MFS SPECIAL VALUE TRUST
Form N-CSR
December 27, 2013
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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 811-5912

MFS SPECIAL VALUE TRUST

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(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, 2013

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ITEM 1. REPORTS TO STOCKHOLDERS.

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ANNUAL REPORT

October 31, 2013

MFS® SPECIAL VALUE TRUST

MFV-ANN

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Managed Distribution Policy Disclosure

The MFS Special Value 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 10.00% 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® SPECIAL VALUE TRUST

New York Stock Exchange Symbol: **MFV**

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LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholders:

The global economy is trending toward growth again despite risks created by the U.S. government s gridlock. The eurozone has emerged from its 18-month-long recession.

However, unemployment in the region persists at historically high levels. The U.K. economy is on the rebound. China s economic gauges are improving and point toward expansion. And Japan s aggressive program of monetary easing is showing signs of success.

The U.S. Federal Reserve s expected tapering of its bond-buying stimulus program telegraphed in the spring and delayed in September has weighed on global markets. Emerging markets have borne much of the brunt, with currency values dropping and nervous investors seeking safety elsewhere. The greatest

threat to global economic recovery now appears to be related to the U.S. government s impasse. While the tensions surrounding the 16-day government shutdown and potential U.S. debt default have dissipated, another round of potential gridlock lies ahead early in 2014, with the next U.S. budget and debt ceiling deadlines.

As always, managing risk in the face of uncertainty remains a top priority for investors. At MFS®, our uniquely collaborative investment process employs integrated, global research and active risk management. Our global team of investment professionals shares ideas and evaluates opportunities across continents, investment disciplines and asset classes all with a goal of building better insights, and ultimately better results, for our clients.

We are mindful of the many economic challenges investors face, and believe it is more important than ever to maintain a long-term view and employ time-tested principles, such as asset allocation and diversification. We remain confident that our unique approach can serve investors well as they work with their financial advisors to identify and pursue the most suitable opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

December 16, 2013

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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PORTFOLIO COMPOSITION

Portfolio structure (i)

Top ten holdings (i)	
Johnson & Johnson	1.3%
Philip Morris International, Inc.	1.3%
Occidental Petroleum Corp.	1.3%
Travelers Cos., Inc.	1.2%
IBM Corp.	1.2%
JPMorgan Chase & Co.	1.2%
Pfizer, Inc.	1.1%
Thermo Fisher Scientific, Inc.	1.1%
PPG Industries, Inc.	1.1%
Lockheed Martin Corp.	1.1%

Equity sectors	
Health Care	5.4%
Financial Services	5.2%
Industrial Goods & Services	4.3%
Consumer Staples	4.1%
Technology	2.0%
Utilities & Communications	1.9%
Basic Materials	1.8%
Retailing	1.8%
Leisure	1.7%
Energy	1.2%
Special Products & Services	0.8%
Autos & Housing (o)	0.0%

Fixed income sectors (i)	
High Yield Corporates	59.2%
Emerging Markets Bonds	5.5%
High Grade Corporates	1.9%
Floating Rate Loans	1.0%
Commercial Mortgage-Backed Securities	0.5%
Non-U.S. Government Bonds	0.2%
Municipal Bonds	0.1%
Collateralized Debt Obligations (o)	0.0%

Composition including fixed income credit quality (a)(i)	
BBB	1.9%
BB	19.8%
B	34.0%
CCC	12.5%
CC (o)	0.0%
C	0.1%
Not Rated	0.1%
Non-Fixed Income	30.2%
Cash & Other	1.4%

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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). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. 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 is not rated by these agencies.

(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 any. These amounts may be negative from time to time. 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. The bond component will include any accrued interest amounts.

(o) Less than 0.1%.

Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

Percentages are based on net assets as of 10/31/13.

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

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MANAGEMENT REVIEW

Summary of Results

MFS Special Value Trust (fund) is a closed-end fund normally investing primarily in debt instruments. MFS normally invests the fund s assets in U.S. Government securities, foreign government securities, mortgage-backed and other asset-backed securities of U.S. and foreign issuers, corporate bonds of U.S. and/or foreign issuers, debt instruments of issuers located in emerging market countries, and/or equity securities. MFS allocates the fund s assets across these categories with a view toward broad diversification across and within these categories.

For the twelve months ended October 31, 2013, the MFS Special Value Trust provided a total return of 13.69%, at net asset value and a total return of 7.94%, at market value. This compares with a return of 8.86% for the fund s benchmark, the Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (Barclays Index). The fund s other benchmark, the MFS Special Value Trust Blended Index (Blended Index), generated a return of 14.47%. The Blended Index reflects the blended returns of various equity and fixed income market indices, with percentage allocations to each index designed to resemble the allocations of the fund. The market indices and related percentage allocations used to compile the Blended Index are set forth in the Performance Summary.

The performance commentary below is based on the net asset value performance of the fund which reflects the performance of the underlying pool of assets held by the fund. The total return at market value represents the return earned by owners of the shares of the fund which are traded publicly on the exchange.

Market Environment

At the beginning of the period, year-end fiscal cliff negotiations between the Republicans in the US Congress and President Obama were a particular source of market attention, where uncertainty surrounding the fiscal negotiations continued right up to the end-of-year deadline. A last minute political agreement averted the worst-case scenario and markets gravitated towards risk assets again, though the implementation of the US budget sequester, combined with concerns surrounding the Italian election results, was a source of uncertainty which lingered throughout the first half of the period.

The more dominant features of the first few months of 2013 included a marked improvement in market sentiment as global macroeconomic indicators improved, monetary easing by the Bank of Japan accelerated and fears of fiscal austerity in the US waned. In the middle of the period, concerns that the US Federal Reserve (Fed) would begin tapering its quantitative easing (QE) program caused sovereign bond yields to spike, credit spreads to widen, and equity valuations to fall.

Toward the end of the period, the Fed s decision to postpone QE tapering surprised markets. Favorable market reactions were tempered, however, by tense negotiations over US fiscal policy which resulted in a 16-day partial shutdown of the federal government and a short-term extension in the debt ceiling. The volatility was short-lived, however, as an extension of budget and debt ceiling deadlines allowed the government to re-open, and subsequent economic data reflected moderate but resilient US growth. Also well-received was the decision by the European Central Bank to cut its policy rate as inflation pressures waned in the region. In addition, equity investors appeared to have concluded that there would be no major change in US

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Management Review continued

monetary policy as a result of the nomination of Janet Yellen as the new Fed Chair for a term beginning in early 2014.

Detractors from Performance

Within the equity portion of the fund, stock selection in the *technology* sector hurt performance relative to the equity portion of the Blended Index. The fund s holdings of diversified technology products and services company International Business Machines (IBM)[b], enterprise software products maker Oracle [b] and global telecommunications equipment company Nortel Networks [b] were among the fund s top relative detractors during the reporting period. Shares of IBM steadily declined after the company reported earnings for the first quarter of 2013. It was the firm s first earnings miss in seven years and management blamed a shortfall in sales execution in its Software and Mainframe businesses as well as lower-than-expected growth in emerging markets. Not holding shares of computer and personal electronics maker Apple also dampened relative returns.

Security selection in the *consumer staples* sector negatively impacted relative performance. An overweight position in shares of tobacco company Philip Morris International, and holdings of alcoholic drink producer Diageo [b] (United Kingdom), hindered relative results. Shares of Philip Morris declined throughout the second half of 2013 after the company reported lower-than-expected earnings due to slower revenue growth in the European Union and Asia. The Russell 1000 Value Index, which comprises the equity portion of the Blended Index, dropped this stock during its annual reconstitution at the end of June 2013.

Elsewhere, an overweight position in general merchandise store operator Target held back relative performance. Shares dropped considerably after the company reported second quarter earnings that showed slower-than-expected sales growth in Canada which the company recently began operating in. Holding shares of management consulting firm Accenture [b] (Ireland) and voice and data communications services company Vodafone Group [b][h] (United Kingdom), and not holding financial services firm Bank of America, also weighed on relative results.

Within the fixed income portion of the fund, credit quality, particularly the fund s lesser exposure to BB and B[r] rated securities held back performance relative to the Barclays Index.

Contributors to Performance

Within the equity portion of the fund, stock selection in the *basic materials* sector boosted performance relative to the equity portion of the Blended Index. The fund s holdings of decorative coatings manufacturer PPG Industries boosted relative returns as the stock appreciated throughout the period. The Russell 1000 Value Index, which comprises the equity portion of the Blended Index, did not hold this stock until its annual reconstitution at the end of June and, as a result, missed much of the stock s strong performance the first half of the year.

The combination of security selection and an overweight position in the *industrial goods & services* sector was another significant factor that contributed positively to relative returns. The fund s ownership of defense contractor Lockheed Martin and building systems, aerospace products and services provider United Technologies aided relative results as both stocks delivered strong performance. Lockheed Martin was dropped from the index while United Technologies was added to the Russell 1000 Value Index, which comprises the equity portion of the Blended Index, during its annual reconstitution at the end of June.

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Management Review continued

The fund s underweight position in the *energy* sector was another positive factor for relative performance as the sector underperformed the equity portion of the Blended Index during the period. An underweight position in Exxon Mobil [h] and not holding Chevron, both of which are integrated energy companies, bolstered relative returns.

Stock selection in the *financial services* sector also benefited relative returns. The fund s overweight position in investment manager BlackRock benefited relative results as the stock climbed throughout the period, driven by solid earnings primarily due to improvement in its pre-tax operating profit margins.

Elsewhere, the fund s holdings of strong-performing automotive components manufacturer Delphi Automotive [b][h] and media company Viacom [b] positively affected relative returns. Shares of Delphi Automotive increased throughout the period as the company continued to report improved operating profit margins while share repurchases also helped buoy the stock price. Shares of Viacom benefited from solid revenue growth during the period. Additionally, the fund s avoidance of pharmaceutical company Merck and overweight position in cardiovascular medical device maker St. Jude Medical helped relative performance.

Within the fixed income portion of the fund, strong bond selection, particularly in the *industrial* and *banking* sectors, was a key contributor to performance relative to the Barclays Index. The fund s largest contributors to active return included Spanish-based media company LBI Media Holdings, financial services firm Bank of America, and British banking firm Abbey National Treasury Services.

Respectfully,

William Adams Portfolio Manager	Ward Brown Portfolio Manager	Nevin Chitkara Portfolio Manager	David Cole Portfolio Manager
Matthew Ryan Portfolio Manager			

(b) Security is not a benchmark constituent.
(h) Security was not held in the portfolio at period end.
(r) Bonds rated BBB , Baa , or higher are considered investment grade; bonds rated BB , Ba , or below are considered non-investment grade. The primary source for bond quality ratings is Moody s Investors Service. If not available, ratings by Standard & Poor s are used, else ratings by Fitch, Inc. For securities which are not rated by any of the three agencies, the security is considered Not Rated.

Note to Shareholders: Effective December 1, 2012, Ward Brown and Matthew Ryan are also Portfolio Managers of the Fund.

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 10/31/13

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 Special Value Trust

Year Ended 10/31/13

	Date	Price
Net Asset Value	10/31/13	$7.05
	10/31/12	$6.85
New York Stock Exchange Price	10/31/13	$7.29
	5/13/13 (high) (t)	$7.64
	11/15/12 (low) (t)	$6.48
	10/31/12	$7.46

Total Returns vs Benchmarks

Year Ended 10/31/13

MFS Special Value Trust at	
New York Stock Exchange Price (r)	7.94%
Net Asset Value (r)	13.69%
Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f)	8.86%
MFS Special Value Trust Blended Index (f)(w)	14.47%
JPMorgan Emerging Markets Bond Index Global (f)	(2.58)%
Russell 1000 Value Index (f)	28.29%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period November 1, 2012 through October 31, 2013

(w) MFS Special Value Trust Blended Index is at a point in time and allocations during the period can change. As of October 31, 2013, the blended index was comprised of 57.50% Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index, 35% Russell 1000 Value Index, and 7.50% JPMorgan Emerging Markets Bond Index Global.

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Performance Summary continued

Benchmark Definitions

Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index a component of the Barclays Capital U.S. High-Yield Corporate Bond Index, which measures performance of non-investment grade, fixed rate debt. The index limits the maximum exposure to any one issuer to 2%.

JPMorgan Emerging Markets Bond Index Global measures the performance of U.S.-dollar- denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds.

Russell 1000 Value Index constructed to provide a comprehensive barometer for the value securities in the large-cap segment of the U.S. equity universe. Companies in this index generally have lower price-to-book ratios and lower forecasted growth values.

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 10.00% 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.

Net asset values and performance results based on net asset value per share 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 Statement of Assets and Liabilities or 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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PORTFOLIO MANAGERS PROFILES

William Adams	Lower Quality Debt Instruments Portfolio Manager; Portfolio Manager of the Fund since 2011; employed in the investment management area of MFS since 2009.
Ward Brown	Emerging Markets Debt Instruments Portfolio Manager; Portfolio Manager of the Fund since December 2012; employed in the investment management area of MFS since 2005.
Nevin Chitkara	Equity Securities Portfolio Manager; Portfolio Manager of the Fund since 2012; employed in the investment management area of MFS since 1997.
David Cole	Lower Quality Debt Instruments Portfolio Manager; Portfolio Manager of the Fund since 2006; employed in the investment management area of MFS since 2004.
Matthew Ryan	Emerging Markets Debt Instruments Portfolio Manager; Portfolio Manager of the Fund since December 2012; employed in the investment management area of MFS since 1997.

All Portfolio Managers are also Investment Officers of MFS.

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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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PORTFOLIO OF INVESTMENTS

10/31/13

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

Bonds - 66.1%		
Issuer	**Shares/Par**	**Value ($)**
Aerospace - 1.3%		
Alliant Techsystems, Inc., 5.25%, 2021 (n)	$ 30,000	$ 30,155
Bombardier, Inc., 7.75%, 2020 (n)	55,000	62,700
CPI International, Inc., 8%, 2018	115,000	119,025
Huntington Ingalls Industries, Inc., 7.125%, 2021	170,000	184,238
Kratos Defense & Security Solutions, Inc., 10%, 2017	210,000	228,900
		$ 625,018
Apparel Manufacturers - 0.4%		
Hanesbrands, Inc., 6.375%, 2020	$ 60,000	$ 65,100
Jones Group, Inc., 6.875%, 2019	75,000	78,188
PVH Corp., 4.5%, 2022	60,000	57,150
		$ 200,438
Asset-Backed & Securitized - 0.4%		
Banc of America Commercial Mortgage, Inc., FRN, 6.249%, 2051 (z)	$ 328,951	$ 133,876
Citigroup Commercial Mortgage Trust, FRN, 5.705%, 2049	220,000	28,897
Falcon Franchise Loan LLC, FRN, 12.161%, 2025 (i)(z)	40,096	6,014
JPMorgan Chase Commercial Mortgage Securities Corp., C , FRN, 5.997%, 2051	95,000	48,574
Morgan Stanley Capital I, Inc., FRN, 1.385%, 2039 (i)(z)	163,927	3,364
Preferred Term Securities XII Ltd., CDO, 0%, 2033 (a)(c)(z)	225,000	2
Preferred Term Securities XVI Ltd., CDO, 0%, 2035 (a)(c)(z)	300,000	0
Preferred Term Securities XVII Ltd., CDO, 0%, 2035 (a)(c)(z)	187,000	0
		$ 220,727
Automotive - 2.3%		
Accuride Corp., 9.5%, 2018	$ 150,000	$ 157,875
Allison Transmission, Inc., 7.125%, 2019 (n)	175,000	188,563
General Motors Financial Co., Inc., 4.75%, 2017 (n)	105,000	111,038
General Motors Financial Co., Inc., 6.75%, 2018	20,000	22,650
General Motors Financial Co., Inc., 4.25%, 2023 (n)	35,000	33,600
Goodyear Tire & Rubber Co., 6.5%, 2021	140,000	148,050
Goodyear Tire & Rubber Co., 7%, 2022	40,000	43,000
Jaguar Land Rover PLC, 8.125%, 2021 (n)	300,000	340,500
Lear Corp., 8.125%, 2020	32,000	35,680
Lear Corp., 4.75%, 2023 (n)	25,000	24,188
LKQ Corp., 4.75%, 2023 (n)	10,000	9,525
		$ 1,114,669

