

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

MFS CHARTER INCOME TRUST  
Form N-Q  
November 05, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5822

-----  
MFS CHARTER INCOME TRUST

-----  
(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

-----  
(Address of principal executive offices) (Zip code)

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

-----  
(Name and address of agents for service)

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

-----  
Date of fiscal year end: November 30

-----  
Date of reporting period: August 31, 2004

ITEM 1. SCHEDULE OF INVESTMENTS.

MFS(R) Mutual Funds  
QUARTERLY PORTFOLIO HOLDINGS 8/31/04

MFS(R) CHARTER INCOME TRUST

[graphic omitted]

[logo] M F S(R)  
INVESTMENT MANAGEMENT

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

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

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

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

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

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

---

PORTFOLIO OF INVESTMENTS (UNAUDITED) 08/31/2004 MFS(R)CHARTER INCOME TRUST

---

ISSUER	PAR AM
<hr/>	
BONDS - 95.3%	
<hr/>	
U.S. BONDS - 59.5%	
<hr/>	
Advertising & Broadcasting - 1.4%	
<hr/>	
Allbritton Communications Co., 7.75%, 2012	\$1,50
<hr/>	
DIRECTV Holdings LLC, 8.375%, 2013	33
<hr/>	
Lamar Media Corp., 7.25%, 2013	1,39
<hr/>	
Muzak LLC, 10%, 2009	44
<hr/>	
Paxson Communications Corp., 0% to 2006,12.25% to 2009	2,30
<hr/>	
Spanish Broadcasting System, Inc., 9.625%, 2009	1,50
<hr/>	
Young Broadcasting, Inc., 8.5%, 2008	60
<hr/>	
<hr/>	
Aerospace - 0.7%	
<hr/>	
BAE Systems Holdings, Inc., 6.4%, 2011##	\$1,70
<hr/>	
K&F Industries, Inc., 9.25%, 2007	94
<hr/>	
TransDigm Holding Co., 8.375%, 2011	99
<hr/>	
<hr/>	
Agency - Other - 1.0%	

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

Financing Corp., 10.35%, 2018	\$3,60
-----	
Airlines - 0.2%	
Continental Airlines, Inc., 7.568%, 2006	\$57
Continental Airlines, Inc., 7.566%, 2020	1,07
-----	
Apparel Manufacturers - 0%	
WestPoint Stevens, Inc., 7.875%, 2005 - 2008**	\$3,55
-----	
Asset Backed & Securitized - 4.5%	
Airplane Pass-Through Trust, 10.875%, 2019**	\$22
Amresco Commercial Mortgage Funding I, 7%, 2029	3,00
Asset Securitization Corp., 8.2889%, 2026	2,00
Asset Securitization Corp., 7.525%, 2029	1,58
Commercial Mortgage Acceptance Corp., 5.44%, 2030##	3,53
Credit Suisse First Boston Mortgage, 6.75%, 2030##	2,00
DLJ Commercial Mortgage Corp., 6.04%, 2031	2,00
First Union-Lehman Brothers Bank of America, 0.74%, 2028^^	81,46
First Union-Lehman Brothers Commercial Mortgage Trust, 7%, 2029##	85
First Union-Lehman Brothers Commercial Mortgage Trust, 7.5%, 2029	3,00
Mortgage Capital Funding, Inc., 1.0475%, 2031^^	23,80
TIAA Retail Estate CDO Ltd., 7.17%, 2032##	4,17
-----	
Automotive - 1.3%	
DaimlerChrysler N.A.Holdings Corp., 8.5%, 2031	\$40
Dana Corp., 9%, 2011	1,19
Ford Motor Credit Co., 7%, 2013	2,25
General Motors Acceptance Corp., 8%, 2031	1,36
TRW Automotive, Inc., 9.375%, 2013	78
TRW Automotive, Inc., 11%, 2013	8
Tenneco Automotive, Inc., 10.25%, 2013	53
-----	
Banks & Credit Companies - 0.8%	

