

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

MFS INTERMEDIATE INCOME TRUST  
Form N-Q  
September 28, 2005

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, 2005

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Mutual Funds  
QUARTERLY PORTFOLIO HOLDINGS 07/31/05

MFS(R) INTERMEDIATE  
INCOME TRUST

[graphic omitted]

[logo] M F S(R)  
INVESTMENT MANAGEMENT

MFS(R) INTERMEDIATE INCOME TRUST  
PORTFOLIO OF INVESTMENTS (Unaudited) 07/31/2005

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| ISSUER  | PAR A   |
|---|---------|
| -----   |         |
| BONDS - 95.6%   |         |
| -----   |         |
| AGENCY - OTHER - 0.3%                                     |         |
| -----   |         |
| Small Business Administration, 7.64%, 2010                | \$ 2,09 |
| -----   |         |
| ASSET BACKED & SECURITIZED - 1.6%                         |         |
| -----   |         |
| Commercial Mortgage Acceptance Corp., 6.04%, 2030         | \$ 6,00 |
| -----   |         |
| Commercial Mortgage Acceptance Corp., FRN, 1.0142%, 2030^ | 83,31   |
| -----   |         |
| Falcon Franchise Loan LLC, FRN, 3.4002%, 2023#^           | 14,74   |
| -----   |         |
| Multi-Family Capital Access One, Inc., 6.65%, 2024        | 2,59    |
| -----   |         |
| -----   |         |
| BANKS & CREDIT COMPANIES - 0.1%                           |         |
| -----   |         |
| SG Capital Trust I, 7.875%, 2010                          | EUR 37  |
| -----   |         |
| EMERGING MARKET QUASI-SOVEREIGN - 0.7%                    |         |
| -----   |         |
| Korea Development Bank, 4.75%, 2009                       | \$ 1,70 |
| -----   |         |
| Petroleos Mexicanos, 9.375%, 2008                         | 2,31    |
| -----   |         |
| Petronas Capital Ltd., 7.875%, 2022                       | 1,15    |
| -----   |         |
| -----   |         |
| EMERGING MARKET SOVEREIGN - 3.1%                          |         |
| -----   |         |
| Federal Republic of Brazil, 8%, 2014                      | \$ 1,85 |
| -----   |         |
| Republic of Chile, FRN, 4.069%, 2008                      | 2,32    |
| -----   |         |
| Republic of Panama, 9.375%, 2023                          | 7       |
| -----   |         |
| Republic of Panama, 9.375%, 2029                          | 1,48    |
| -----   |         |
| Republic of South Africa, 9.125%, 2009                    | 1,93    |
| -----   |         |
| Russian Federation, 3%, 2008                              | 3,27    |
| -----   |         |
| Russian Federation, 11%, 2018                             | 1,70    |
| -----   |         |
| Russian Ministry of Finance, 12.75%, 2028                 | 1,00    |
| -----   |         |
| State of Israel, 5.125%, 2014                             | 5,00    |
| -----   |         |
| State of Qatar, 9.75%, 2030                               | 2,16    |
| -----   |         |
| United Mexican States, 8.125%, 2019                       | 2,20    |
| -----   |         |
| United Mexican States, 8.3%, 2031                         | 27      |

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INTERNATIONAL MARKET QUASI-SOVEREIGN - 1.8%

|   |  |    |      |
|---|--|----|------|
| KFW International Finance, Inc., 2.375%, 2006 |  | \$ | 4,12 |
| KFW International Finance, Inc., 3.25%, 2007  |  |    | 4,20 |
| Landesbank Baden-Wurttemberg, 5.125%, 2007    |  |    | 7,70 |