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Broadcasting - 3.2%		
AMC Networks, Inc., 7.75%, 2021	$ 116,000	$ 130,500
Clear Channel Communications, Inc., 9%, 2021	202,000	203,515
Clear Channel Worldwide Holdings, Inc., 6.5%, 2022	85,000	89,250
Clear Channel Worldwide Holdings, Inc., 6.5%, 2022	25,000	26,000
Clear Channel Worldwide Holdings, Inc., A , 7.625%, 2020	5,000	5,288
Clear Channel Worldwide Holdings, Inc., B , 7.625%, 2020	35,000	37,363
Hughes Network Systems LLC, 7.625%, 2021	70,000	76,650
IAC/InterActive Corp., 4.75%, 2022	55,000	52,113
Intelsat Jackson Holdings S.A., 6.625%, 2022 (n)	75,000	76,500
Intelsat Jackson Holdings S.A., 6.625%, 2022	105,000	107,100
Intelsat S.A., 8.125%, 2023 (n)	135,000	142,763
LBI Media Holdings, Inc., 11%, 2017 (p)	24,000	2,400
LBI Media, Inc., 13.5%, 2020	68,000	31,450
LBI Media, Inc., 13.5% to 2015, 11.5% to 2020 (p)(z)	58,977	27,277
Liberty Media Corp., 8.5%, 2029	110,000	117,425
Liberty Media Corp., 8.25%, 2030	35,000	37,275
Netflix, Inc., 5.375%, 2021 (n)	70,000	71,575
Nexstar Broadcasting Group, Inc., 6.875%, 2020 (n)	80,000	83,600
SIRIUS XM Radio, Inc., 5.875%, 2020 (n)	10,000	10,350
SIRIUS XM Radio, Inc., 5.25%, 2022 (n)	15,000	15,225
Univision Communications, Inc., 6.875%, 2019 (n)	25,000	26,938
Univision Communications, Inc., 7.875%, 2020 (n)	80,000	88,800
Univision Communications, Inc., 8.5%, 2021 (n)	130,000	143,975
		$ 1,603,332
Brokerage & Asset Managers - 0.4%		
E*TRADE Financial Corp., 6.375%, 2019	$ 195,000	$ 208,650
Building - 2.1%		
Allegion U.S. Holding Co., Inc., 5.75%, 2021 (n)	$ 50,000	$ 51,875
Boise Cascade Co., 6.375%, 2020	65,000	67,925
Building Materials Holding Corp., 7%, 2020 (n)	45,000	48,375
CEMEX Espana S.A., 9.25%, 2020 (n)	75,000	81,750
CEMEX S.A.B. de C.V., 9.25%, 2020	130,000	141,700
HD Supply, Inc., 8.125%, 2019	45,000	50,297
HD Supply, Inc., 7.5%, 2020 (n)	30,000	31,650
HD Supply, Inc., 11.5%, 2020	105,000	126,656
Nortek, Inc., 8.5%, 2021	150,000	164,438
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 2020 (n)	64,000	72,320
USG Corp., 6.3%, 2016	105,000	112,350
USG Corp., 7.875%, 2020 (n)	45,000	49,500
USG Corp., 5.875%, 2021 (n)	20,000	20,400
		$ 1,019,236

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Business Services - 1.5%		
Equinix, Inc., 4.875%, 2020	$ 55,000	$ 55,206
Equinix, Inc., 5.375%, 2023	35,000	34,738
Fidelity National Information Services, Inc., 5%, 2022	75,000	77,155
First Data Corp., 10.625%, 2021 (n)	115,000	123,481
iGATE Corp., 9%, 2016	165,000	177,375
Iron Mountain, Inc., 8.375%, 2021	11,000	11,880
Lender Processing Services, Inc., 5.75%, 2023	35,000	36,488
NeuStar, Inc., 4.5%, 2023	35,000	31,850
Rolta LLC, 10.75%, 2018 (n)	200,000	185,000
		$ 733,173
Cable TV - 2.1%		
CCO Holdings LLC, 8.125%, 2020	$ 95,000	$ 104,025
CCO Holdings LLC, 6.5%, 2021	25,000	26,000
CCO Holdings LLC/CCO Capital Corp., 5.75%, 2024	40,000	37,900
Cequel Communications Holdings, 6.375%, 2020 (n)	25,000	25,938
Cequel Communications Holdings I LLC, 5.125%, 2021 (n)	25,000	24,250
DISH DBS Corp., 6.75%, 2021	60,000	64,950
DISH DBS Corp., 5%, 2023	60,000	57,375
Nara Cable Funding Ltd., 8.875%, 2018 (z)	200,000	213,500
Telenet Finance Luxembourg, 6.375%, 2020 (n)	EUR 100,000	144,337
Time Warner Cable, Inc., 4.5%, 2042	$ 85,000	63,710
UPC Holding B.V., 9.875%, 2018 (n)	100,000	108,250
Ziggo Bond Co. B.V., 8%, 2018 (n)	EUR 100,000	144,600
		$ 1,014,835
Chemicals - 1.1%		
Celanese U.S. Holdings LLC, 6.625%, 2018	$ 50,000	$ 53,938
Celanese U.S. Holdings LLC, 5.875%, 2021	8,000	8,560
Celanese U.S. Holdings LLC, 4.625%, 2022	20,000	19,650
Hexion U.S. Finance Corp., 6.625%, 2020	40,000	40,600
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2018	95,000	97,850
Huntsman International LLC, 8.625%, 2021	140,000	157,150
Polypore International, Inc., 7.5%, 2017	50,000	52,875
Tronox Finance LLC, 6.375%, 2020	100,000	102,000
		$ 532,623
Computer Software - 0.5%		
Infor U.S., Inc., 11.5%, 2018	$ 80,000	$ 92,800
Syniverse Holdings, Inc., 9.125%, 2019	135,000	146,138
VeriSign, Inc., 4.625%, 2023	35,000	34,081
		$ 273,019

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Computer Software - Systems - 0.5%		
Audatex North America, Inc., 6.75%, 2018	$ 40,000	$ 42,772
Audatex North America, Inc., 6%, 2021 (n)	45,000	46,463
Audatex North America, Inc., 6.125%, 2023 (z)	15,000	15,225
CDW LLC/CDW Finance Corp., 12.535%, 2017	10,000	10,400
CDW LLC/CDW Finance Corp., 8.5%, 2019	110,000	121,825
		$ 236,685
Conglomerates - 1.6%		
Amsted Industries, Inc., 8.125%, 2018 (n)	$ 185,000	$ 195,869
BC Mountain LLC, 7%, 2021 (n)	70,000	70,875
Dynacast International LLC, 9.25%, 2019	75,000	82,500
Griffon Corp., 7.125%, 2018	150,000	160,313
Renaissance Acquisition, 6.875%, 2021 (n)	145,000	147,538
Silver II Borrower, 7.75%, 2020 (n)	150,000	157,125
		$ 814,220
Construction - 0.2%		
Empresas ICA S.A.B. de C.V., 8.9%, 2021	$ 80,000	$ 78,000
Consumer Products - 0.5%		
Elizabeth Arden, Inc., 7.375%, 2021	$ 100,000	$ 108,750
Prestige Brands, Inc., 8.125%, 2020	30,000	33,300
Spectrum Brands Escrow Corp., 6.375%, 2020 (n)	85,000	90,313
		$ 232,363
Consumer Services - 0.7%		
ADT Corp., 6.25%, 2021 (n)	$ 55,000	$ 58,369
Monitronics International, Inc., 9.125%, 2020 (z)	55,000	58,300
QVC, Inc., 7.375%, 2020 (n)	50,000	54,495
Service Corp. International, 7%, 2019	145,000	155,875
		$ 327,039
Containers - 1.5%		
Ardagh Packaging Finance PLC, 9.125%, 2020 (n)	$ 200,000	$ 214,500
Berry Plastics Group, Inc., 9.5%, 2018	30,000	32,550
Berry Plastics Group, Inc., 9.75%, 2021	55,000	64,625
Crown Americas LLC, 4.5%, 2023 (n)	70,000	65,625
Reynolds Group, 7.125%, 2019	175,000	186,813
Reynolds Group, 5.75%, 2020	50,000	51,625
Reynolds Group, 8.25%, 2021	115,000	119,600
		$ 735,338
Defense Electronics - 0.2%		
Ducommun, Inc., 9.75%, 2018	$ 98,000	$ 109,515

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Electrical Equipment - 0.2%		
Avaya, Inc., 9.75%, 2015	$ 70,000	$ 69,300
Avaya, Inc., 7%, 2019 (n)	25,000	23,875
		$ 93,175
Electronics - 0.7%		
Freescale Semiconductor, Inc., 9.25%, 2018 (n)	$ 122,000	$ 131,913
Nokia Corp., 5.375%, 2019	80,000	82,500
Nokia Corp., 6.625%, 2039	25,000	24,625
Sensata Technologies B.V., 6.5%, 2019 (n)	105,000	113,400
		$ 352,438
Emerging Market Quasi-Sovereign - 0.6%		
Banco de la Provincia de Buenos Aires, 11.75%, 2015 (n)	$ 124,000	$ 122,140
Petroleos de Venezuela S.A., 5.25%, 2017	250,000	200,625
		$ 322,765
Emerging Market Sovereign - 0.3%		
Republic of Venezuela, 12.75%, 2022	$ 25,000	$ 25,188
Republic of Venezuela, 7%, 2038	160,000	107,040
		$ 132,228
Energy - Independent - 5.0%		
Afren PLC, 11.5%, 2016 (n)	$ 200,000	$ 228,250
Antero Resources Finance Corp., 6%, 2020	50,000	52,750
Antero Resources Finance Corp., 5.375%, 2021 (n)	45,000	45,731
BreitBurn Energy Partners LP, 8.625%, 2020	50,000	53,125
BreitBurn Energy Partners LP, 7.875%, 2022	100,000	101,000
Carrizo Oil & Gas, Inc., 8.625%, 2018	45,000	49,275
Carrizo Oil & Gas, Inc., 7.5%, 2020	45,000	49,050
Chaparral Energy, Inc., 7.625%, 2022	110,000	118,800
Concho Resources, Inc., 5.5%, 2023	20,000	20,750
Denbury Resources, Inc., 8.25%, 2020	135,000	148,500
Energy XXI Gulf Coast, Inc., 9.25%, 2017	165,000	183,975
Energy XXI Gulf Coast, Inc., 7.5%, 2021 (n)	65,000	67,925
EP Energy LLC, 9.375%, 2020	145,000	167,475
EP Energy LLC, 7.75%, 2022	130,000	146,250
EPL Oil & Gas, Inc., 8.25%, 2018	90,000	96,525
Halcon Resources Corp., 8.875%, 2021	155,000	161,394
Harvest Operations Corp., 6.875%, 2017	30,000	32,213
Hilcorp Energy I/Hilcorp Finance Co., 8%, 2020 (n)	40,000	43,400
Laredo Petroleum, Inc., 9.5%, 2019	65,000	72,638
LINN Energy LLC, 8.625%, 2020	5,000	5,325
LINN Energy LLC, 7.75%, 2021	20,000	20,650
MEG Energy Corp., 6.5%, 2021 (n)	55,000	57,406
MEG Energy Corp., 7%, 2024 (n)	40,000	40,900

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Energy - Independent - continued		
Oasis Petroleum, Inc., 6.875%, 2022 (n)	$ 45,000	$ 48,600
QEP Resources, Inc., 6.875%, 2021	80,000	85,600
Samson Investment Co., 10.25%, 2020 (n)	75,000	81,000
SandRidge Energy, Inc., 8.125%, 2022	145,000	154,425
SM Energy Co., 6.5%, 2021	80,000	86,800
Whiting Petroleum Corp., 6.5%, 2018	20,000	21,300
Whiting Petroleum Corp., 5%, 2019	40,000	41,600
		$ 2,482,632
Engineering - Construction - 0.2%		
BakerCorp International, Inc., 8.25%, 2019	$ 85,000	$ 82,556
Entertainment - 1.0%		
Activision Blizzard, Inc., 6.125%, 2023 (n)	$ 60,000	$ 62,700
AMC Entertainment, Inc., 8.75%, 2019	180,000	193,725
Cedar Fair LP, 5.25%, 2021 (n)	80,000	78,800
Cinemark USA, Inc., 5.125%, 2022	50,000	48,875
Six Flags Entertainment Corp., 5.25%, 2021 (n)	90,000	88,425
		$ 472,525
Financial Institutions - 3.2%		
Aviation Capital Group, 4.625%, 2018 (n)	$ 55,000	$ 56,086
Aviation Capital Group, 6.75%, 2021 (n)	25,000	26,938
CIT Group, Inc., 5.25%, 2018	40,000	43,250
CIT Group, Inc., 6.625%, 2018 (n)	119,000	134,916
CIT Group, Inc., 5.5%, 2019 (n)	118,000	127,735
CIT Group, Inc., 5%, 2022	35,000	35,438
Credit Acceptance Corp., 9.125%, 2017	105,000	110,775
Icahn Enterprises LP, 8%, 2018	112,000	117,460
International Lease Finance Corp., 7.125%, 2018 (n)	137,000	157,721
Nationstar Mortgage LLC/Capital Corp., 10.875%, 2015	60,000	62,063
Nationstar Mortgage LLC/Capital Corp., 6.5%, 2018	45,000	46,575
Nationstar Mortgage LLC/Capital Corp., 7.875%, 2020	290,000	309,938
PHH Corp., 7.375%, 2019	40,000	42,300
PHH Corp., 6.375%, 2021	60,000	59,400
SLM Corp., 8.45%, 2018	25,000	29,188
SLM Corp., 8%, 2020	165,000	188,513
SLM Corp., 7.25%, 2022	40,000	42,800
		$ 1,591,096
Food & Beverages - 1.1%		
Constellation Brands, Inc., 3.75%, 2021	$ 10,000	$ 9,588
Constellation Brands, Inc., 4.25%, 2023	95,000	91,081
Hawk Acquisition Sub, Inc., 4.25%, 2020 (n)	70,000	67,725

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Food & Beverages - continued		
Marfrig Holding Europe B.V., 9.875%, 2017 (n)	$ 200,000	$ 199,750
Sun Merger Sub, Inc., 5.875%, 2021 (n)	85,000	88,825
TreeHouse Foods, Inc., 7.75%, 2018	80,000	84,600
		$ 541,569
Forest & Paper Products - 0.7%		
Boise, Inc., 8%, 2020	$ 105,000	$ 118,965
Graphic Packaging Holding Co., 7.875%, 2018	65,000	70,688
Smurfit Kappa Group PLC, 7.75%, 2019 (n)	EUR 50,000	73,943
Tembec Industries, Inc., 11.25%, 2018	$ 55,000	60,088
		$ 323,684
Gaming & Lodging - 1.9%		
Caesars Entertainment Operating Co., Inc., 8.5%, 2020	$ 50,000	$ 46,188
Chester Downs & Marina LLC, 9.25%, 2020 (n)	45,000	45,675
CityCenter Holdings LLC, 10.75%, 2017 (p)	40,000	42,880
Fontainebleau Las Vegas Holdings LLC, 10.25%, 2015 (a)(d)(n)	290,000	181
Hilton Worldwide Finance Co., 5.625%, 2021 (n)	65,000	66,788
Isle of Capri Casinos, Inc., 8.875%, 2020	70,000	74,550
Isle of Capri Casinos, Inc., 5.875%, 2021	20,000	19,625
MGM Resorts International, 11.375%, 2018	110,000	141,075
MGM Resorts International, 6.625%, 2021	90,000	96,188
Pinnacle Entertainment, Inc., 8.75%, 2020	70,000	77,350
PNK Finance Corp., 6.375%, 2021 (n)	55,000	57,750
Ryman Hospitality Properties, Inc., REIT, 5%, 2021 (n)	35,000	33,863
Seven Seas Cruises S. DE R.L., 9.125%, 2019	130,000	142,838
Wynn Las Vegas LLC, 7.75%, 2020	95,000	107,113
		$ 952,064
Industrial - 1.1%		
Dematic S.A., 7.75%, 2020 (n)	$ 105,000	$ 111,038
Howard Hughes Corp., 6.875%, 2021 (n)	75,000	77,625
Hyva Global B.V., 8.625%, 2016 (n)	200,000	199,000
Mueller Water Products, Inc., 8.75%, 2020	66,000	73,920
SPL Logistics Escrow LLC, 8.875%, 2020 (n)	90,000	96,525
		$ 558,108
Insurance - Property & Casualty - 0.3%		
XL Group PLC, 6.5% to 2017, FRN to 2049	$ 175,000	$ 171,675
International Market Quasi-Sovereign - 0.2%		
Eksportfinans A.S.A., 5.5%, 2016	$ 35,000	$ 36,645
Eksportfinans A.S.A., 5.5%, 2017	40,000	41,920
		$ 78,565