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

Abbey National Capital Trust I, 8.963% to 2030,4.625% to 2049	\$1,50
RBS Capital Trust II, 6.425% to 2034,3.7425% to 2049	82
Socgen Real Estate LLC, 7.64% to 2007,4.552% to 2049##	1,60
Broadcast & Cable TV - 1.8%	
CSC Holdings, Inc., 8.125%, 2009	\$55
Charter Communications, Inc., 8.625%, 2009	3,03
Continental Cablevision, Inc., 9.5%, 2013	2,39
Lenfest Communications, Inc., 10.5%, 2006	1,90
Mediacom Broadband LLC, 11%, 2013	60
TCI Communications, Inc., 9.8%, 2012	1,16
Brokerage & Asset Managers - 1.4%	
Goldman Sachs Group, Inc., 5.7%, 2012	\$2,68
Morgan Stanley Dean Witter, Inc., 6.6%, 2012	2,53
Morgan Stanley Group, Inc., 5.3%, 2013	1,80
Building - 0.5%	
American Standard Cos., Inc., 7.375%, 2008	\$1,00
Atrium Cos., Inc., 10.5%, 2009	1,07
Jacuzzi Brands, Inc., 9.625%, 2010	51
Williams Scotsman, Inc., 10%, 2008	20
Business Services - 0.2%	
Iron Mountain, Inc., 7.75%, 2015	\$60
Xerox Corp., 7.625%, 2013	59
Chemicals - 0.8%	
Equistar Chemicals LP, 10.625%, 2011	\$71
Huntsman International LLC, 10.125%, 2009	59
IMC Global, Inc., 10.875%, 2013	48

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

Lyondell Chemical Co., 11.125%, 2012	1,69
Nalco Co., 7.75%, 2011##	69
-----	
Conglomerates - 0.3%	
Tyco International Group S.A., 6.75%, 2011	\$1,60
-----	
Consumer Goods & Services - 0.1%	
KinderCare Learning Centers, Inc., 9.5%, 2009	\$65
-----	
Containers - 0.2%	
Owens-Brockway Glass Container, Inc., 8.875%, 2009	\$66
-----	
Pliant Corp., 13%, 2010	19
-----	
Energy - Independent - 1.2%	
Chesapeake Energy Corp., 7.5%, 2014	\$2,16
-----	
Chesapeake Energy Corp., 6.875%, 2016	92
-----	
Kerr-McGee Corp., 6.95%, 2024	1,80
-----	
Pioneer Natural Resource Co., 5.875%, 2016	1,42
-----	
Energy - Integrated - 0.3%	
Amerada Hess Corp., 7.3%, 2031	\$1,70
-----	
Entertainment - 1.5%	
AMC Entertainment, Inc., 9.5%, 2011	\$1,22
-----	
Loews Cineplex Entertainment Corp., 9%, 2014##	3
-----	
News America Holdings, 7.7%, 2025	1,14
-----	
News America, Inc., 6.55%, 2033	53
-----	
Six Flags, Inc., 9.75%, 2013	1,50
-----	
Turner Broadcasting System, Inc., 8.375%, 2013	1,78
-----	
Walt Disney Co., 6.375%, 2012	1,70
-----	
Food & Non-Alcoholic Beverages - 0.1%	
Seminis Vegetable Seeds, Inc., 10.25%, 2013	\$36
-----	
Forest & Paper Products - 0.3%	

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

Buckeye Technologies, Inc., 8.5%, 2013	\$58
Georgia Pacific Corp., 9.375%, 2013	50
Graphic Packaging International, Inc., 8.5%, 2011	50
-----	
Gaming & Lodging - 2.2%	
Ameristar Casinos, Inc., 10.75%, 2009	\$51
Boyd Gaming Corp., 6.75%, 2014	61
GEO Group, Inc., 8.25%, 2013	1,12
Hilton Hotels Corp., 7.625%, 2012	1,10
MGM Mirage, Inc., 8.375%, 2011	1,67
Pinnacle Entertainment, Inc., 8.75%, 2013	90
Starwood Hotels & Resorts Worldwide, Inc., 7.875%, 2012	3,00
Station Casinos, Inc., 6.5%, 2014	60
Venetian Casino Resort LLC, 11%, 2010	1,55
-----	
Industrial - 0.2%	
MSW Energy Holdings LLC, 7.375%, 2010	\$1,04
-----	
Insurance - 0.3%	
ASIF Global Financing XIX, 4.9%, 2013##	\$1,80
-----	
Insurance - Property & Casualty - 0.3%	
Fund American Cos., Inc., 5.875%, 2013	\$1,35
-----	
Machinery & Tools - 0.9%	
AGCO Corp., 9.5%, 2008	\$1,75
Amsted Industries, Inc., 10.25%, 2011##	56
Case New Holland, Inc., 9.25%, 2011##	24
Manitowoc Co., Inc., 10.5%, 2012	51
Terex Corp., 9.25%, 2011	55
United Rentals, Inc., 6.5%, 2012	1,23
-----	
Medical & Health Technology & Services - 0.6%	
Fisher Scientific International, Inc., 8.125%, 2012	\$1,14