INTERNATIONAL MARKET SOVEREIGN - 32.4%

|  |     |  |       |
|--|-----|--|-------|
| Canada Housing Trust, 4.65%, 2009        | CAD |  | 1,93  |
| Federal Republic of Germany, 3.5%, 2008  | EUR |  | 20,15 |
| Federal Republic of Germany, 3.75%, 2015 | EUR |  | 6,01  |
| Government of Australia, 6.25%, 2015     | AUD |  | 5,23  |
| Government of Canada, 5.25%, 2012        | CAD |  | 4,01  |
| Government of Canada, 4.5%, 2015         | CAD |  | 51    |
| Government of New Zealand, 7%, 2009      | NZD |  | 3,96  |
| Government of New Zealand, 6.5%, 2013    | NZD |  | 31,39 |
| Government of New Zealand, 6%, 2015      | NZD |  | 6,66  |
| Kingdom of Denmark, 6%, 2011             | DKK |  |       |
| Kingdom of Netherlands, 5.75%, 2007      | EUR |  | 12,60 |
| Kingdom of Netherlands, 3.75%, 2009      | EUR |  | 14,88 |
| Kingdom of Norway, 6.5%, 2013            | NOK |  | 14,86 |
| Kingdom of Spain, 6%, 2008               | EUR |  | 16,45 |
| Kingdom of Spain, 5.35%, 2011            | EUR |  | 14,22 |
| Republic of Austria, 5.5%, 2007          | EUR |  | 10,67 |
| Republic of Finland, 3%, 2008            | EUR |  | 12,75 |
| Republic of Finland, 5.375%, 2013        | EUR |  | 10,50 |
| Republic of France, 4.75%, 2007          | EUR |  | 18,44 |
| Republic of Ireland, 4.25%, 2007         | EUR |  | 21,03 |
| Republic of Ireland, 4.6%, 2016          | EUR |  | 2,84  |
| United Kingdom Treasury, 5.75%, 2009     | GBP |  | 5,81  |
| United Kingdom Treasury, 8%, 2015        | GBP |  | 8,02  |

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MORTGAGE BACKED - 24.7%

|                                |         |
|--------------------------------|---------|
| Fannie Mae, 5.669%, 2006       | \$ 6,65 |
| Fannie Mae, 6.984%, 2007       | 4,07    |
| Fannie Mae, 6.022%, 2010       | 6,80    |
| Fannie Mae, 4.556%, 2011       | 9,08    |
| Fannie Mae, 6.8%, 2011         | 3,50    |
| Fannie Mae, 4.845%, 2013       | 2,13    |
| Fannie Mae, 4.667%, 2014       | 4,75    |
| Fannie Mae, 4.846%, 2014       | 4,25    |
| Fannie Mae, 5.412%, 2014       | 2,08    |
| Fannie Mae, 4.62%, 2015        | 99      |
| Fannie Mae, 4.925%, 2015       | 2,12    |
| Fannie Mae, 6%, 2016 - 2034    | 21,49   |
| Fannie Mae, 5.5%, 2017 - 2025  | 15,59   |
| Fannie Mae, 5%, 2018 - 2019    | 8,37    |
| Fannie Mae, 4.5%, 2019         | 12,69   |
| Fannie Mae, 6.5%, 2031         | 9,86    |
| Fannie Mae, TBA, 5.5%, 2033    | 13,98   |
| Freddie Mac, 4.125%, 2010      | 18,99   |
| Freddie Mac, 5.5%, 2017 - 2019 | 11,62   |
| Freddie Mac, 6%, 2017 - 2034   | 3,00    |
| Freddie Mac, 5%, 2019 - 2023   | 33,40   |
| Freddie Mac, 3%, 2021          | 4,70    |
| Ginnie Mae, 8.5%, 2005 - 2009  | 1,56    |
| Ginnie Mae, 7.5%, 2022 - 2023  | 29      |
| Ginnie Mae, 6.5%, 2028         | 3,92    |
| Ginnie Mae, 6%, 2033           | 4,11    |

OIL SERVICES - 0%

|  |       |
|--|-------|
| Petroleum Export Peloil, 5.265%, 2011# | \$ 30 |
|--|-------|