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Machinery & Tools - 1.4%		
Case New Holland, Inc., 7.875%, 2017	$ 95,000	$ 112,456
CNH America LLC, 7.25%, 2016	50,000	55,125
H&E Equipment Services Co., 7%, 2022	90,000	98,100
NESCO LLC/NESCO Holdings Corp., 11.75%, 2017 (n)	150,000	168,750
RSC Equipment Rental, Inc., 8.25%, 2021	140,000	158,550
United Rentals North America, Inc., 5.75%, 2018	45,000	48,263
United Rentals North America, Inc., 7.625%, 2022	48,000	53,760
		$ 695,004
Major Banks - 1.5%		
Bank of America Corp., FRN, 5.2%, 2049	$ 107,000	$ 97,103
Barclays Bank PLC, 7.625%, 2022	200,000	206,300
JPMorgan Chase & Co., 6%, 2049	100,000	96,750
RBS Capital Trust II, 6.425% to 2034, FRN to 2049	95,000	89,300
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 2049 (n)	100,000	104,750
Royal Bank of Scotland Group PLC, 7.648% to 2031, FRN to 2049	150,000	156,000
		$ 750,203
Medical & Health Technology & Services - 3.1%		
AmSurg Corp., 5.625%, 2020	$ 75,000	$ 75,375
Davita, Inc., 6.625%, 2020	290,000	309,213
Fresenius Medical Care AG & Co. KGaA, 9%, 2015 (n)	120,000	133,800
Fresenius Medical Care Capital Trust III, 5.875%, 2022 (n)	15,000	15,900
HCA, Inc., 8.5%, 2019	100,000	107,375
HCA, Inc., 7.5%, 2022	150,000	168,563
HCA, Inc., 5.875%, 2022	45,000	47,363
HealthSouth Corp., 8.125%, 2020	175,000	192,719
IASIS Healthcare LLC/IASIS Capital Corp., 8.375%, 2019	90,000	95,400
Kinetic Concepts, Inc., 12.5%, 2019	40,000	43,100
Tenet Healthcare Corp., 8%, 2020	120,000	130,650
Tenet Healthcare Corp., 4.5%, 2021	15,000	14,550
Tenet Healthcare Corp., 8.125%, 2022 (n)	30,000	32,850
Universal Health Services, Inc., 7%, 2018	30,000	32,025
Universal Health Services, Inc., 7.625%, 2020	105,000	110,250
		$ 1,509,133
Medical Equipment - 0.4%		
Biomet, Inc., 6.5%, 2020	$ 90,000	$ 95,625
Physio-Control International, Inc., 9.875%, 2019 (n)	62,000	69,130
Teleflex, Inc., 6.875%, 2019	50,000	52,250
		$ 217,005

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Metals & Mining - 2.1%		
ArcelorMittal S.A., 6.75%, 2022	$ 30,000	$ 32,625
ArcelorMittal S.A., 7.25%, 2041	55,000	52,938
Arch Coal, Inc., 7.25%, 2020	70,000	53,288
Century Aluminum Co., 7.5%, 2021 (n)	85,000	79,900
Commercial Metals Co., 4.875%, 2023	55,000	52,250
Consol Energy, Inc., 8%, 2017	75,000	79,500
Consol Energy, Inc., 8.25%, 2020	70,000	76,563
First Quantum Minerals Ltd., 7.25%, 2019 (n)	200,000	187,500
Fortescue Metals Group Ltd., 8.25%, 2019 (n)	90,000	99,900
Plains Exploration & Production Co., 6.125%, 2019	85,000	92,916
Plains Exploration & Production Co., 6.5%, 2020	35,000	38,560
TMS International Corp., 7.625%, 2021 (z)	70,000	73,150
Walter Energy, Inc., 9.5%, 2019 (n)	30,000	31,650
Walter Energy, Inc., 8.5%, 2021 (n)	95,000	80,513
		$ 1,031,253
Municipals - 0.1%		
New Jersey Tobacco Settlement Financing Corp., 1-A , 4.5%, 2023	$ 50,000	$ 46,633
Natural Gas - Distribution - 0.4%		
AmeriGas Finance LLC, 6.75%, 2020	$ 90,000	$ 98,100
Ferrellgas LP/Ferrellgas Finance Corp., 6.5%, 2021	60,000	60,750
Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 2022 (z)	20,000	20,400
		$ 179,250
Natural Gas - Pipeline - 2.1%		
Access Midstream Partners Co., 4.875%, 2023	$ 165,000	$ 164,175
Atlas Pipeline Partners LP, 4.75%, 2021 (n)	25,000	23,500
Atlas Pipeline Partners LP, 5.875%, 2023 (n)	50,000	49,125
Crestwood Midstream Partners LP, 6.125%, 2022 (z)	20,000	20,450
Crosstex Energy, Inc., 8.875%, 2018	110,000	117,150
Crosstex Energy, Inc., 7.125%, 2022	10,000	11,475
El Paso Corp., 7%, 2017	75,000	84,668
El Paso Corp., 7.75%, 2032	150,000	155,694
Energy Transfer Equity LP, 7.5%, 2020	135,000	155,925
Enterprise Products Partners LP, 7.034% to 2018, FRN to 2068	40,000	44,200
Inergy Midstream LP, 6%, 2020 (n)	80,000	81,800
MarkWest Energy Partners LP, 5.5%, 2023	65,000	67,275
Summit Midstream Holdings LLC, 7.5%, 2021 (n)	65,000	68,413
		$ 1,043,850
Network & Telecom - 0.8%		
Centurylink, Inc., 7.65%, 2042	$ 95,000	$ 88,113
Citizens Communications Co., 9%, 2031	65,000	67,275

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Network & Telecom - continued		
Frontier Communications Corp., 8.125%, 2018	$ 30,000	$ 34,575
TW Telecom Holdings, Inc., 5.375%, 2022 (n)	25,000	24,938
TW Telecom Holdings, Inc., 5.375%, 2022	55,000	54,863
Windstream Corp., 8.125%, 2018	20,000	21,650
Windstream Corp., 7.75%, 2020	80,000	85,800
Windstream Corp., 7.75%, 2021	40,000	42,700
		$ 419,914
Oil Services - 0.9%		
Bristow Group, Inc., 6.25%, 2022	$ 75,000	$ 78,750
Dresser-Rand Group, Inc., 6.5%, 2021	45,000	47,813
Edgen Murray Corp., 8.75%, 2020 (n)	105,000	121,275
Shale-Inland Holdings LLC/Finance Co., 8.75%, 2019 (n)	115,000	117,875
Unit Corp., 6.625%, 2021	100,000	104,500
		$ 470,213
Other Banks & Diversified Financials - 1.1%		
Ally Financial, Inc., 5.5%, 2017	$ 80,000	$ 86,400
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	200,000	255,750
LBG Capital No. 1 PLC, 7.875%, 2020 (n)	200,000	214,500
		$ 556,650
Pharmaceuticals - 0.9%		
Capsugel FinanceCo. SCA, 9.875%, 2019 (n)	EUR 100,000	$ 151,898
Capsugel S.A., 7%, 2019 (p)(z)	$ 25,000	25,000
Endo Health Solutions, Inc., 7.25%, 2022	65,000	69,225
Valeant Pharmaceuticals International, Inc., 7%, 2020 (n)	100,000	107,750
Valeant Pharmaceuticals International, Inc., 7.25%, 2022 (n)	55,000	59,813
Vantage Point Imaging, 7.5%, 2021 (n)	45,000	49,950
		$ 463,636
Pollution Control - 0.1%		
Heckmann Corp., 9.875%, 2018	$ 45,000	$ 45,788
Precious Metals & Minerals - 0.4%		
Eldorado Gold Corp., 6.125%, 2020 (n)	$ 80,000	$ 79,600
IAMGOLD Corp., 6.75%, 2020 (n)	120,000	107,100
		$ 186,700
Printing & Publishing - 0.4%		
American Media, Inc., 13.5%, 2018 (z)	$ 23,764	$ 25,071
Gannett Co., Inc., 6.375%, 2023 (z)	60,000	63,300
Lamar Media Corp., 5%, 2023	70,000	66,675
Nielsen Finance LLC, 7.75%, 2018	45,000	49,050
		$ 204,096

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Railroad & Shipping - 0.1%		
Watco Cos. LLC, 6.375%, 2023 (n)	$ 60,000	$ 59,400
Real Estate - 1.2%		
Aviv Healthcare Properties LP, 6%, 2021 (z)	$ 40,000	$ 41,000
CNL Lifestyle Properties, Inc., REIT, 7.25%, 2019	50,000	52,000
DuPont Fabros Technology, Inc., REIT, 5.875%, 2021 (n)	135,000	138,375
ERP Properties, REIT, 5.75%, 2022	65,000	67,466
Felcor Lodging LP, REIT, 5.625%, 2023	50,000	49,250
GLP Capital LP/GLP Financing II, Inc., 4.375%, 2018 (n)	80,000	81,600
MPT Operating Partnership LP, REIT, 6.375%, 2022	160,000	165,200
		$ 594,891
Retailers - 1.3%		
Academy Ltd., 9.25%, 2019 (n)	$ 55,000	$ 60,981
Burlington Coat Factory Warehouse Corp., 10%, 2019	100,000	112,000
CST Brands, Inc., 5%, 2023 (n)	5,000	4,838
J. Crew Group, Inc., 8.125%, 2019	85,000	89,781
Jo-Ann Stores Holdings, Inc., 9.75%, 2019 (n)(p)	80,000	83,000
Limited Brands, Inc., 6.9%, 2017	55,000	62,838
Limited Brands, Inc., 6.95%, 2033	40,000	39,800
Rite Aid Corp., 9.25%, 2020	110,000	127,050
Sally Beauty Holdings, Inc., 6.875%, 2019	45,000	49,725
		$ 630,013
Specialty Chemicals - 0.2%		
Chemtura Corp., 5.75%, 2021	$ 45,000	$ 45,563
Koppers, Inc., 7.875%, 2019	40,000	43,400
		$ 88,963
Specialty Stores - 0.7%		
Michaels Stores, Inc., 11.375%, 2016	$ 81,000	$ 83,026
Michaels Stores, Inc., 7.75%, 2018	50,000	53,938
Office Depot De Mexico, S.A. de C.V., 6.875%, 2020 (n)	200,000	204,500
		$ 341,464
Telecommunications - Wireless - 3.9%		
Altice Financing S.A., 7.875%, 2019 (n)	$ 200,000	$ 216,600
Crown Castle International Corp., 7.125%, 2019	50,000	54,000
Digicel Group Ltd., 10.5%, 2018 (n)	265,000	286,200
Eileme 2 AB, 11.625%, 2020 (n)	200,000	233,500
MetroPCS Wireless, Inc., 7.875%, 2018	75,000	81,000
MetroPCS Wireless, Inc., 6.25%, 2021 (n)	65,000	68,006
Sprint Capital Corp., 6.875%, 2028	105,000	99,750
Sprint Corp., 7.875%, 2023 (n)	145,000	157,325

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Telecommunications - Wireless - continued		
Sprint Nextel Corp., 8.375%, 2017	$ 140,000	$ 162,050
Sprint Nextel Corp., 9%, 2018 (n)	25,000	30,313
Sprint Nextel Corp., 6%, 2022	110,000	108,350
T-Mobile USA, Inc., 6.633%, 2021	15,000	15,863
Wind Acquisition Finance S.A., 12.25%, 2017 (n)(p)	200,000	196,014
Wind Acquisition Finance S.A., 7.25%, 2018 (n)	200,000	210,500
		$ 1,919,471
Telephone Services - 0.3%		
Cogent Communications Group, Inc., 8.375%, 2018 (n)	$ 45,000	$ 49,275
Level 3 Financing, Inc., 9.375%, 2019	65,000	72,638
Level 3 Financing, Inc., 8.625%, 2020	45,000	50,963
		$ 172,876
Transportation - 0.4%		
Far Eastern Shipping Co., 8%, 2018 (n)	$ 200,000	$ 181,000
Transportation - Services - 2.6%		
Aguila American Resources Ltd., 7.875%, 2018 (n)	$ 150,000	$ 159,938
Avis Budget Car Rental LLC, 8.25%, 2019	65,000	70,850
Avis Budget Car Rental LLC, 9.75%, 2020	40,000	46,800
CEVA Group PLC, 8.375%, 2017 (n)	235,000	243,225
Jack Cooper Finance Co., 9.25%, 2020 (z)	65,000	69,550
Navios Maritime Acquisition Corp., 8.625%, 2017	165,000	173,003
Navios Maritime Acquisition Corp., 8.125%, 2021 (z)	70,000	70,700
Navios Maritime Holdings, Inc., 8.875%, 2017	35,000	36,619
Navios South American Logistics, Inc., 9.25%, 2019	112,000	121,240
Swift Services Holdings, Inc., 10%, 2018	190,000	212,800
Ultrapetrol (Bahamas) Ltd., 8.875%, 2021 (n)	42,000	44,940
Ultrapetrol (Bahamas) Ltd., 8.875%, 2021 (n)	14,000	14,980
		$ 1,264,645
Utilities - Electric Power - 2.7%		
AES Corp., 8%, 2017	$ 13,000	$ 15,308
AES Corp., 7.375%, 2021	40,000	45,300
Calpine Corp., 7.875%, 2020 (n)	108,000	117,990
Calpine Corp., 6%, 2022 (z)	10,000	10,375
Covanta Holding Corp., 7.25%, 2020	95,000	102,768
EDP Finance B.V., 6%, 2018 (n)	145,000	153,338
Energy Future Holdings Corp., 10%, 2020	183,000	192,150
Energy Future Holdings Corp., 10%, 2020 (n)	145,000	151,525
InterGen N.V., 7%, 2023 (n)	200,000	206,500
NRG Energy, Inc., 8.25%, 2020	195,000	217,425

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Bonds - continued		
Utilities - Electric Power - continued		
NRG Energy, Inc., 6.625%, 2023	$ 45,000	$ 46,519
Texas Competitive Electric Holdings Co. LLC, 11.5%, 2020 (n)	125,000	89,063
		$ 1,348,261
Total Bonds (Identified Cost, $31,929,413)		**$ 32,654,272**
Common Stocks - 29.8%		
Aerospace - 2.2%		
Lockheed Martin Corp.	4,150	$ 553,361
United Technologies Corp.	5,140	546,125
		$ 1,099,486
Alcoholic Beverages - 0.9%		
Diageo PLC, ADR	3,400	$ 433,806
Automotive - 0.0%		
Accuride Corp. (a)	2,414	$ 10,863
Broadcasting - 0.9%		
Viacom, Inc., B	5,300	$ 441,437
Brokerage & Asset Managers - 0.9%		
BlackRock, Inc.	1,494	$ 449,410
Business Services - 0.7%		
Accenture PLC, A	5,050	$ 371,175
Chemicals - 1.8%		
3M Co.	2,820	$ 354,897
PPG Industries, Inc.	3,035	554,130
		$ 909,027
Computer Software - 0.7%		
Oracle Corp.	10,060	$ 337,010
Computer Software - Systems - 1.2%		
International Business Machines Corp.	3,254	$ 583,149
Electrical Equipment - 2.1%		
Danaher Corp.	7,080	$ 510,397
Tyco International Ltd.	14,110	515,721
		$ 1,026,118