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

HCA, Inc., 8.75%, 2010	1,50
Mariner Health Care, Inc., 8.25%, 2013##	25
-----	
Metals & Mining - 0.2%	
Peabody Energy Corp., 6.875%, 2013	\$35
U.S. Steel Corp., 9.75%, 2010	85
-----	
Mortgage Backed - 10.7%	
Fannie Mae, 6%, 2016 - 2034	\$10,32
Fannie Mae, 5.9956%, 2020	
Fannie Mae, 6.5%, 2031 - 2033	6,69
Fannie Mae, 5.5%, 2033 - 2034	32,60
Fannie Mae, 5%, 2034	5,54
Freddie Mac, 6%, 2034	3,09
-----	
Natural Gas - Distribution - 0.5%	
AmeriGas Partners LP, 8.875%, 2011	\$55
CenterPoint Energy Resources Corp., 7.875%, 2013	1,60
-----	
Natural Gas - Pipeline - 0.9%	
El Paso Energy Corp., 7.625%, 2010	\$57
Enterprise Products Partners LP, 6.375%, 2013	2,80
Southern Natural Gas Co., Inc., 8.875%, 2010	55
Williams Cos., Inc., 7.125%, 2011	83
-----	
Oil Services - 0.1%	
Pride International, Inc., 7.375%, 2014##	\$58
-----	
Pollution Control - 0.2%	
Allied Waste North America, Inc., 7.875%, 2013	\$1,13
-----	
Printing & Publishing - 0.9%	
Dex Media East LLC, 9.875%, 2009	\$1,50

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

Dex Media West LLC, 9.875%, 2013	1,46
MediaNews Group, Inc., 6.875%, 2013	1,70
-----	
Restaurants - 0.3%	
YUM! Brands, Inc., 8.875%, 2011	\$1,50
-----	
Retailers - 0.5%	
Gap, Inc., 10.3%, 2008	\$1,07
J. Crew Operating Corp., 10.375%, 2007	1,10
Rite Aid Corp., 9.5%, 2011	53
-----	
Supermarkets - 0.3%	
Roundy's, Inc., 8.875%, 2012	\$1,65
-----	
Telecommunications - Wireless - 1.9%	
Alamosa Holdings, Inc., 11%, 2010	\$1,25
Centennial Communications Corp., 10.125%, 2013	1,80
Cingular Wireless LLC, 6.5%, 2011	1,70
Crown Castle International Corp., 7.5%, 2013	1,74
Dobson Communications Corp., 8.875%, 2013	50
Nextel Communications, Inc., 7.375%, 2015	52
Rural Cellular Corp., 9.75%, 2010	9
Rural Cellular Corp., 9.875%, 2010	1,17
Western Wireless Corp., 9.25%, 2013	1,73
-----	
Telecommunications - Wireline - 1.1%	
Qwest Services Corp., 14%, 2010##	\$1,02
Sprint Capital Corp., 6.875%, 2028	1,80
Verizon New York, Inc., 6.875%, 2012	2,54
-----	
Tobacco - 0.2%	
R.J.Reynolds Tobacco Holdings, Inc., 7.25%, 2012	\$81
U.S. Government Agencies - 6.8%	