U.S. GOVERNMENT AGENCIES - 15.9%

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|  |           |
|--|-----------|
| Fannie Mae, 4.75%, 2007                                      | \$ 4,00   |
| Fannie Mae, 6.625%, 2007                                     | 5,00      |
| Fannie Mae, 3.375%, 2008                                     | 17,00     |
| Fannie Mae, 6%, 2008   | 10,00     |
| Fannie Mae, 4.25%, 2009                                      | 5,00      |
| Federal Home Loan Bank, 2.25%, 2006                          | 10,41     |
| Freddie Mac, 4.25%, 2009                                     | 7,00      |
| Freddie Mac, 6.875%, 2010                                    | 6,33      |
| Freddie Mac, 5.125%, 2012                                    | 27,60     |
| Small Business Administration, 5.34%, 2021                   | 7,26      |
| Small Business Administration, 6.34%, 2021                   | 3,16      |
| Small Business Administration, 6.35%, 2021                   | 4,32      |
| Small Business Administration, 6.44%, 2021                   | 2,77      |
| Small Business Administration, 6.625%, 2021                  | 3,27      |
| Small Business Administration, 4.93%, 2024                   | 2,72      |
| U.S. Department of Housing & Urban Development, 5.53%, 2008  | 11,00     |
| U.S. Department of Housing & Urban Development, 7.198%, 2009 | 6,00      |
| -----  |           |
| U.S. TREASURY OBLIGATIONS - 14.9%                            |           |
| U.S. Treasury Bonds, 13.875%, 2011                           | \$ 25,50  |
| U.S. Treasury Bonds, 10.375%, 2012                           | 32,60     |
| U.S. Treasury Bonds, 12%, 2013                               | 32,50     |
| U.S. Treasury Notes, 6.125%, 2007##                          | 5,00      |
| U.S. Treasury Notes, 6.5%, 2010                              | 4,50      |
| U.S. Treasury Notes, 4.875%, 2012                            | 5,00      |
| U.S. Treasury Notes, 4.25%, 2013                             | 4,22      |
| U.S. Treasury Notes, 4.75%, 2014                             | 4,70      |
| -----  |           |
| UTILITIES - ELECTRIC POWER - 0.1%                            |           |
| HQI Transelec Chile S.A., 7.875%, 2011                       | \$ 68     |
| Total Bonds (Identified Cost, \$834,324,428)                 | \$ 824,20 |

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| ISSUER/EXPIRATION/STRIKE PRICE   | PAR AMOUNT<br>OF CONTRACT |
|--|---------------------------|
| CALL OPTIONS PURCHASED   |                           |
| Japanese Yen August 2005 @ \$111.90 (Premiums Paid, \$75,760)  | JPY 895,200               |
| ISSUER   |                           |
| REPURCHASE AGREEMENT - 2.4%  |                           |
| Goldman Sachs, 3.30%, dated 7/29/05, due 8/01/05, total to be received \$21,190,826 (secured by various U.S. Treasury and Federal Agency obligations in a jointly traded account), at Cost | \$ 21,180,000             |
| Total Investments (Identified Cost, \$855,585,188)   |                           |
| OTHER ASSETS, LESS LIABILITIES - 2.0%  |                           |
| Net Assets - 100.0%  |                           |

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

# SEC Rule 144A restriction.

## All or a portion of the security has been segregated as collateral for an open futures contract.

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

TBA = To Be Announced.