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Common Stocks - continued		
Energy - Independent - 1.2%		
Occidental Petroleum Corp.	6,430	$ 617,794
Food & Beverages - 1.9%		
General Mills, Inc.	8,030	$ 404,873
Nestle S.A., ADR	7,640	553,212
		$ 958,085
Food & Drug Stores - 1.1%		
CVS Caremark Corp.	8,440	$ 525,474
General Merchandise - 0.7%		
Target Corp.	5,570	$ 360,880
Insurance - 2.0%		
MetLife, Inc.	8,070	$ 381,792
Travelers Cos., Inc.	6,950	599,785
		$ 981,577
Major Banks - 2.0%		
Bank of New York Mellon Corp.	12,690	$ 403,542
JPMorgan Chase & Co.	11,220	578,279
		$ 981,821
Medical Equipment - 2.9%		
Abbott Laboratories	13,160	$ 480,998
St. Jude Medical, Inc.	7,180	412,060
Thermo Fisher Scientific, Inc.	5,730	560,279
		$ 1,453,337
Pharmaceuticals - 2.5%		
Johnson & Johnson	6,970	$ 645,492
Pfizer, Inc.	18,450	566,046
		$ 1,211,538
Printing & Publishing - 0.1%		
American Media Operations, Inc. (a)	6,090	$ 30,328
Restaurants - 0.8%		
McDonald s Corp.	3,916	$ 377,972
Telephone Services - 1.9%		
AT&T, Inc.	11,080	$ 401,096
Verizon Communications, Inc.	10,200	515,202
		$ 916,298

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Portfolio of Investments continued

Issuer	Shares/Par	Value ($)
Common Stocks - continued		
Tobacco - 1.3%		
Philip Morris International, Inc.	7,230	$ 644,338
Total Common Stocks (Identified Cost, $11,350,508)		**$ 14,720,923**
Floating Rate Loans (g)(r) - 1.0%		
Aerospace - 0.1%		
TransDigm, Inc., Term Loan C, 3.75%, 2020	$ 52,382	$ 52,382
Conglomerates - 0.1%		
Silver II U.S. Holdings LLC, Term Loan, 4%, 2019	$ 51,938	$ 51,816
Consumer Services - 0.1%		
Realogy Corp., Term Loan, 4.5%, 2020	$ 34,284	$ 34,570
Energy - Independent - 0.1%		
MEG Energy Corp., Term Loan, 3.75%, 2020	$ 46,074	$ 46,276
Entertainment - 0.1%		
Cedar Fair LP, Term Loan B, 3.25%, 2020	$ 43,957	$ 44,012
Food & Beverages - 0.1%		
Aramark Corp., Term Loan D, 4%, 2019	$ 52,938	$ 53,057
Retailers - 0.1%		
Toys R Us Property Co. I LLC, Term Loan B, 6%, 2019	$ 56,598	$ 55,239
Transportation - Services - 0.3%		
Commercial Barge Line Co., Term Loan, 7.5%, 2019	$ 165,372	$ 162,891
Total Floating Rate Loans (Identified Cost, $501,686)		**$ 500,243**
Preferred Stocks - 0.3%		
Other Banks & Diversified Financials - 0.3%		
Ally Financial, Inc., 7% (z)	60	$ 57,609
GMAC Capital Trust I, 8.125%	3,325	89,310
Total Preferred Stocks (Identified Cost, $140,693)		**$ 146,919**
Convertible Bonds - 0.2%		
Network & Telecom - 0.2%		
Nortel Networks Corp., 2.125%, 2014 (Identified Cost, $68,906) (a)(d)	$ 70,000	$ 69,038

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Portfolio of Investments continued

Money Market Funds - 2.6%		
Issuer	**Shares/Par**	**Value ($)**
MFS Institutional Money Market Portfolio, 0.1%, at Cost and Net Asset Value (v)	1,299,694	$ 1,299,694
Total Investments (Identified Cost, $45,290,900)		**$ 49,391,089**
Other Assets, Less Liabilities - 0.0%		10,755
Net Assets - 100.0%		**$ 49,401,844**

(a) Non-income producing security.
(c) The rate shown represents a current effective yield, not a coupon rate.
(d) In default. Interest and/or scheduled principal payment(s) have been missed.
(g) The rate shown represents a weighted average coupon rate on settled positions at period end, unless otherwise indicated.
(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 $12,490,298, representing 25.3% of net assets.
(p) Payment-in-kind security.
(r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.
(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio 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**
Ally Financial, Inc., 7%	4/13/11-4/14/11	$56,250	$57,609
American Media, Inc., 13.5%, 2018	12/22/10	24,040	25,071
Audatex North America, Inc., 6.125%, 2023	10/17/13	15,000	15,225
Aviv Healthcare Properties LP, 6%, 2021	10/10/13-10/15/13	40,374	41,000
Banc of America Commercial Mortgage, Inc., FRN, 6.249%, 2051	6/19/08	241,910	133,876
Calpine Corp., 6%, 2022	10/17/13	9,919	10,375
Capsugel S.A., 7%, 2019	10/31/13	25,000	25,000
Crestwood Midstream Partners LP, 6.125%, 2022	10/22/13	20,000	20,450
Falcon Franchise Loan LLC, FRN, 12.161%, 2025	1/29/03	3,122	6,014
Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 2022	10/21/13	20,000	20,400
Gannett Co., Inc., 6.375%, 2023	9/26/13-10/8/13	60,001	63,300

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Portfolio of Investments continued

Restricted Securities - continued	Acquisition Date	Cost	Value
Jack Cooper Finance Co., 9.25%, 2020	10/24/13	$68,413	$69,550
LBI Media, Inc., 13.5% to 2015, 11.5% to 2020	12/26/12-5/15/13	30,178	27,277
Monitronics International, Inc., 9.125%, 2020	10/21/13-10/23/13	58,756	58,300
Morgan Stanley Capital I, Inc., FRN, 1.385%, 2039	7/20/04	2,796	3,364
Nara Cable Funding Ltd., 8.875%, 2018	1/26/12	195,090	213,500
Navios Maritime Acquisition Corp., 8.125%, 2021	10/29/13	70,000	70,700
Preferred Term Securities XII Ltd., CDO, 0%, 2033	1/07/05	127,734	2
Preferred Term Securities XVI Ltd., CDO, 0%, 2035	12/08/04	187,576	0
Preferred Term Securities XVII Ltd., CDO, 0%, 2035	3/09/05	114,513	0
TMS International Corp., 7.625%, 2021	10/4/13-10/22/13	71,807	73,150
Total Restricted Securities			$934,163
% of Net assets			1.9%

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

ADR	American Depositary Receipt
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:

EUR	Euro

Derivative Contracts at 10/31/13

Forward Foreign Currency Exchange Contracts at 10/31/13

Type	Currency	Counter-party	Contracts to Deliver/ Receive	Settlement Date	In Exchange for	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Liability Derivatives							
BUY	EUR	Citibank NA	102,222	1/17/14	$140,904	$138,807	$(2,097)
SELL	EUR	Deutsche Bank AG London	242,978	1/17/14	328,004	329,939	(1,935)
SELL	EUR	JPMorgan Chase Bank	242,978	1/17/14	328,004	329,939	(1,935)
							$(5,967)

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Financial Statements

STATEMENT OF ASSETS AND LIABILITIES

At 10/31/13

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, $43,991,206)	$48,091,395
Underlying affiliated funds, at cost and value	1,299,694
Total investments, at value (identified cost, $45,290,900)	$49,391,089
Cash	101,121
Receivables for	
Investments sold	226,079
Interest and dividends	653,779
Other assets	3,977
Total assets	$50,376,045
Liabilities	
Payables for	
Forward foreign currency exchange contracts	$5,967
Investments purchased	807,953
Payable to affiliates	
Investment adviser	2,231
Transfer agent and dividend disbursing costs	507
Payable for independent Trustees compensation	67,703
Accrued expenses and other liabilities	89,840
Total liabilities	$974,201
Net assets	$49,401,844
Net assets consist of	
Paid-in capital	$59,909,979
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	4,094,512
Accumulated net realized gain (loss) on investments and foreign currency	(14,493,938)
Accumulated distributions in excess of net investment income	(108,709)
Net assets	$49,401,844
Shares of beneficial interest outstanding	7,008,009
Net asset value per share (net assets of $49,401,844 / 7,008,009 shares of beneficial interest outstanding)	$7.05

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Financial Statements

STATEMENT OF OPERATIONS

Year ended 10/31/13

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	$2,629,417
Dividends	348,281
Dividends from underlying affiliated funds	2,025
Foreign taxes withheld	(124)
Total investment income	$2,979,599
Expenses	
Management fee	$434,638
Transfer agent and dividend disbursing costs	15,279
Administrative services fee	17,500
Independent Trustees compensation	13,740
Stock exchange fee	23,732
Custodian fee	15,163
Shareholder communications	65,694
Audit and tax fees	71,160
Legal fees	494
Miscellaneous	20,626
Total expenses	$678,026
Fees paid indirectly	(47)
Reduction of expenses by investment adviser	(126)
Net expenses	$677,853
Net investment income	$2,301,746
Realized and unrealized gain (loss) on investments and foreign currency	
Realized gain (loss) (identified cost basis)	
Investments	$1,601,251
Foreign currency	(24,766)
Net realized gain (loss) on investments and foreign currency	$1,576,485
Change in unrealized appreciation (depreciation)	
Investments	$2,420,312
Translation of assets and liabilities in foreign currencies	(3,153)
Net unrealized gain (loss) on investments and foreign currency translation	$2,417,159
Net realized and unrealized gain (loss) on investments and foreign currency	$3,993,644
Change in net assets from operations	$6,295,390

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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	
	2013	**2012**
Change in net assets		
From operations		
Net investment income	$2,301,746	$2,683,676
Net realized gain (loss) on investments and foreign currency	1,576,485	(422,577)
Net unrealized gain (loss) on investments and foreign currency translation	2,417,159	3,194,743
Change in net assets from operations	$6,295,390	$5,455,842
Distributions declared to shareholders		
From net investment income	$(2,737,377)	$(2,828,436)
From tax return of capital	(2,128,348)	(1,831,057)
Total distributions declared to shareholders	$(4,865,725)	$(4,659,493)
Change in net assets from fund share transactions	$376,605	$361,678
Total change in net assets	$1,806,270	$1,158,027
Net assets		
At beginning of period	47,595,574	46,437,547
At end of period (including accumulated distributions in excess of net investment income of $108,709 and $113,997, respectively)	$49,401,844	$47,595,574

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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				
	2013	**2012**	**2011**	**2010**	**2009**
Net asset value, beginning of period	$6.84	$6.73	$7.23	$6.71	$5.36
Income (loss) from investment operations					
Net investment income (d)	$0.33	$0.39	$0.40	$0.44	$0.56
Net realized and unrealized gain (loss) on investments and foreign currency	0.58	0.39	(0.18)	0.77	1.32
Total from investment operations	$0.91	$0.78	$0.22	$1.21	$1.88
Less distributions declared to shareholders					
From net investment income	$(0.39)	$(0.41)	$(0.42)	$(0.51)	$(0.54)
From tax return of capital	(0.31)	(0.26)	(0.30)	(0.18)	
Total distributions declared to shareholders	$(0.70)	$(0.67)	$(0.72)	$(0.69)	$(0.54)
Net increase from repurchase of capital shares	$	$	$	$	$0.01
Net asset value, end of period (x)	$7.05	$6.84	$6.73	$7.23	$6.71
Market value, end of period	$7.29	$7.46	$6.86	$7.95	$6.23
Total return at market value (%)	7.94	19.99	(4.67)	40.46	46.76
Total return at net asset value (%) (j)(r)(s)(x)	13.85	12.15	2.81	18.63	40.08
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions (f)	1.39	1.49	1.42	1.53	1.64
Expenses after expense reductions (f)	1.39	1.45	1.39	1.47	1.64
Net investment income	4.73	5.73	5.65	6.36	10.17
Portfolio turnover	40	49	53	55	78
Net assets at end of period (000 omitted)	$49,402	$47,596	$46,438	$49,461	$45,646

(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 at net asset value per share 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.

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Special Value 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 increases and decreases in net assets from operations 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 high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions. 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.

In January 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2013-01 (ASU 2013-01) entitled Balance Sheet (Topic 210) Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities which is intended to clarify the scope of Accounting Standards Update 2011-11 (ASU 2011-11), Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities. Consistent with the effective date for ASU 2011-11, ASU 2013-01 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. ASU 2013-01 limits the scope of ASU 2011-11 s disclosure requirements on offsetting to financial assets and financial liabilities related to derivatives, repurchase and reverse repurchase agreements, and securities lending and securities borrowing transactions. Although still evaluating the potential impact of these two ASUs to the fund, management expects that the impact of the fund s adoption will be limited to additional financial statement disclosures.

In June 2013, FASB issued Accounting Standards Update 2013-08 Financial Services Investment Companies (Topic 946) Amendments to the Scope, Measurement, and Disclosure Requirements (ASU 2013-08) which is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2013. ASU 2013-08 sets forth a methodology for determining whether an entity should be characterized as an investment company and prescribes fair value accounting for an investment company s non-controlling ownership interest in another investment company. FASB has determined that a fund registered under the Investment Company Act of 1940 automatically meets ASU 2013-08 s criteria for an investment company. Although still evaluating the potential impacts of ASU 2013-08 to the fund, management expects that the impact of the fund s adoption will be limited to additional financial statement disclosures.

Investment Valuations Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price as provided by a third-party pricing service on the market or exchange on which they are primarily traded. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation as provided by a third-party pricing service on the market or exchange on which such securities are primarily traded. 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. 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. 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 rate, maturity, type of issue, trading characteristics, and other market data. The values of foreign securities and other assets and liabilities expressed in foreign currencies are converted to U.S. dollars using the mean of bid and asked prices for rates provided by a third-party pricing service.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund s investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund s valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment s value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund s net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. Events that occur on a frequent basis after foreign markets close (such as developments in foreign markets and significant movements in the U.S. markets) and prior to the determination of the fund s net asset value may be deemed to have a material effect on the value of securities traded in foreign markets. Accordingly, the fund s foreign equity securities may often be valued at fair value. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund s net asset value can differ depending

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Notes to Financial Statements continued

on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund s net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund s assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser s own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as forward foreign currency exchange contracts. The following is a summary of the levels used as of October 31, 2013 in valuing the fund s assets or liabilities:

Investments at Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity Securities:				
United States	$13,792,888	$57,608	$30,328	$13,880,824
Switzerland	553,212			553,212
United Kingdom	433,806			433,806
Non-U.S. Sovereign Debt		533,558		533,558
Municipal Bonds		46,633		46,633
U.S. Corporate Bonds		24,327,319		24,327,319
Commercial Mortgage-Backed Securities		220,727		220,727
Asset-Backed Securities (including CDOs)		2		2
Foreign Bonds		7,595,071		7,595,071
Floating Rate Loans		500,243		500,243
Mutual Funds	1,299,694			1,299,694
Total Investments	$16,079,600	$33,281,161	$30,328	$49,391,089
Other Financial Instruments				
Forward Foreign Currency Exchange Contracts	$	$(5,967)	$	$(5,967)

For further information regarding security characteristics, see the Portfolio of Investments.

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Notes to Financial Statements continued

The following is a reconciliation of level 3 assets for which significant unobservable inputs were used to determine fair value. The fund s policy is to recognize transfers between the levels as of the end of the period. The table presents the activity of level 3 securities held at the beginning and the end of the period.