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

Fannie Mae, 5%, 2007	\$5,10
Fannie Mae, 6%, 2008 - 2011	8,67
Freddie Mac, 7%, 2005	6,10
Small Business Administration, 4.34%, 2024	8,16
Small Business Administration, 4.77%, 2024	6,38
Small Business Administration, 5.19%, 2024	2,50
-----	
U.S. Treasury Obligations - 9.8%	
U.S. Treasury Bonds, 10.75%, 2005	\$8,00
U.S. Treasury Bonds, 12%, 2013	7,50
U.S. Treasury Bonds, 10.625%, 2015	3,35
U.S. Treasury Bonds, 9.875%, 2015	5,02
U.S. Treasury Notes, 6.875%, 2006	8,00
U.S. Treasury Notes, 3.375%, 2007	6,78
U.S. Treasury Notes, 3.625%, 2008	6,62
-----	
Utilities - Electric Power - 2.0%	
CMS Energy Corp., 8.5%, 2011	\$57
Calpine Corp., 8.75%, 2013##	1,18
DPL, Inc., 6.875%, 2011	1,67
Dynegy Holdings, Inc., 9.875%, 2010##	55
FirstEnergy Corp., 6.45%, 2011	1,70
PG&E Corp., 6.875%, 2008	40
PSEG Energy Holdings LLC, 7.75%, 2007	1,04
Pacific Gas & Electric Co., 6.05%, 2034	47
Reliant Resources, Inc., 9.5%, 2013	43
System Energy Resources, Inc., 5.129%, 2014##	2,75
-----	
Total U.S.Bonds	
-----	
FOREIGN BONDS - 35.8%	
-----	

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

Australia - 0.7%

-----  
 Burns, Philp & Co. Ltd., 9.75%, 2012 (Food & Non-Alcoholic Beverages) \$2,00

-----  
 Government of Australia, 6.25%, 2015 (International Market Sovereign)^ AUD 2,61

-----  
 Austria - 1.6%

-----  
 Republic of Austria, 5.5%, 2007 (International Market Sovereign) EUR 5,85

-----  
 Republic of Austria, 5%, 2012 (International Market Sovereign) 77

-----  
 Republic of Austria, 4.65%, 2018 (International Market Sovereign) 35

-----  
 Belgium - 0.9%

-----  
 Kingdom of Belgium, 3.75%, 2009 (International Market Sovereign) EUR 1,81

-----  
 Kingdom of Belgium, 5%, 2012 (International Market Sovereign) 1,97

-----  
 Brazil - 2.5%

-----  
 Federal Republic of Brazil, 2.125%, 2012 (Emerging Market Sovereign) \$2,60

-----  
 Federal Republic of Brazil, 8%, 2014 (Emerging Market Sovereign) 7,78

-----  
 Federal Republic of Brazil, 2.0625%, 2024 (Emerging Market Sovereign) 74

-----  
 Federal Republic of Brazil, 11%, 2040 (Emerging Market Sovereign) 3,06

-----  
 Canada - 1.5%

-----  
 Abitibi-Consolidated, Inc., 8.3%, 2005 (Forest & Paper Products) \$2,59

-----  
 Acetex Corp., 10.875%, 2009 (Chemicals) 35

-----  
 Government of Canada, 5.5%, 2009 - 2010 (International Market Sovereign) CAD 4,68

-----  
 Government of Canada, 5.25%, 2012 (International Market Sovereign) 36

-----  
 Government of Canada, 8%, 2023 (International Market Sovereign) 22

-----  
 Nova Chemicals Corp., 6.5%, 2012 (Chemicals) \$83

-----  
 Chile - 0.6%

-----  
 Empresa Nacional de Electricidad S.A., 8.35%, 2013 (Utilities - Electric Power) \$1,71

-----  
 Enersis S.A., 7.375%, 2014 (Utilities - Electric Power)## 1,23

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

Colombia - 0.3%

Republic of Colombia, 10.75%, 2013 (Emerging Market Sovereign)	\$74
Republic of Colombia, 11.75%, 2020 (Emerging Market Sovereign)	48

Denmark - 1.0%

Kingdom of Denmark, 7%, 2007 (International Market Sovereign)	DKK 11,8
Kingdom of Denmark, 6%, 2009 (International Market Sovereign)	16,16
Kingdom of Denmark, 5%, 2013 (International Market Sovereign)	3,51

Finland - 2.0%

Republic of Finland, 2.75%, 2006 (International Market Sovereign)	EUR 4,22
Republic of Finland, 3%, 2008 (International Market Sovereign)	4,96

