in the ordinary course of business in transactions exempt from registration, normally to qualified investors. At period end, the aggregate value of these securities was \$10,739,099, representing 1.3% of net assets.
- (i) Interest only security for which the fund receives interest on notional principal (Par amount less notional principal and does not reflect the cost of the security).
- (k) As of July 31, 2006, the fund held securities fair valued in accordance with the policies adopted for aggregating \$718,000,348 and 89.79% of market value. An independent pricing service provided the market value.
- (t) Security exempt from registration with the U.S. Securities and Exchange Commission under Section 3(a)(6) of 1933.
- (y) The rate shown represents an annualized yield at time of purchase.

The following abbreviations are used in the Portfolio of Investments and are defined:

FRN Floating Rate Note. The interest rate is the rate in effect as of period end.

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
 DKK Danish Krone
 EUR Euro
 GBP British Pound
 NZD New Zealand Dollar

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

MFS INTERMEDIATE INCOME 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 \$ 830,742,367
 =====

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| | |
|--|-----------------|
| Gross unrealized appreciation | \$ 4,452,066 |
| Gross unrealized depreciation | (35,581,267) |
| | ----- |
| Net unrealized appreciation (depreciation) | \$ (31,129,201) |
| | ===== |

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

(2) FINANCIAL INSTRUMENTS

FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS

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

| CONTRACTS TO DELIVER/RECEIVE | SETTLEMENT DATE | IN EXCHANGE FOR | CONTRACTS AT VALUE | NET UNREALIZED APPRECIATION (DEPRECIATION) |
|---------------------------------|---------------------|-----------------|-----------------------|--|
| SALES | | | | |
| ----- | | | | |
| CAD | 08/10/06 | \$ 1,081,617 | \$ 1,091,754 | \$ (10,137) |
| DKK | 08/28/06 | 1,047,988 | 1,066,652 | (18,664) |
| EUR | 08/07/06 - 08/21/06 | 178,902,767 | 180,303,374 | (1,400,607) |
| GBP | 08/02/06 - 10/02/06 | 55,724,178 | 55,657,701 | 66,477 |
| NZD | 08/08/06 | 18,670,150 | 18,301,090 | 369,060 |
| | | ----- | ----- | ----- |
| | | \$255,426,700 | \$256,420,571 | \$ (993,871) |
| | | ===== | ===== | ===== |
| PURCHASES | | | | |
| ----- | | | | |
| EUR | 08/07/06 | \$ 3,269,509 | \$ 3,258,484 | \$ (11,025) |
| GBP | 08/02/06 | 27,412,406 | 27,465,859 | 53,453 |
| NZD | 08/08/06 | 16,720,785 | 16,728,331 | 7,546 |
| | | ----- | ----- | ----- |
| | | \$ 47,402,700 | \$ 47,452,674 | \$ 49,974 |
| | | ===== | ===== | ===== |

At July 31, 2006, forward foreign currency purchases and sales under master netting agreements excluded above amounted to a net payable of \$7,215 with Merrill Lynch International Bank.

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

(3) COUNTRY WEIGHTINGS

Country weighting percentages of portfolio holdings based on total net assets as of July 31, 2006, are as follows:

| | |
|----------------|-------|
| ----- | |
| United States | 67.2% |
| ----- | |
| Germany | 8.1% |
| ----- | |
| United Kingdom | 4.3% |
| ----- | |

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| | |
|-------------|-------|
| Ireland | 3.4% |
| ----- | ----- |
| France | 3.3% |
| ----- | ----- |
| Netherlands | 2.8% |
| ----- | ----- |
| Spain | 2.6% |
| ----- | ----- |
| Finland | 2.6% |
| ----- | ----- |
| Austria | 1.5% |
| ----- | ----- |
| Others | 4.2% |
| ----- | ----- |

The country weighting percentages include both accrued interest amounts and the equivalent exposure from any derivative holdings, if applicable.

ITEM 2. CONTROLS AND PROCEDURES.

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

ITEM 3. EXHIBITS.

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

NOTICE

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

SIGNATURES

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

Registrant: MFS INTERMEDIATE INCOME TRUST

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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.