	Equity Securities	Asset-Backed Securities	Total
Balance as of 10/31/12	$32,216	$	$32,216
Change in unrealized appreciation (depreciation)	(1,888)		(1,888)
Transfers into Level 3		0	0
Balance as of 10/31/13	$30,328	$0	$30,328

The net change in unrealized appreciation (depreciation) from investments still held as level 3 at October 31, 2013 is $(1,888).

Foreign Currency Translation Purchases and sales of foreign investments, income, and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. Gains and losses attributable to foreign currency exchange rates on sales of securities are recorded for financial statement purposes as net realized gains and losses on investments. Gains and losses attributable to foreign exchange rate movements on receivables, payables, income and expenses are recorded for financial statement purposes as foreign currency transaction gains and losses. That portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed.

Derivatives The fund uses derivatives for different purposes, primarily to increase or decrease exposure to a particular market or segment of the market, or security, to increase or decrease interest rate or currency exposure, or as alternatives to direct investments. Derivatives are used for hedging or non-hedging purposes. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. When the fund uses derivatives as an investment to increase market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative s original cost.

The derivative instruments used by the fund were forward foreign currency exchange contracts. The fund s period end derivatives, as presented in the Portfolio of Investments and the associated Derivative Contract tables, generally are indicative of the volume of its derivative activity during the period.

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2013 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value Liability Derivatives
Foreign Exchange	Forward Foreign Currency Exchange	$(5,967)

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Notes to Financial Statements   continued

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2013 as reported in the Statement of Operations:

Risk	Foreign Currency
Foreign Exchange	$(25,062)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended October 31, 2013 as reported in the Statement of Operations:

Risk	Translation of Assets and Liabilities in Foreign Currencies
Foreign Exchange	$(3,040)

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, over-the-counter derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. Upon an event of default or a termination of the ISDA Master Agreement, the non-defaulting party has the right to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund s credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any.

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the broker or clearing house for cleared derivatives (i.e., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, uncleared swap agreements, and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund s collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as restricted cash. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

The fund s accounting policy with respect to balance sheet offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the ISDA Master Agreement does not result in an offset of reported amounts of financial assets

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Notes to Financial Statements continued

and financial liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty.

Forward Foreign Currency Exchange Contracts The fund entered into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. These contracts may be used to hedge the fund s currency risk or for non-hedging purposes. For hedging purposes, the fund may enter into contracts to deliver or receive foreign currency that the fund will receive from or use in its normal investment activities. The fund may also use contracts to hedge against declines in the value of foreign currency denominated securities due to unfavorable exchange rate movements. For non-hedging purposes, the fund may enter into contracts with the intent of changing the relative exposure of the fund s portfolio of securities to different currencies to take advantage of anticipated exchange rate changes.

Forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any unrealized gains or losses are recorded as a receivable or payable for forward foreign currency exchange contracts until the contract settlement date. On contract settlement date, any gain or loss on the contract is recorded as realized gains or losses on foreign currency.

Risks may arise upon entering into these contracts from unanticipated movements in the value of the contract and from the potential inability of counterparties to meet the terms of their contracts. Generally, the fund s maximum risk due to counterparty credit risk is the unrealized gain on the contract due to the use of Continuous Linked Settlement, an industry accepted settlement system. This risk is mitigated in cases where there is an ISDA Master Agreement between the fund and the counterparty providing for netting as described above and for posting of collateral by the counterparty to the fund to cover the fund s exposure to the counterparty under such ISDA Master Agreement.

Loans and Other Direct Debt Instruments The fund invests in loans and loan participations or other receivables. These investments may include standby financing commitments, including revolving credit facilities, which obligate the fund to supply additional cash to the borrower on demand. Loan participations involve a risk of insolvency of the lending bank or other financial intermediary.

Indemnifications Under the fund s organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into agreements with service providers that may contain indemnification clauses. The fund s maximum exposure under these agreements is unknown as this would involve future claims that may be made against the fund that have not yet occurred.

Investment Transactions and Income Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. The fund earns certain fees in connection with its floating rate loan purchasing activities. These fees are in addition to interest payments earned and may include amendment fees, commitment fees, facility fees, consent fees, and prepayment fees. Commitment fees are recorded on an accrual basis

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as income in the accompanying financial statements. Dividends received in cash are recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded when the fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date. Dividend and interest payments received in additional securities are recorded on the ex-dividend or ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

The fund may receive proceeds from litigation settlements. Any proceeds received from litigation involving portfolio holdings are reflected in the Statement of Operations in realized gain/loss if the security has been disposed of by the fund or in unrealized gain/loss if the security is still held by the fund. Any other proceeds from litigation not related to portfolio holdings are reflected as other income in the Statement of Operations.

Fees Paid Indirectly The fund s custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the year ended October 31, 2013, is shown as a reduction of total expenses in the Statement of Operations.

Tax Matters and Distributions The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable income, including realized capital gains. As a result, no provision for federal income tax is required. The fund s federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the applicable foreign tax law. Foreign income taxes may be withheld by certain countries in which the fund invests. Additionally, capital gains realized by the fund on securities issued in or by certain foreign countries may be subject to capital gains tax imposed by those countries.

Distributions to shareholders are recorded on the ex-dividend date. The fund seeks to pay monthly distributions based on an annual rate of 10% of the fund s average monthly net asset value. As a result, distributions may exceed actual earnings which may result in a tax return of capital or, to the extent the fund has long-term gains, distributions of current year long-term gains may be recharacterized as ordinary income. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future. Distributions from other sources, in excess of net investment income or net realized gains are temporary overdistributions for financial statement purposes resulting from differences in the recognition or classification of income or distributions for financial statement and tax purposes.

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Notes to Financial Statements continued

Book/tax differences primarily relate to amortization and accretion of debt securities and deferred trustee compensation.

The tax character of distributions declared to shareholders for the last two fiscal years is as follows:

	10/31/13	10/31/12
Ordinary income (including any short-term capital gains) (a)	$2,737,377	$2,828,436
Tax return of capital (b)	2,128,348	1,831,057
Total distributions	$4,865,725	$4,659,493

(a) Included in the fund s distributions from ordinary income for the year ended October 31, 2013 is $403,310, in excess of investment company taxable income which, in accordance with applicable U.S. tax law, is taxable to shareholders as ordinary income distributions.
(b) Distributions in excess of tax basis earnings and profits are reported in the financial statements as a tax return of capital.

The federal tax cost and the tax basis components of distributable earnings were as follows:

As of 10/31/13	
Cost of investments	$45,661,965
Gross appreciation	5,240,139
Gross depreciation	(1,511,015)
Net unrealized appreciation (depreciation)	$3,729,124
Capital loss carryforwards	(14,122,873)
Other temporary differences	(114,386)

Under the Regulated Investment Company Modernization Act of 2010 (the Act), net capital losses recognized for fund fiscal years beginning after October 31, 2011 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses (post-enactment losses). Previously, net capital losses were carried forward for eight years and treated as short-term (pre-enactment losses). As a transition rule, the Act requires that all post-enactment net capital losses be used before pre-enactment net capital losses.

As of October 31, 2013, the fund had capital loss carryforwards available to offset future realized gains. Such pre-enactment losses expire as follows:

10/31/16	$(9,321,635)
10/31/17	(4,711,246)
10/31/18	(89,992)
Total	$(14,122,873)

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.68% of the fund s average daily net assets and 3.40% of gross income. Gross income is calculated based on tax elections that generally include the

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Notes to Financial Statements continued

accretion of discount and exclude the amortization of premium, which may differ from investment income reported in the Statement of Operations. MFS has agreed to reduce its management fee to the lesser of the contractual management fee as set forth above or 0.90% of the average daily net assets. This written agreement will continue until modified by the fund s Board of Trustees, but such an agreement will continue at least until October 31, 2014. For the year ended October 31, 2013, the fund s average daily net assets and gross income did not meet the thresholds required to waive the management fee under this agreement. The management fee, from net assets and gross income, incurred for the year ended October 31, 2013 was equivalent to an annual effective rate of 0.89% of the fund s average daily net assets.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended October 31, 2013, these fees paid to MFSC amounted to $2,444.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of $17,500 plus a fee based on average daily net assets. The administrative services fee incurred for the year ended October 31, 2013 was equivalent to an annual effective rate of 0.0359% of the fund s average daily net assets.

Trustees and Officers Compensation The fund pays compensation to independent Trustees in the form of a retainer, attendance fees, and additional compensation to Board and Committee chairpersons. The fund does not pay compensation directly to Trustees or officers of the fund who are also officers of the investment adviser, all of whom receive remuneration for their services to the fund from MFS. Certain officers and Trustees of the fund are officers or directors of MFS and MFSC.

Prior to December 31, 2001, the fund had an unfunded defined benefit plan (DB plan) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. Effective January 1, 2002, accrued benefits under the DB plan for then-current independent Trustees who continued were credited to an unfunded retirement deferral plan (the Retirement Deferral plan), which was established for and exists solely with respect to these credited amounts, and is not available for other deferrals by these or other independent Trustees. Although the Retirement Deferral plan is unfunded, amounts deferred under the plan are periodically adjusted for investment experience as if they had been invested in shares of the fund. The DB plan resulted in a pension expense of $531 and the Retirement Deferral plan resulted in an expense of $4,369. Both amounts are included in independent Trustees compensation for the year ended October 31, 2013. The liability for deferred retirement benefits payable to certain independent Trustees under both plans amounted to $67,688 at October 31, 2013, and is included in Payable for independent Trustees compensation in the Statement of Assets and Liabilities.

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Notes to Financial Statements continued

Other This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The ICCO and Assistant ICCO are officers of the funds and the sole members of Tarantino LLC and Griffin Compliance LLC, respectively. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. For the year ended October 31, 2013, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were $326 and are included in Miscellaneous expense in the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund in the amount of $126, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. Income earned on this investment is included in Dividends from underlying affiliated funds in the Statement of Operations. This money market fund does not pay a management fee to MFS.

(4) Portfolio Securities

Purchases and sales of investments, other than short-term obligations, aggregated $18,871,634 and $20,052,287, respectively.

(5) Shares of Beneficial Interest

The fund s Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The Trustees have authorized the repurchase by the fund of up to 10% annually of its own shares of beneficial interest. During the years ended October 31, 2013 and October 31, 2012, the fund did not repurchase any shares. Other transactions in fund shares were as follows:

	Year ended 10/31/13		Year ended 10/31/12	
	Shares	**Amount**	**Shares**	**Amount**
Shares issued to shareholders in reinvestment of distributions	53,968	$376,605	52,911	$361,678

(6) Line of Credit

The fund and certain other funds managed by MFS participate in a $1.1 billion unsecured committed line of credit, subject to a $1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Federal Reserve funds rate or one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund,

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Notes to Financial Statements continued

based on its borrowings, at a rate equal to the Federal Reserve funds rate plus an agreed upon spread. For the year ended October 31, 2013, the fund s commitment fee and interest expense were $242 and $0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be an affiliated issuer:

Underlying Affiliated Fund	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount
MFS Institutional Money Market Portfolio	1,578,168	11,402,092	(11,680,566)	1,299,694

Underlying Affiliated Fund	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	$	$	$2,025	$1,299,694

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of MFS Special Value Trust:

We have audited the accompanying statement of assets and liabilities of MFS Special Value Trust (the Fund), including the portfolio of investments, as of October 31, 2013, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2013, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Special Value Trust at October 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

December 16, 2013

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RESULTS OF SHAREHOLDER MEETING

(unaudited)

At the annual meeting of shareholders of MFS Special Value Trust, which was held on October 3, 2013, the following actions were taken:

Item 1: To elect the following individuals as Trustees:

	Number of Shares	
Nominee	**For**	**Withheld Authority**
Maureen R. Goldfarb	5,443,701.803	364,177.397
Robert J. Manning	5,441,492.803	366,386.397
Laurie J. Thomsen	5,437,267.803	370,611.397

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TRUSTEES AND OFFICERS   IDENTIFICATION AND BACKGROUND

The Trustees and Officers of the Trust, as of December 1, 2013, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

Name, Age	Position(s) Held with Fund	Trustee/Officer Since [h]	Term Expiring	Principal Occupations During the Past Five Years	Other Directorships [j]
INTERESTED TRUSTEES					
Robert J. Manning [k] (age 50)	Trustee	February 2004	2016	Massachusetts Financial Services Company, Chairman, Chief Executive Officer and Director; President (until 2009); Chief Investment Officer (until 2010)	N/A
INDEPENDENT TRUSTEES					
David H. Gunning (age 71)	Trustee and Chair of Trustees	January 2004	2015	Private investor	Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/Non-Executive Chairman; Portman Limited (mining), Director (until 2008)
Robert E. Butler (age 72)	Trustee	January 2006	2015	Consultant investment company industry regulatory and compliance matters	N/A
Maureen R. Goldfarb (age 58)	Trustee	January 2009	2016	Private investor	N/A
William R. Gutow (age 72)	Trustee	December 1993	2014	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman	Texas Donuts (donut franchise), Vice Chairman (until 2010)

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Trustees and Officers continued

Name, Age	Position(s) Held with Fund	Trustee/Officer Since (h)	Term Expiring	Principal Occupations During the Past Five Years	Other Directorships (j)
Michael Hegarty (age 68)	Trustee	December 2004	2014	Private investor	Brookfield Office Properties, Inc. (real estate), Director; Rouse Properties Inc. (real estate), Director; Capmark Financial Group Inc. (real estate), Director
John P. Kavanaugh (age 59)	Trustee	January 2009	2014	Private investor	N/A
J. Dale Sherratt (age 75)	Trustee	June 1989	2015	Insight Resources, Inc. (acquisition planning specialists), President; Wellfleet Investments (investor in health care companies), Managing General Partner	N/A
Laurie J. Thomsen (age 56)	Trustee	March 2005	2016	Private investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010)	The Travelers Companies (insurance), Director
Robert W. Uek (age 72)	Trustee	January 2006	2014	Consultant to investment company industry	N/A
OFFICERS					
John M. Corcoran (k) (age 48)	President	October 2008	N/A	Massachusetts Financial Services Company, Senior Vice President (since October 2008); State Street Bank and Trust (financial services provider), Senior Vice President, (until 2008)	N/A
Christopher R. Bohane (k) (age 39)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Kino Clark (k) (age 45)	Assistant Treasurer	January 2012	N/A	Massachusetts Financial Services Company, Vice President	N/A

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Trustees and Officers continued

Name, Age	Position(s) Held with Fund	Trustee/Officer Since (h)	Term Expiring	Principal Occupations During the Past Five Years	Other Directorships (j)
Thomas H. Connors (k) (age 54)	Assistant Secretary and Assistant Clerk	September 2012	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012)	N/A
Ethan D. Corey (k) (age -50)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo (k) (age 45)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Robyn L. Griffin (age 38)	Assistant Independent Chief Compliance Officer	August 2008	N/A	Griffin Compliance LLC (provider of compliance services), Principal (since August 2008); State Street Corporation (financial services provider), Mutual Fund Administration Assistant Vice President (until 2008)	N/A
Brian E. Langenfeld (k) (age 40)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Susan S. Newton (k) (age 63)	Assistant Secretary and Assistant Clerk	May 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
Susan A. Pereira (k) (age 43)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A

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Trustees and Officers continued

Name, Age	Position(s) Held with Fund	Trustee/Officer Since [h]	Term Expiring	Principal Occupations During the Past Five Years	Other Directorships [j]
Kasey L. Phillips [k] (age 42)	Assistant Treasurer	September 2012	N/A	Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012)	N/A
Mark N. Polebaum [k] (age 61)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A
Frank L. Tarantino (age 69)	Independent Chief Compliance Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel [k] (age 43)	Assistant Secretary and Assistant Clerk	October 2007	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
James O. Yost [k] (age 53)	Deputy Treasurer	September 1990	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A

(h) Date first appointed to serve as Trustee/officer of an MFS Fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Mr. Manning served as Advisory Trustee. For the period October 2008, until January 2012, Mr. Corcoran served as Treasurer of the Funds. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds.