France - 1.8%

Crown European Holdings S.A., 9.5%, 2011 (Containers)	\$53
Republic of France, 4.75%, 2007 (International Market Sovereign)	EUR 5,24
Republic of France, 4%, 2009 (International Market Sovereign)	1,68
Rhodia S.A., 8.875%, 2011 (Chemicals)	\$1,04

Germany - 4.0%

Deutsche Telekom International Finance B.V., 8.75%, 2030 (Telecommunications - Wireline)	\$1,50
Federal Republic of Germany, 4%, 2007 (International Market Sovereign)	EUR 2,99
Federal Republic of Germany, 3.5%, 2008 (International Market Sovereign)	9,55
Federal Republic of Germany, 5.25%, 2010 (International Market Sovereign)	1,67
Kreditanstalt fur Wiederaufbau, 3.25%, 2008 (International Market Agencies)	2,24
Kronos International, Inc., 8.875%, 2009 (Chemicals)	10

Ireland - 2.3%

Eircom Funding PLC, 8.25%, 2013 (Telecommunications - Wireline)	\$81
MDP Acquisitions PLC, 9.625%, 2012 (Forest & Paper Products)	97
Republic of Ireland, 4.25%, 2007 (International Market Sovereign)	EUR 8,45

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

Italy - 0.3%

Telecom Italia S.p.A., 5.25%, 2013 (Telecommunications - Wireline)## \$1,41

Japan - 0.6%

Mizuho Financial Group, Inc., 5.79%, 2014 (Banks & Credit Companies)## \$1,89

UFJ Finance Aruba AEC, 6.75%, 2013 (Banks & Credit Companies) 1,30

Kazakhstan - 0.9%

Hurricane Finance B.V., 9.625%, 2010 (Oils) \$73

Kazkommerts International B.V., 10.125%, 2007 (Banks & Credit Companies)## 12

Kazkommerts International B.V., 10.125%, 2007 (Banks & Credit Companies)+ 12

Kazkommerts International B.V., 8.5%, 2013 (Banks & Credit Companies) 19

Kazkommerts International B.V., 8.5%, 2013 (Banks & Credit Companies)## 94

Turanalem Finance B.V., 8%, 2014 (Banks & Credit Companies)## 2,59

Malaysia - 0.6%

Petroliam Nasional Berhad, 7.75%, 2015 (Emerging Market Agencies) \$1,36

Petronas Capital Ltd., 7.875%, 2022 (Emerging Market Agencies)## 1,35

Mexico - 2.4%

BBVA Bancomer Capital Trust I, 10.5%, 2011 (Banks & Credit Companies)## \$1,00

Innova S.de R.L., 9.375%, 2013 (Telecommunications - Wireless) 65

Pemex Finance Ltd., 9.69%, 2009 (Emerging Market Agencies) 91

Pemex Project Funding Master Trust, 8.625%, 2022 (Emerging Market Agencies) 5,10

Petroleos Mexicanos, 9.5%, 2027 (Emerging Market Agencies) 1,41

United Mexican States, 8%, 2022 (Emerging Market Sovereign) 88

United Mexican States, 7.5%, 2033 (Emerging Market Sovereign) 1,80

Netherlands - 2.1%

Kingdom of Netherlands, 5.75%, 2007 (International Market Sovereign) EUR 4,02

Kingdom of Netherlands, 3.75%, 2009 (International Market Sovereign) 5,35

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

-----  
 New Zealand - 1.3%

Government of New Zealand, 7%, 2009 (International Market Sovereign) NZD 2,42

Government of New Zealand, 6.5%, 2013 (International Market Sovereign)^ 8,59

-----  
 Panama - 0.4%

Republic of Panama, 9.375%, 2023 - 2029 (Emerging Market Sovereign) \$1,74

Republic of Panama, 8.875%, 2027 (Emerging Market Sovereign) 55

-----  
 Peru - 0.2%

Republic of Peru, 4.5%, 2017 (Emerging Market Sovereign) \$1,31

-----  
 Poland - 0.3%

PTC International Finance II S.A., 11.25%, 2009 (Telecommunications - Wireless) \$1,31