Country weighting percentages of portfolio holdings based on total net assets as of July 31, 2005

|                |       |
|----------------|-------|
| United States  | 61.1% |
| Germany        | 5.8%  |
| Spain          | 4.9%  |
| Netherlands    | 4.1%  |
| Ireland        | 3.6%  |
| Finland        | 3.6%  |
| New Zealand    | 3.5%  |
| United Kingdom | 3.4%  |
| France         | 2.8%  |
| Other          | 7.2%  |

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

AUD= Australian Dollar CAD= Canadian Dollar  
CHF= Swiss Franc

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DKK= Danish Krone  
 EUR= Euro  
 GBP= British Pound  
 JPY= Japanese Yen  
 NOK= Norwegian Krone  
 NZD= New Zealand Dollar  
 SEK= Swedish Krona

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

MFS INTERMEDIATE INCOME TRUST  
 SUPPLEMENTAL SCHEDULES (UNAUDITED) 07/31/2005

(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                            | \$ 875,352,258  |
|   | =====           |
| Gross unrealized appreciation             | \$ 6,356,047    |
| Gross unrealized depreciation             | (36,251,127)    |
|   | -----           |
| Net unrealized appreciation(depreciation) | \$ (29,895,080) |
|   | =====           |

(2) Financial Instruments

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

Forward Foreign Currency Exchange Contracts

| SETTLEMENT DATE |     | CONTRACTS TO<br>DELIVER/RECEIVE | IN EXCHANGE FOR | CONTRACTS<br>AT VALUE |
|-----------------|-----|---------------------------------|-----------------|-----------------------|
| -----           |     |                                 |                 |                       |
| SALES           |     |                                 |                 |                       |
| 8/8/05          | AUD | 5,475,658                       | \$ 4,121,175    | \$ 4,151,0            |
| 8/8/05          | CAD | 2,840,039                       | 2,313,994       | 2,321,7               |
| 8/8/05-8/24/05  | EUR | 175,501,142                     | 214,068,638     | 213,047,0             |
| 9/1/05-9/6/05   | GBP | 16,608,091                      | 29,664,755      | 29,181,7              |
| 8/24/05         | NOK | 4,650,705                       | 712,605         | 717,9                 |
| 8/8/05          | NZD | 35,804,796                      | 24,815,653      | 24,431,2              |
|                 |     |                                 | -----           | -----                 |
|                 |     |                                 | \$ 275,696,820  | \$ 273,850,8          |

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|                |     | =====        | =====        |
|----------------|-----|--------------|--------------|
| PURCHASES      |     |              |              |
| 9/7/05         | CHF | 2,584,813    | \$ 2,073,157 |
| 8/15/05        | DKK | 733,546      | 117,697      |
| 8/8/05-8/24/05 | EUR | 4,965,160    | 6,012,610    |
| 9/7/05         | NOK | 69,561       | 10,508       |
| 8/15/05        | SEK | 1,631,962    | 216,478      |
|                |     | -----        | -----        |
|                |     | \$ 8,430,450 | \$ 8,380,6   |
|                |     | =====        | =====        |

At July 31, 2005, forward foreign currency purchases and sales under master netting agreements are payable of \$996,360 with Merrill Lynch International.

At July 31, 2005, the trust had sufficient cash and/or securities to cover any commitments under

Futures Contracts

| Description                         | Expiration     | Contracts | P |
|-------------------------------------|----------------|-----------|---|
| -----                               |                |           |   |
| U.S. Treasury Notes 10 Year Futures | September 2005 | 240       |   |
| U.S. Treasury Notes 5 Year Futures  | September 2005 | 60        |   |

At July 31, 2005, the trust had sufficient cash and/or securities to cover any margin requirements under these contracts.

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

(C)2005 MFS Investment Management

ITEM 2. CONTROLS AND PROCEDURES.

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

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each

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principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

SIGNATURES

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

Registrant: MFS INTERMEDIATE INCOME TRUST  
-----

By (Signature and Title)\* ROBERT J. MANNING  
-----

Robert J. Manning, President

Date: September 20, 2005  
-----

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

By (Signature and Title)\* ROBERT J. MANNING  
-----

Robert J. Manning, President (Principal Executive Officer)

Date: September 20, 2005  
-----

By (Signature and Title)\* TRACY ATKINSON  
-----

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

Date: September 20, 2005  
-----

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