(j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).

(k) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of position with MFS. The address of MFS is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

The Trust holds annual shareholder meetings for the purpose of electing Trustees, and Trustees are elected for fixed terms. The Board of Trustees is currently divided into three classes, each having a term of three years which term expires on the date of the third annual meeting following the election to office of the Trustee s class. Each year the term of one class expires. Each Trustee and officer will serve until next elected or his or her earlier death, resignation, retirement or removal.

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Trustees and Officers continued

Messrs. Butler, Kavanaugh, and Uek and Ms. Thomsen are members of the Fund s Audit Committee.

Each of the Fund s Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of January 1, 2013, the Trustees served as board members of 143 funds within the MFS Family of Funds.

The Statement of Additional Information for the Fund includes further information about the Trustees and is available without charge upon request by calling 1-800-225-2606.

Investment Adviser
Massachusetts Financial Services Company
111 Huntington Avenue
Boston, MA 02199-7618
Portfolio Managers
William Adams
Ward Brown
Nevin Chitkara
David Cole
Matthew Ryan

Custodian
State Street Bank and Trust Company
1 Lincoln Street
Boston, MA 02111-2900
Independent Registered Public Accounting Firm
Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

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BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested (independent) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2013 (contract review meetings) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Chief Compliance Officer, a full-time senior officer appointed by and reporting to the independent Trustees.

In connection with their deliberations regarding the continuation of the investment advisory agreement, the Trustees, including the independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. The investment advisory agreement for the Fund was considered separately, although the Trustees also took into account the common interests of all MFS Funds in their review. As described below, the Trustees considered the nature, quality, and extent of the various investment advisory, administrative, and shareholder services performed by MFS under the existing investment advisory agreement and other arrangements with the Fund.

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Lipper Inc., an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2012 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe), (ii) information provided by Lipper Inc. on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Lipper Inc. (the Lipper expense group), (iii) information provided by MFS on the advisory fees of comparable portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund, (v) information regarding MFS financial results and financial condition, including MFS and certain of its affiliates estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS institutional business, (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel providing investment

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Board Review of Investment Advisory Agreement continued

advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Lipper Inc. was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

The Trustees conclusion as to the continuation of the investment advisory agreement was based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. It is also important to recognize that the fee arrangements for the Fund and other MFS Funds are the result of years of review and discussion between the independent Trustees and MFS, that certain aspects of such arrangements may receive greater scrutiny in some years than in others, and that the Trustees conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years.

Based on information provided by Lipper Inc. and MFS, the Trustees reviewed the Fund s total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund s common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2012, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund s common shares ranked 5th out of a total of 5 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund s common shares ranked 6th out of a total of 7 funds for the one-year period and 5th out of a total of 5 funds for the five-year period ended December 31, 2012. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund s performance in comparison to a custom benchmark developed by MFS. The Fund under-performed its custom benchmark for each of the one-, three- and five-year periods ended December 31, 2012 (one-year: 15.1% total return for the Fund versus 16.7% total return for the benchmark; three-year: 10.5% total return for the Fund versus 11.7% total return for the benchmark; five-year: 6.1% total return for the Fund versus 7.2% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

The Trustees expressed concern to MFS about the substandard investment performance of the Fund. In the course of their deliberations, the Trustees took into account information provided by MFS in connection with the contract review meetings, as well as during investment review meetings conducted with portfolio management personnel during the course of the year, as to MFS efforts to improve the Fund s performance, including assigning three new portfolio managers for the Fund in 2012. In addition, the Trustees requested that they receive a separate update on the Fund s

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Board Review of Investment Advisory Agreement continued

performance at each of their regular meetings. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that MFS responses and efforts and plans to improve investment performance were sufficient to support approval of the continuance of the investment advisory agreement for an additional one-year period, but that they would continue to closely monitor the performance of the Fund.

In assessing the reasonableness of the Fund s advisory fee, the Trustees considered, among other information, the Fund s advisory fee and the total expense ratio of the Fund s common shares as a percentage of average daily net assets and the advisory fee and total expense ratios of peer groups of funds based on information provided by Lipper Inc. The Trustees considered that MFS has agreed in writing to reduce its advisory fee, which may not be changed without the Trustees approval. The Trustees also considered that, according to the Lipper data (which takes into account any fee reductions or expense limitations that were in effect during the Fund s last fiscal year), the Fund s effective advisory fee rate and total expense ratio were each higher than the Lipper expense group median.

The Trustees also considered the advisory fees charged by MFS to any comparable institutional accounts. In comparing these fees, the Trustees considered information provided by MFS as to the generally broader scope of services provided by MFS to the Fund in comparison to institutional accounts and the impact on MFS and expenses associated with the more extensive regulatory regime to which the Fund is subject in comparison to institutional accounts.

The Trustees considered that, as a closed-end fund, the Fund is unlikely to experience meaningful asset growth. As a result, the Trustees did not view the potential for realization of economies of scale as the Fund s assets grow to be a material factor in their deliberations. The Trustees noted that they would consider economies of scale in the future in the event the Fund experiences significant asset growth, such as through an offering of preferred shares (which is not currently contemplated) or a material increase in the market value of the Fund s portfolio securities.

The Trustees also considered information prepared by MFS relating to MFS costs and profits with respect to the Fund, the MFS Funds considered as a group, and other investment companies and accounts advised by MFS, as well as MFS methodologies used to determine and allocate its costs to the MFS Funds, the Fund and other accounts and products for purposes of estimating profitability.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that the advisory fees charged to the Fund represent reasonable compensation in light of the services being provided by MFS to the Fund.

In addition, the Trustees considered MFS resources and related efforts to continue to retain, attract and motivate capable personnel to serve the Fund. The Trustees also considered current and developing conditions in the financial services industry, including the presence of large and well-capitalized companies which are spending, and appear to be prepared to continue to spend, substantial sums to engage personnel and to provide services to competing investment companies. In this regard, the Trustees also considered the financial resources of MFS and its ultimate parent, Sun Life

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Board Review of Investment Advisory Agreement continued

Financial Inc. The Trustees also considered the advantages and possible disadvantages to the Fund of having an adviser that also serves other investment companies as well as other accounts.

The Trustees also considered the nature, quality, cost, and extent of administrative services provided to the Fund by MFS under agreements other than the investment advisory agreement. The Trustees also considered the nature, extent and quality of certain other services MFS performs or arranges for on the Fund s behalf, which may include securities lending programs, directed expense payment programs, class action recovery programs, and MFS interaction with third-party service providers, principally custodians and sub-custodians. The Trustees concluded that the various non-advisory services provided by MFS and its affiliates on behalf of the Fund were satisfactory.

The Trustees also considered benefits to MFS from the use of the Fund s portfolio brokerage commissions, if applicable, to pay for investment research and various other factors. Additionally, the Trustees considered so-called fall-out benefits to MFS such as reputational value derived from serving as investment manager to the Fund.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund s investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2013.

A discussion regarding the Board s most recent review and renewal of the fund s Investment Advisory Agreement with MFS is available by clicking on the fund s name under Closed End Funds in the Products section of the MFS Web site *(mfs.com)*.

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PROXY VOTING POLICIES AND INFORMATION

A general description of the MFS funds proxy voting policies and procedures is available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC s Web site at *http://www.sec.gov*.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC s Web site at *http://www.sec.gov*.

QUARTERLY PORTFOLIO DISCLOSURE

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund s Form N-Q is also available on the EDGAR database on the Commission s Internet Web site at *http://www.sec.gov*, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. Copies of the Fund s Form N-Q also may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section at the above address.

FURTHER INFORMATION

From time to time, MFS may post important information about the fund or the MFS funds on the MFS web site *(mfs.com)*. This information is available by visiting the News & Commentary section of *mfs.com* or by clicking on the fund s name under Closed End Funds in the Products section of *mfs.com*.

FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2013 income tax forms in January 2014. The following information is provided pursuant to provisions of the Internal Revenue Code.

The fund designates the maximum amount allowable as qualified dividend income eligible for the 15% tax rate.

For corporate shareholders, 13.22% of the ordinary income dividends paid during the fiscal year qualify for the corporate dividends received deduction.

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FACTS

WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

Social Security number and account balances

Account transactions and transaction history

Checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers personal information; the reasons MFS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MFS share?	Can you limit this sharing?
For our everyday business purposes such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	No	We don t share
For joint marketing with other financial companies	No	We don t share
For our affiliates everyday business purposes information about your transactions and experiences	No	We don t share
For our affiliates everyday business purposes information about your creditworthiness	No	We don t share

For nonaffiliates to market to you	No	We don t share

Questions? Call **800-225-2606** or go to **mfs.com**.

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Who we are	
Who is providing this notice?	MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., MFS Fund Distributors, Inc., MFS Heritage Trust Company, and MFS Service Center, Inc.

What we do	
How does MFS protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.
How does MFS collect my personal information?	We collect your personal information, for example, when you open an account or provide account information direct us to buy securities or direct us to sell your securities make a wire transfer We also collect your personal information from others, such as credit bureaus, affiliates and other companies.
Why can t I limit all sharing?	Federal law gives you the right to limit only sharing for affiliates everyday business purposes information about your creditworthiness affiliates from using your information to market to you sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.

	MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
	MFS does not share with nonaffiliates so they can market to you.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.
	MFS doesn t jointly market.

Other important information

If you own an MFS product or receive an MFS service in the name of a third party such as a bank or broker-dealer, their privacy policy may apply to you instead of ours.

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CONTACT US

TRANSFER AGENT, REGISTRAR, AND

DIVIDEND DISBURSING AGENT

CALL

1-800-637-2304

9 a.m. to 5 p.m. Eastern time

WRITE

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MFV**

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ITEM 2. CODE OF ETHICS.

The Registrant has adopted a Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act and as defined in Form N-CSR that applies to the Registrant s principal executive officer and principal financial and accounting officer. During the period covered by this report, the Registrant has not amended any provision in its Code of Ethics (the Code) that relates to an element of the Code s definitions enumerated in paragraph (b) of Item 2 of this Form N-CSR. During the period covered by this report, the Registrant did not grant a waiver, including an implicit waiver, from any provision of the Code.

A copy of the Code of Ethics is filed as an exhibit to this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Messrs. Robert E. Butler, John P. Kavanaugh and Robert W. Uek and Ms. Laurie J. Thomsen, members of the Audit Committee, have been determined by the Board of Trustees in their reasonable business judgment to meet the definition of audit committee financial expert as such term is defined in Form N-CSR. In addition, Messrs. Butler, Kavanaugh and Uek and Ms. Thomsen are independent members of the Audit Committee (as such term has been defined by the Securities and Exchange Commission in regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002). The Securities and Exchange Commission has stated that the designation of a person as an audit committee financial expert pursuant to this Item 3 on the Form N-CSR does not impose on such a person any duties, obligations or liability that are greater than the duties, obligations or liability imposed on such person as a member of the Audit Committee and the Board of Trustees in the absence of such designation or identification.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Items 4(a) through 4(d) and 4(g):

The Board of Trustees has appointed Ernst & Young LLP (E&Y) to serve as independent accountants to the Registrant (hereinafter the Registrant or the Fund). The tables below set forth the audit fees billed to the Fund as well as fees for non-audit services provided to the Fund and/or to the Fund s investment adviser, Massachusetts Financial Services Company (MFS) and to various entities either controlling, controlled by, or under common control with MFS that provide ongoing services to the Fund (MFS Related Entities).

For the fiscal years ended October 31, 2013 and 2012, audit fees billed to the Fund by E&Y were as follows:

	Audit Fees	
	2013	**2012**
Fees billed by E&Y:		
MFS Special Value Trust	48,260	44,879

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For the fiscal years ended October 31, 2013 and 2012, fees billed by E&Y for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees[1]		Tax Fees[2]		All Other Fees[3]	
	2013	2012	2013	2012	2013	2012
Fees billed by E&Y:						
To MFS Special Value Trust	10,714	10,504	9,267	9,170	0	0

	Audit-Related Fees[1]		Tax Fees[2]		All Other Fees[3]	
	2013	2012	2013	2012	2013	2012
Fees billed by E&Y:						
To MFS and MFS Related Entities of MFS Special Value Trust*	0	0	0	0	0	0

	Aggregate Fees for Non-audit Services	
	2013	2012
Fees Billed by E&Y:		
To MFS Special Value Trust, MFS and MFS Related Entities#	77,981	59,674

* This amount reflects the fees billed to MFS and MFS Related Entities for non-audit services relating directly to the operations and financial reporting of the Fund (portions of which services also related to the operations and financial reporting of other funds within the MFS Funds complex).

\# This amount reflects the aggregate fees billed by E&Y for non-audit services rendered to the Fund and for non-audit services rendered to MFS and the MFS Related Entities.

1 The fees included under Audit-Related Fees are fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under Audit Fees, including accounting consultations, agreed-upon procedure reports, attestation reports, comfort letters and internal control reviews.

2 The fees included under Tax Fees are fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews and tax distribution and analysis.

3 The fees under All Other Fees are fees for products and services provided by E&Y other than those reported under Audit Fees, Audit-Related Fees and Tax Fees .

Item 4(e)(1):

Set forth below are the policies and procedures established by the Audit Committee of the Board of Trustees relating to the pre-approval of audit and non-audit related services:

To the extent required by applicable law, pre-approval by the Audit Committee of the Board is needed for all audit and permissible non-audit services rendered to the Fund and all permissible non-audit services rendered to MFS or MFS Related Entities if the services relate directly to the operations and financial reporting of the Registrant. Pre-approval is currently on an engagement-by-engagement basis. In the event pre-approval of such services is necessary between regular meetings of the Audit Committee and it is not practical to wait to seek pre-approval at the next regular meeting of the Audit Committee, pre-approval of such services may be referred to the Chair of the Audit Committee for approval; provided that the Chair may not pre-approve any individual engagement for such

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services exceeding $50,000 or multiple engagements for such services in the aggregate exceeding $100,000 between such regular meetings of the Audit Committee. Any engagement pre-approved by the Chair between regular meetings of the Audit Committee shall be presented for ratification by the entire Audit Committee at its next regularly scheduled meeting.

Item 4(e)(2):

None, or 0%, of the services relating to the Audit-Related Fees, Tax Fees and All Other Fees paid by the Fund and MFS and MFS Related Entities relating directly to the operations and financial reporting of the Registrant disclosed above were approved by the audit committee pursuant to paragraphs (c)(7)(i)(C) of Rule 2-01 of Regulation S-X (which permits audit committee approval after the start of the engagement with respect to services other than audit, review or attest services, if certain conditions are satisfied).

Item 4(f): Not applicable.

Item 4(h): The Registrant s Audit Committee has considered whether the provision by a Registrant s independent registered public accounting firm of non-audit services to MFS and MFS Related Entities that were not pre-approved by the Committee (because such services were provided prior to the effectiveness of SEC rules requiring pre-approval or because such services did not relate directly to the operations and financial reporting of the Registrant) was compatible with maintaining the independence of the independent registered public accounting firm as the Registrant s principal auditors.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The Registrant has an Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Messrs. Robert E. Butler, John P. Kavanaugh, and Robert W. Uek and Ms. Laurie J. Thomsen.

ITEM 6. SCHEDULE OF INVESTMENTS

A schedule of investments of the Registrant is included as part of the report to shareholders of the Registrant under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

MASSACHUSETTS FINANCIAL SERVICES COMPANY

PROXY VOTING POLICIES AND PROCEDURES

February 1, 2013

Massachusetts Financial Services Company, MFS Institutional Advisors, Inc., MFS International (UK) Limited, MFS Heritage Trust Company, McLean Budden Limited and MFS other subsidiaries that perform discretionary investment management activities (collectively, MFS) have adopted proxy voting policies

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and procedures, as set forth below (MFS Proxy Voting Policies and Procedures), with respect to securities owned by the clients for which MFS serves as investment adviser and has the power to vote proxies, including the pooled investment vehicles sponsored by MFS (the MFS Funds). References to clients in these policies and procedures include the MFS Funds and other clients of MFS, such as funds organized offshore, sub-advised funds and separate account clients, to the extent these clients have delegated to MFS the responsibility to vote proxies on their behalf under the MFS Proxy Voting Policies and Procedures.