-----  
 Portugal - 0.4%

Republic of Portugal, 5.45%, 2013 (International Market Sovereign) EUR 1,77

-----  
 Qatar - 0.6%

State of Qatar, 9.75%, 2030 (Emerging Market Sovereign) \$2,29

-----  
 Russia - 2.5%

Gaz Capital S.A., 8.625%, 2034 (Oils)## \$1,41

Gazprom OAO, 9.625%, 2013 (Oils)## 1,02

Mobile TeleSystems OJSC, 9.75%, 2008 (Telecommunications - Wireless)## 1,55

Russian Federation, 3%, 2008 - 2011 (Emerging Market Sovereign) 1,68

Russian Federation, 11%, 2018 (Emerging Market Sovereign) 2,67

Siberian Oil Co., 10.75%, 2009 (Energy - Integrated) 75

Tyumen Oil Co., 11%, 2007 (Energy - Integrated) 2,16

Vimpel-Communications, 10%, 2009 (Telecommunications - Wireless)## 1,62

-----  
 Singapore - 0.5%

DBS Capital Funding Corp., 7.657% to 2011,5% to 2049 (Banks & Credit Companies)## \$1,60

Flextronics International Ltd., 6.5%, 2013 (Electronics) 1,14

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

-----	
South Africa - 0.7%	
Republic of South Africa, 8.5%, 2017 (Emerging Market Sovereign)	\$3,30
-----	
South Korea - 0.2%	
Woori Bank, 5.75%, 2014 (Banks & Credit Companies)##	\$1,34
-----	
Spain - 1.1%	
Kingdom of Spain, 6%, 2008 (International Market Sovereign)	EUR 1,60
Kingdom of Spain, 5.35%, 2011 (International Market Sovereign)	3,01
-----	
Ukraine - 0.3%	
Ukraine Cabinet of Ministers, 6.875%, 2011 (Emerging Market Sovereign)##	\$1,00
Ukraine Cabinet of Ministers, 7.65%, 2013 (Emerging Market Sovereign)##	55
-----	
United Kingdom - 1.2%	
HBOS Capital Funding LP, 6.071%, 2049 (Banks & Credit Companies)##	\$1,33
United Kingdom Treasury, 7.25%, 2007 (International Market Sovereign)	GBP 82
United Kingdom Treasury, 5%, 2012 (International Market Sovereign)	2,10
-----	
Total Foreign Bonds	
Total Bonds (Identified Cost,\$516,358,633)	
-----	
ISSUER	S
-----	
STOCKS - 0.1%	
-----	
Apparel Manufacturers - 0.1%	
Sind Holdings, Inc.+*	
-----	
Machinery & Tools - 0%	
Thermadyne Holdings Corp.*	
-----	
Specialty Chemicals - 0%	
Sterling Chemicals, Inc.*	
Total Stocks (Identified Cost,\$2,156,110)	
-----	
WARRANTS - 0%	
-----	
U.S. WARRANTS - 0%	
-----	
Basic Industry - 0%	

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

-----  
 Thermadyne Holdings Corp.\*  
 -----

Business Services - 0%  
 -----

Loral Space & Communications Ltd.\*  
 -----

Loral Space & Communications Ltd.\*  
 -----

-----  
 Specialty Chemicals - 0%  
 -----

Sterling Chemicals, Inc.\*  
 -----

Total U.S.Warrants  
 -----

Total Warrants (Identified Cost,\$39,014)  
 -----

ISSUER

PAR AM

-----  
 CONVERTIBLE BONDS - 0.3%  
 -----

U.S. BONDS - 0.3%  
 -----

Telecommunications - Wireless - 0.3%  
 -----

Nextel Communications, Inc., 5.25%, 2010

\$1,50

Total U.S. Bonds  
 -----

Total Convertible Bonds (Identified Cost,\$1,438,455)  
 -----

SHORT-TERM OBLIGATION - 0.7%  
 -----

General Electric Capital Corp., 1.57%, due 9/01/04,at Amortized Cost

\$4,03

ISSUER

S

-----  
 COLLATERAL FOR SECURITIES LOANED - 0.8%  
 -----

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

4,63

ISSUER

PAR AM

-----  
 REPURCHASE AGREEMENT - 1.7%  
 -----

Goldman Sachs, 1.58%, dated 08/31/2004,due 09/01/2004, total to be received  
 \$9,276,407 (secured by various U.S.Treasury  
 and Federal Agency obligations in a jointly traded account),at Cost

\$9,27

Total Investments ~ (Identified Cost,\$537,938,367)  
 -----

OTHER ASSETS, LESS LIABILITIES - 1.1%  
 -----

Net Assets - 100.0%  
 -----

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

## Edgar Filing: MFS CHARTER INCOME TRUST - Form N-Q

~ As of August 31, 2004, the fund had one security representing \$446,160 and 0.1% of net assets in accordance with the policies adopted by the Board of Trustees.