The MFS Proxy Voting Policies and Procedures include:

A. Voting Guidelines;

B. Administrative Procedures;

C Records Retention; and

D. Reports.

A. VOTING GUIDELINES

1. General Policy; Potential Conflicts of Interest

MFS policy is that proxy voting decisions are made in what MFS believes to be the best long-term economic interests of MFS clients, and not in the interests of any other party or in MFS corporate interests, including interests such as the distribution of MFS Fund shares and institutional client relationships.

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

As a general matter, MFS votes consistently on similar proxy proposals across all shareholder meetings. However, some proxy proposals, such as certain excessive executive compensation, environmental, social and governance matters, are analyzed on a case-by-case basis in light of all the relevant facts and circumstances of the proposal. Therefore, MFS may vote similar proposals differently at different shareholder meetings based on the specific facts and circumstances of the issuer or the terms of the proposal. In addition, MFS also reserves the right to override the guidelines with respect to a particular proxy proposal when such an override is, in MFS best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS clients.

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MFS also generally votes consistently on the same matter when securities of an issuer are held by multiple client accounts, unless MFS has received explicit voting instructions to vote differently from a client for its own account. From time to time, MFS may also receive comments on the MFS Proxy Voting Policies and Procedures from its clients. These comments are carefully considered by MFS when it reviews these guidelines and revises them as appropriate.

These policies and procedures are intended to address any potential material conflicts of interest on the part of MFS or its subsidiaries that are likely to arise in connection with the voting of proxies on behalf of MFS clients. If such potential material conflicts of interest do arise, MFS will analyze, document and report on such potential material conflicts of interest (see Sections B.2 and D below), and shall ultimately vote the relevant proxies in what MFS believes to be the best long-term economic interests of its clients. The MFS Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential material conflicts of interest.

MFS is also a signatory to the United Nations Principles for Responsible Investment. In developing these guidelines, MFS considered environmental, social and corporate governance issues in light of MFS fiduciary obligation to vote proxies in the best long-term economic interest of its clients.

2. MFS Policy on Specific Issues
Election of Directors

MFS believes that good governance should be based on a board with at least a simple majority of directors who are independent of management, and whose key committees (e.g., compensation, nominating, and audit committees) consist entirely of independent directors. While MFS generally supports the board s nominees in uncontested or non-contentious elections, we will not support a nominee to a board of a U.S. issuer (or issuer listed on a U.S. exchange) if, as a result of such nominee being elected to the board, the board would consist of a simple majority of members who are not independent or, alternatively, the compensation, nominating (including instances in which the full board serves as the compensation or nominating committee) or audit committees would include members who are not independent.

MFS will also not support a nominee to a board if we can determine that he or she attended less than 75% of the board and/or relevant committee meetings in the previous year without a valid reason stated in the proxy materials or other company communications. In addition, MFS may not support some or all nominees standing for re-election to a board if we can determine: (1) the board or its compensation committee has re-priced or exchanged underwater stock options

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since the last annual meeting of shareholders and without shareholder approval; (2) the board or relevant committee has not taken adequately responsive action to an issue that received majority support or opposition from shareholders; (3) the board has implemented a poison pill without shareholder approval since the last annual meeting and such poison pill is not on the subsequent shareholder meeting s agenda, (including those related to net-operating loss carryforwards); or (4) there are governance concerns with a director or issuer.

MFS may not support certain board nominees of U.S. issuers under certain circumstances where MFS deems compensation to be egregious due to pay-for-performance issues and/or poor pay practices. Please see the section below titled MFS Policy on Specific Issues Advisory Votes on Executive Compensation for further details.

MFS evaluates a contested or contentious election of directors on a case-by-case basis considering the long-term financial performance of the company relative to its industry, management s track record, the qualifications of all nominees, and an evaluation of what each side is offering shareholders.

Majority Voting and Director Elections

MFS votes for reasonably crafted proposals calling for directors to be elected with an affirmative majority of votes cast and/or the elimination of the plurality standard for electing directors (including binding resolutions requesting that the board amend the company s bylaws), provided the proposal includes a carve-out for a plurality voting standard when there are more director nominees than board seats (*e.g.,* contested elections) (Majority Vote Proposals).

Classified Boards

MFS generally supports proposals to declassify a board (i.e.; a board in which only one-third of board members is elected each year) for all issuers other than for certain closed-end investment companies. MFS generally opposes proposals to classify a board for issuers other than for certain closed-end investment companies.

Proxy Access

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company s proxy statement (Proxy Access) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent s rationale for seeking Proxy Access.

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Stock Plans

MFS opposes stock option programs and restricted stock plans that provide unduly generous compensation for officers, directors or employees, or that could result in excessive dilution to other shareholders. As a general guideline, MFS votes against restricted stock, stock option, non-employee director, omnibus stock plans and any other stock plan if all such plans for a particular company involve potential dilution, in the aggregate, of more than 15%. However, MFS will also vote against stock plans that involve potential dilution, in aggregate, of more than 10% at U.S. issuers that are listed in the Standard and Poor s 100 index as of December 31 of the previous year. In the cases where a stock plan amendment is seeking qualitative changes and not additional shares, MFS will vote its shares on a case-by-case basis.

MFS also opposes stock option programs that allow the board or the compensation committee to re-price underwater options or to automatically replenish shares without shareholder approval. MFS also votes against stock option programs for officers, employees or non-employee directors that do not require an investment by the optionee, that give free rides on the stock price, or that permit grants of stock options with an exercise price below fair market value on the date the options are granted. MFS will consider proposals to exchange existing options for newly issued options, restricted stock or cash on a case-by-case basis, taking into account certain factors, including, but not limited to, whether there is a reasonable value-for-value exchange and whether senior executives are excluded from participating in the exchange.

MFS supports the use of a broad-based employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are acquired for no less than 85% of their market value and do not result in excessive dilution.

Shareholder Proposals on Executive Compensation

MFS believes that competitive compensation packages are necessary to attract, motivate and retain executives. However, MFS also recognizes that certain executive compensation practices can be excessive and not in the best, long-term economic interest of a company s shareholders. We believe that the election of an issuer s board of directors (as outlined above), votes on stock plans (as outlined above) and advisory votes on pay (as outlined below) are typically the most effective mechanisms to express our view on a company s compensation practices.

MFS generally opposes shareholder proposals that seek to set rigid restrictions on executive compensation as MFS believes that compensation committees should retain some flexibility to determine the appropriate pay package for executives. Although we support linking executive stock option grants to a

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company s performance, MFS also opposes shareholder proposals that mandate a link of performance-based pay to a specific metric. MFS generally supports reasonably crafted shareholder proposals that (i) require the issuer to adopt a policy to recover the portion of performance-based bonuses and awards paid to senior executives that were not earned based upon a significant negative restatement of earnings unless the company already has adopted a satisfactory policy on the matter, or (ii) expressly prohibit the backdating of stock options.

Advisory Votes on Executive Compensation

MFS will analyze advisory votes on executive compensation on a case-by-case basis. MFS will vote against an advisory vote on executive compensation if MFS determines that the issuer has adopted excessive executive compensation practices and will vote in favor of an advisory vote on executive compensation if MFS has not determined that the issuer has adopted excessive executive compensation practices. Examples of excessive executive compensation practices may include, but are not limited to, a pay-for-performance disconnect, employment contract terms such as guaranteed bonus provisions, unwarranted pension payouts, backdated stock options, overly generous hiring bonuses for chief executive officers, unnecessary perquisites, or the potential reimbursement of excise taxes to an executive in regards to a severance package. In cases where MFS (i) votes against consecutive advisory pay votes, or (ii) determines that a particularly egregious excessive executive compensation practice has occurred, then MFS may also vote against certain or all board nominees. MFS may also vote against certain or all board nominees if an advisory pay vote for a U.S. issuer is not on the agenda, or the company has not implemented the advisory vote frequency supported by a plurality/ majority of shareholders.

MFS generally supports proposals to include an advisory shareholder vote on an issuer s executive compensation practices on an annual basis.

Golden Parachutes

From time to time, MFS may evaluate a separate, advisory vote on severance packages or golden parachutes to certain executives at the same time as a vote on a proposed merger or acquisition. MFS will support an advisory vote on a severance package on a on a case-by-case basis, and MFS may vote against the severance package regardless of whether MFS supports the proposed merger or acquisition.

Shareholders of companies may also submit proxy proposals that would require shareholder approval of severance packages for executive officers that exceed certain predetermined thresholds. MFS votes in favor of such shareholder proposals when they would require shareholder approval of any severance package for an executive officer that exceeds a certain multiple of such officer s annual compensation that is not determined in MFS judgment to be excessive.

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Anti-Takeover Measures

In general, MFS votes against any measure that inhibits capital appreciation in a stock, including proposals that protect management from action by shareholders. These types of proposals take many forms, ranging from poison pills and shark repellents to super-majority requirements.

MFS generally votes for proposals to rescind existing poison pills and proposals that would require shareholder approval to adopt prospective poison pills, unless the company already has adopted a clearly satisfactory policy on the matter. MFS may consider the adoption of a prospective poison pill or the continuation of an existing poison pill if we can determine that the following two conditions are met: (1) the poison pill allows MFS clients to hold an aggregate position of up to 15% of a company s total voting securities (and of any class of voting securities); and (2) either (a) the poison pill has a term of not longer than five years, provided that MFS will consider voting in favor of the poison pill if the term does not exceed seven years and the poison pill is linked to a business strategy or purpose that MFS believes is likely to result in greater value for shareholders; or (b) the terms of the poison pill allow MFS clients the opportunity to accept a fairly structured and attractively priced tender offer (e.g. a chewable poison pill that automatically dissolves in the event of an all cash, all shares tender offer at a premium price). MFS will also consider on a case-by-case basis proposals designed to prevent tenders which are disadvantageous to shareholders such as tenders at below market prices and tenders for substantially less than all shares of an issuer.

MFS will consider any poison pills designed to protect a company s net-operating loss carryforwards on a case-by-case basis, weighing the accounting and tax benefits of such a pill against the risk of deterring future acquisition candidates.

Reincorporation and Reorganization Proposals

When presented with a proposal to reincorporate a company under the laws of a different state, or to effect some other type of corporate reorganization, MFS considers the underlying purpose and ultimate effect of such a proposal in determining whether or not to support such a measure. MFS generally votes with management in regards to these types of proposals, however, if MFS believes the proposal is in the best long-term economic interests of its clients, then MFS may vote against management (e.g. the intent or effect would be to create additional inappropriate impediments to possible acquisitions or takeovers).

Issuance of Stock

There are many legitimate reasons for the issuance of stock. Nevertheless, as noted above under Stock Plans, when a stock option plan (either individually or when aggregated with other plans of the same company) would substantially dilute the existing equity (e.g. by approximately 10-15% as described above), MFS

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generally votes against the plan. In addition, MFS typically votes against proposals where management is asking for authorization to issue common or preferred stock with no reason stated (a blank check) because the unexplained authorization could work as a potential anti-takeover device. MFS may also vote against the authorization or issuance of common or preferred stock if MFS determines that the requested authorization is excessive or not warranted.

Repurchase Programs

MFS supports proposals to institute share repurchase plans in which all shareholders have the opportunity to participate on an equal basis. Such plans may include a company acquiring its own shares on the open market, or a company making a tender offer to its own shareholders.

Cumulative Voting

MFS opposes proposals that seek to introduce cumulative voting and for proposals that seek to eliminate cumulative voting. In either case, MFS will consider whether cumulative voting is likely to enhance the interests of MFS clients as minority shareholders.

Written Consent and Special Meetings

The right to call a special meeting or act by written consent can be a powerful tool for shareholders. As such, MFS supports proposals requesting the right for shareholders who hold at least 10% of the issuer s outstanding stock to call a special meeting. MFS also supports proposals requesting the right for shareholders to act by written consent.

Independent Auditors

MFS believes that the appointment of auditors for U.S. issuers is best left to the board of directors of the company and therefore supports the ratification of the board s selection of an auditor for the company. Some shareholder groups have submitted proposals to limit the non-audit activities of a company s audit firm or prohibit *any* non-audit services by a company s auditors to that company. MFS opposes proposals recommending the prohibition or limitation of the performance of non-audit services by an auditor, and proposals recommending the removal of a company s auditor due to the performance of non-audit work for the company by its auditor. MFS believes that the board, or its audit committee, should have the discretion to hire the company s auditor for specific pieces of non-audit work in the limited situations permitted under current law.

Other Business

MFS generally votes against other business proposals as the content of any such matter is not known at the time of our vote.

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Adjourn Shareholder Meeting

MFS generally supports proposals to adjourn a shareholder meeting if we support the other ballot items on the meeting s agenda. MFS generally votes against proposals to adjourn a meeting if we do not support the other ballot items on the meeting s agenda.

Environmental, Social and Governance (ESG) Issues

MFS believes that a company s ESG practices may have an impact on the company s long-term economic financial performance and will generally support proposals relating to ESG issues that MFS believes are in the best long-term economic interest of the company s shareholders. For those ESG proposals for which a specific policy has not been adopted, MFS considers such ESG proposals on a case-by-case basis. As a result, it may vote similar proposals differently at various shareholder meetings based on the specific facts and circumstances of such proposal.

MFS generally supports proposals that seek to remove governance structures that insulate management from shareholders (*i.e.,* anti-takeover measures) or that seek to enhance shareholder rights. Many of these governance-related issues, including compensation issues, are outlined within the context of the above guidelines. In addition, MFS typically supports proposals that require an issuer to reimburse successful dissident shareholders (who are not seeking control of the company) for reasonable expenses that such dissident incurred in soliciting an alternative slate of director candidates. MFS also generally supports reasonably crafted shareholder proposals requesting increased disclosure around the company s use of collateral in derivatives trading. MFS typically does not support proposals to separate the chairman and CEO positions as we believe that the most beneficial leadership structure of a company should be determined by the company s board of directors. However, we will generally support such proposals if we determine there to be governance concerns at the issuer. For any governance-related proposal for which an explicit guideline is not provided above, MFS will consider such proposals on a case-by-case basis and will support such proposals if MFS believes that it is in the best long-term economic interest of the company s shareholders.

MFS generally supports proposals that request disclosure on the impact of environmental issues on the company s operations, sales, and capital investments. However, MFS may not support such proposals based on the facts and circumstances surrounding a specific proposal, including, but not limited to, whether (i) the proposal is unduly costly, restrictive, or burdensome, (ii) the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that environmental matters pose to the company s operations, sales and capital investments, or (iii) the proposal seeks a level of disclosure that exceeds that provided by the company s industry peers. MFS will analyze all other environmental proposals on a case-by-case basis and will support such proposals if MFS believes such proposal is in the best long-term economic interest of the company s shareholders.

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MFS will analyze social proposals on a case-by-case basis. MFS will support such proposals if MFS believes that such proposal is in the best long-term economic interest of the company s shareholders. Generally, MFS will support shareholder proposals that (i) seek to amend a company s equal employment opportunity policy to prohibit discrimination based on sexual orientation and gender identity; and (ii) request additional disclosure regarding a company s political contributions (including trade organizations and lobbying activity) (unless the company already provides publicly-available information that is sufficient to enable shareholders to evaluate the potential opportunities and risks that such contributions pose to the company s operations, sales and capital investments).

The laws of various states or countries may regulate how the interests of certain clients subject to those laws (e.g. state pension plans) are voted with respect to social issues. Thus, it may be necessary to cast ballots differently for certain clients than MFS might normally do for other clients.