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

AUD = Australian Dollar  
 CAD = Canadian Dollar  
 DKK = Danish Krone  
 EUR = Euro  
 GBP = British Pound  
 NZD = New Zealand Dollar  
 SEK = Swedish Krona

SEE ATTACHED SCHEDULES.

FOR MORE INFORMATION SEE NOTES TO FINANCIAL STATEMENTS AS DISCLOSED IN THE MOST RECENT SEMI-ANNUAL REPORT.

---

### SUPPLEMENTAL SCHEDULES (UNAUDITED)

---

#### (1) PORTFOLIO SECURITIES

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

Aggregate cost	\$544,524,828	
	-----	
Gross unrealized appreciation	\$ 17,978,357	
	-----	
Gross unrealized depreciation	(9,620,479)	
	-----	
Net unrealized appreciation	\$ 8,357,878	
	-----	

#### (2) FINANCIAL INSTRUMENTS

The fund 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 fund 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 DELIVER/RECEIVE	IN EXCHANGE FOR	CONTRACTS AT VALUE
<hr/>			
<b>SALES</b>			
10/12/04	AUD 2,664,556	\$1,891,578	\$1,874,360
11/16/04	DKK 36,019,642	5,916,693	5,894,430
10/6/04-11/15/04	EUR 74,347,332	90,321,068	90,526,209



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

10/12/04-11/16/04	GBP 2,988,485	5,420,710	5,358,803
10/12/04	NZD 11,426,305	7,309,864	7,459,468
		-----	-----
		\$110,859,913	\$111,113,270
		=====	=====
PURCHASES			
9/13/04	CAD 744,699	\$569,123	\$566,685
10/6/04-11/15/04	EUR 2,692,051	3,293,894	3,277,726
11/16/04	SEK 5,364,550	712,206	715,107
		-----	-----
		\$4,575,223	\$4,559,518
		=====	=====

At August 31,2004,forward foreign currency purchases and sales under master netting agreements ex payable of \$135,995 with Merrill Lynch International.

At August 31,2004,the fund had sufficient cash and/or securities to cover any commitments under t

FUTURES CONTRACTS

Description	Expiration	Contracts	Position
U.S. Treasury 10 Year	December 2004	200	Short

At August 31,2004,the fund had sufficient cash and/or securities to cover any margin requirements

(3) RESTRICTED SECURITIES

The fund may invest not more than 20% of its total assets in securities that are subject to legal restrictions on resale.At August 31,2004,the fund owned the following restricted securities,exclu under Rule 144A,constituting 0.10% of net assets which may not be publicly sold without registrat Securities Act of 1933.The fund does not have the right to demand that such securities be registe securities is determined by valuations furnished by dealers or by a pricing service,or if not ava the direction of the Trustees.

Description	Date of Acquisition	Share/Principal Amount	Cost
Kazkommerts International B.V.	4/14/03	128,000	\$139,853
Sind Holdings, Inc.	12/15/99	5,720	2,127,667

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.

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

ITEM 3. EXHIBITS.

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

SIGNATURES

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

Registrant: MFS CHARTER INCOME TRUST  
-----

By (Signature and Title)\* ROBERT J. MANNING  
-----  
Robert J. Manning, President

Date: October 25, 2004  
-----

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

By (Signature and Title)\* ROBERT J. MANNING  
-----  
Robert J. Manning, President  
(Principal Executive Officer)

Date: October 25, 2004  
-----

By (Signature and Title)\* RICHARD M. HISEY  
-----  
Richard M. Hisey, Treasurer (Principal Financial  
Officer and Accounting Officer)

Date: October 25, 2004  
-----

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