Foreign Issuers

MFS generally supports the election of a director nominee standing for re-election in uncontested or non-contentious elections unless it can be determined that (1) he or she failed to attend at least 75% of the board and/or relevant committee meetings in the previous year without a valid reason given in the proxy materials; (2) since the last annual meeting of shareholders and without shareholder approval, the board or its compensation committee has re-priced underwater stock options; or (3) since the last annual meeting, the board has either implemented a poison pill without shareholder approval or has not taken responsive action to a majority shareholder approved resolution recommending that the poison pill be rescinded. Also, certain markets outside of the U.S. have adopted best practice guidelines relating to corporate governance matters (*e.g.* the United Kingdom s Corporate Governance Code). Many of these guidelines operate on a comply or explain basis. As such, MFS will evaluate any explanations by companies relating to their compliance with a particular corporate governance guideline on a case-by-case basis and may vote against the board nominees or other relevant ballot item if such explanation is not satisfactory.

MFS generally supports the election of auditors, but may determine to vote against the election of a statutory auditor in certain markets if MFS reasonably believes that the statutory auditor is not truly independent.

Some international markets have also adopted mandatory requirements for all companies to hold shareholder votes on executive compensation. MFS will not support such proposals if MFS determines that a company s executive compensation practices are excessive, considering such factors as the specific market s best practices that seek to maintain appropriate pay-for-performance alignment and to create long-term shareholder value.

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Many other items on foreign proxies involve repetitive, non-controversial matters that are mandated by local law. Accordingly, the items that are generally deemed routine and which do not require the exercise of judgment under these guidelines (and therefore voted with management) for foreign issuers include, but are not limited to, the following: (i) receiving financial statements or other reports from the board; (ii) approval of declarations of dividends; (iii) appointment of shareholders to sign board meeting minutes; (iv) discharge of management and supervisory boards; and (v) approval of share repurchase programs (absent any anti-takeover or other concerns). MFS will evaluate all other items on proxies for foreign companies in the context of the guidelines described above, but will generally vote against an item if there is not sufficient information disclosed in order to make an informed voting decision.

In accordance with local law or business practices, some foreign companies or custodians prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer s transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

In limited circumstances, other market specific impediments to voting shares may limit our ability to cast votes, including, but not limited to, late delivery of proxy materials, untimely vote cut-off dates, power of attorney and share re-registration requirements, or any other unusual voting requirements. In these limited instances, MFS votes securities on a best efforts basis in the context of the guidelines described above.

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B. ADMINISTRATIVE PROCEDURES

1. MFS Proxy Voting Committee

The administration of these MFS Proxy Voting Policies and Procedures is overseen by the MFS Proxy Voting Committee, which includes senior personnel from the MFS Legal and Global Investment Support Departments. The Proxy Voting Committee does not include individuals whose primary duties relate to client relationship management, marketing, or sales. The MFS Proxy Voting Committee:

a. Reviews these MFS Proxy Voting Policies and Procedures at least annually and recommends any amendments considered to be necessary or advisable;

b. Determines whether any potential material conflict of interest exists with respect to instances in which MFS (i) seeks to override these MFS Proxy Voting Policies and Procedures; (ii) votes on ballot items not governed by these MFS Proxy Voting Policies and Procedures; (iii) evaluates an excessive executive compensation issue in relation to the election of directors; or (iv) requests a vote recommendation from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); and

c. Considers special proxy issues as they may arise from time to time.

2. Potential Conflicts of Interest

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or its subsidiaries that could arise in connection with the voting of proxies on behalf of MFS clients. Due to the client focus of our investment management business, we believe that the potential for actual material conflict of interest issues is small. Nonetheless, we have developed precautions to assure that all proxy votes are cast in the best long-term economic interest of shareholders.[1] Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and MFS client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or its subsidiaries to unduly influence MFS voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

In cases where proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding these MFS Proxy Voting Policies and Procedures, (ii) matters presented for vote are not governed by these MFS Proxy Voting Policies and Procedures, (iii) MFS evaluates a potentially excessive executive compensation issue

[1] For clarification purposes, note that MFS votes in what we believe to be the best, long-term economic interest of our clients entitled to vote at the shareholder meeting, regardless of whether other MFS clients hold short positions in the same issuer.

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in relation to the election of directors or advisory pay or severance package vote, (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); or (v) MFS evaluates a director nominee who also serves as a director of the MFS Funds (collectively, Non-Standard Votes); the MFS Proxy Voting Committee will follow these procedures:

a. Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the MFS Significant Client List);

b. If the name of the issuer does not appear on the MFS Significant Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;

c. If the name of the issuer appears on the MFS Significant Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS clients, and not in MFS corporate interests; and

d. For all potential material conflicts of interest identified under clause (c) above, the MFS Proxy Voting Committee will document: the name of the issuer, the issuer s relationship to MFS, the analysis of the matters submitted for proxy vote, the votes as to be cast and the reasons why the MFS Proxy Voting Committee determined that the votes were cast in the best long-term economic interests of MFS clients, and not in MFS corporate interests. A copy of the foregoing documentation will be provided to MFS Conflicts Officer.

The members of the MFS Proxy Voting Committee are responsible for creating and maintaining the MFS Significant Client List, in consultation with MFS distribution and institutional business units. The MFS Significant Client List will be reviewed and updated periodically, as appropriate.

If an MFS client has the right to vote on a matter submitted to shareholders by Sun Life Financial, Inc. or any of its affiliates (collectively Sun Life), MFS will cast a vote on behalf of such MFS client pursuant to the recommendations of Institutional Shareholder Services, Inc. s (ISS) benchmark policy, or as required by law.

Except as described in the MFS Fund s prospectus, from time to time, certain MFS Funds (the top tier fund) may own shares of other MFS Funds (the underlying fund). If an underlying fund submits a matter to a shareholder vote, the top tier fund will generally vote its shares in the same proportion as the other shareholders of the underlying fund. If there are no other shareholders in the underlying fund, the top tier fund will vote in what MFS believes to be in the top tier fund s best long-term economic interest. If an MFS client has the right to vote on a matter submitted to shareholders by a pooled investment vehicle advised by MFS, MFS will cast a vote on behalf of such MFS client in the same proportion as the other shareholders of the pooled investment vehicle.

3. Gathering Proxies

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the shares beneficially owned by MFS clients, usually to the client s proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer s explanation of the items to be voted upon.

MFS, on behalf of itself and certain of its clients (including the MFS Funds) has entered into an agreement with an independent proxy administration firm pursuant to which the proxy administration firm performs various proxy vote related administrative services such as vote processing and recordkeeping functions. Except as noted below, the proxy administration firm for MFS and its clients, including the MFS Funds, is ISS. The proxy administration firm for MFS Development Funds, LLC is Glass, Lewis & Co., Inc. (Glass Lewis ; Glass Lewis and ISS are each hereinafter referred to as the Proxy Administrator).

The Proxy Administrator receives proxy statements and proxy ballots directly or indirectly from various custodians, logs these materials into its database and matches upcoming meetings with MFS Fund and client portfolio holdings, which are input into the Proxy Administrator s system by an MFS holdings data-feed. Through the use of the Proxy Administrator system, ballots and proxy material summaries for all upcoming shareholders meetings are available on-line to certain MFS employees and members of the MFS Proxy Voting Committee.

It is the responsibility of the Proxy Administrator and MFS to monitor the receipt of ballots. When proxy ballots and materials for clients are received by the Proxy Administrator, they are input into the Proxy Administrator s on-line system. The Proxy Administrator then reconciles a list of all MFS accounts that hold shares of a company s stock and the number of shares held on the record date by these accounts with the Proxy Administrator s list of any upcoming shareholder s meeting of that company. If a proxy ballot has not been received, the Proxy Administrator contacts the custodian requesting the reason as to why a ballot has not been received.

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4. Analyzing Proxies

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant consideration or (iii) circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will rely on research from Glass Lewis to identify such issues. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

As a general matter, portfolio managers and investment analysts have little involvement in most votes taken by MFS. This is designed to promote consistency in the application of MFS voting guidelines, to promote consistency in voting on the same or similar issues (for the same or for multiple issuers) across all client accounts, and to minimize the potential that proxy solicitors, issuers, or third parties might attempt to exert inappropriate influence on the vote. In limited types of votes (e.g. mergers and acquisitions, capitalization matters, potentially excessive executive compensation issues, or shareholder proposals relating to environmental and social issues), a representative of MFS Proxy Voting Committee may consult with or seek recommendations from MFS portfolio managers or investment analysts.[2] However, the MFS Proxy Voting Committee would ultimately determine the manner in which all proxies are voted.

As noted above, MFS reserves the right to override the guidelines when such an override is, in MFS best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS clients. Any such override of the guidelines shall be analyzed, documented and reported in accordance with the procedures set forth in these policies.

5. Voting Proxies

In accordance with its contract with MFS, the Proxy Administrator also generates a variety of reports for the MFS Proxy Voting Committee, and makes available on-line various other types of information so that the MFS Proxy Voting Committee or proxy team may review and monitor the votes cast by the Proxy Administrator on behalf of MFS clients.

2 From time to time, due to travel schedules and other commitments, an appropriate portfolio manager or research analyst may not be available to provide a vote recommendation. If such a recommendation cannot be obtained within a reasonable time prior to the cut-off date of the shareholder meeting, the MFS Proxy Voting Committee may determine to abstain from voting.

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6. *Securities Lending*

From time to time, the MFS Funds or other pooled investment vehicles sponsored by MFS may participate in a securities lending program. In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting s record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS will report to the appropriate board of the MFS Funds those instances in which MFS is not able to timely recall the loaned securities. MFS generally does not recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

7. Engagement

The MFS Proxy Voting Policies and Procedures are available on www.mfs.com and may be accessed by both MFS clients and the companies in which MFS clients invest. From time to time, MFS may determine that it is appropriate and beneficial for representatives from the MFS Proxy Voting Committee to engage in a dialogue or written communication with a company or other shareholders regarding certain matters on the company s proxy statement that are of concern to shareholders, including environmental, social and governance matters. A company or shareholder may also seek to engage with representatives of the MFS Proxy Voting Committee in advance of the company s formal proxy solicitation to review issues more generally or gauge support for certain contemplated proposals.

C. RECORDS RETENTION

MFS will retain copies of these MFS Proxy Voting Policies and Procedures in effect from time to time and will retain all proxy voting reports submitted to the Board of Trustees of the MFS Funds for the period required by applicable law. Proxy solicitation materials, including electronic versions of the proxy ballots completed by representatives of the MFS Proxy Voting Committee, together with their respective notes and comments, are maintained in an electronic format by the Proxy Administrator and are accessible on-line by the MFS Proxy Voting Committee. All proxy voting materials and supporting documentation, including records generated by the Proxy Administrator s system as to proxies processed, including the dates when proxy ballots were received and submitted, and the votes on each company s proxy issues, are retained as required by applicable law.

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D. REPORTS
MFS Funds

MFS publicly discloses the proxy voting records of the MFS Funds on an annual basis, as required by law. MFS will also report the results of its voting to the Board of Trustees of the MFS Funds. These reports will include: (i) a summary of how votes were cast (including advisory votes on pay and golden parachutes) ; (ii) a summary of votes against management s recommendation; (iii) a review of situations where MFS did not vote in accordance with the guidelines and the rationale therefore; (iv) a review of the procedures used by MFS to identify material conflicts of interest and any matters identified as a material conflict of interest; (v) a review of these policies and the guidelines; (vi) a review of our proxy engagement activity; (vii) a report and impact assessment of instances in which the recall of loaned securities of a U.S. issuer was unsuccessful; and (viii) as necessary or appropriate, any proposed modifications thereto to reflect new developments in corporate governance and other issues. Based on these reviews, the Trustees and Managers of the MFS Funds will consider possible modifications to these policies to the extent necessary or advisable.

All MFS Advisory Clients

MFS may publicly disclose the proxy voting records of certain clients or the votes it casts with respect to certain matters as required by law. At any time, a report can also be printed by MFS for each client who has requested that MFS furnish a record of votes cast. The report specifies the proxy issues which have been voted for the client during the year and the position taken with respect to each issue and, upon request, may identify situations where MFS did not vote in accordance with the MFS Proxy Voting Policies and Procedures.

Except as described above, MFS generally will not divulge actual voting practices to any party other than the client or its representatives because we consider that information to be confidential and proprietary to the client. However, as noted above, MFS may determine that it is appropriate and beneficial to engage in a dialogue with a company regarding certain matters. During such dialogue with the company, MFS may disclose the vote it intends to cast in order to potentially effect positive change at a company in regards to environmental, social or governance issues.

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ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.
Portfolio Manager(s)

Information regarding the portfolio manager(s) of the MFS Special Value Trust (the Fund) is set forth below. Each portfolio manager is primarily responsible for the day-to-day management of the Fund.

Portfolio Manager	Primary Role	Since	Title and Five Year History
William J. Adams	Lower Quality Debt Instruments Portfolio Manager	2011	Investment Officer of MFS; employed in the investment are of MFS since 2009; Credit Analyst at MFS from 1997 to 2005.
Ward Brown	Emerging Markets Debt Instruments Portfolio Manager	2012	Investment Officer of MFS; employed in the investment are of MFS since 2005
Nevin P. Chitkara	Equity Securities Portfolio Manager	2012	Investment Officer of MFS; employed in the investment are of MFS since 1997
David P. Cole	Lower Quality Debt Instruments Portfolio Manager	2006	Investment Officer of MFS; employed in the investment are of MFS since 2004
Matthew W. Ryan	Emerging Markets Debt Instruments Portfolio Manager	2012	Investment Officer of MFS; employed in the investment are of MFS since 1997

Compensation

Portfolio manager compensation is reviewed annually. As of December 31, 2012, portfolio manager total cash compensation is a combination of base salary and performance bonus:

Base Salary Base salary represents a smaller percentage of portfolio manager total cash compensation than performance bonus.

Performance Bonus Generally, the performance bonus represents more than a majority of portfolio manager total cash compensation.

The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter.

The quantitative portion is based on the pre-tax performance of assets managed by the portfolio manager over one-, three-, and five-year periods relative to peer group universes and/or indices (benchmarks). As of December 31, 2012, the following benchmarks were used to measure the following portfolio manager s performance for the following Fund:

Fund	Portfolio Manager	Benchmark(s)
MFS Special Value Trust	William J. Adams	Barclays U.S. High-Yield Corporate Bond Index
		JP Morgan Emerging Markets Bond Index Global
		Russell 1000 Value Index
	Ward Brown	JP Morgan Emerging Markets Board Index Global
	Nevin P. Chitkara	Russell 1000 Value Index
	David P. Cole	Barclays U.S. High-Yield Corporate Bond Index
		JP Morgan Emerging Markets Bond Index Global
		Russell 1000 Value Index

Matthew W. Ryan	JP Morgan Emerging Markets Board Index Global

Additional or different benchmarks, including versions of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Primary weight is given to portfolio performance over a three-year time period with lesser consideration given to portfolio performance over one- and five-year periods (adjusted as appropriate if the portfolio manager has served for less than five years).

The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management s assessment of overall portfolio manager contributions to investor relations and the investment process (distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the

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portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests and/or options to acquire equity interests in MFS or its parent company are awarded by management, on a discretionary basis, taking into account tenure at MFS, contribution to the investment process, and other factors.

Finally, portfolio managers also participate in benefit plans (including a defined contribution plan and health and other insurance plans) and programs available generally to other employees of MFS. The percentage such benefits represent of any portfolio manager s compensation depends upon the length of the individual s tenure at MFS and salary level, as well as other factors.

Ownership of Fund Shares

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund s portfolio manager(s) as of the Fund s fiscal year ended October 31, 2013. The following dollar ranges apply:

N. None

A. $1 $10,000

B. $10,001 $50,000

C. $50,001 $100,000

D. $100,001 $500,000

E. $500,001 $1,000,000

F. Over $1,000,000

Name of Portfolio Manager	Dollar Range of Equity Securities in Fund
William J. Adams	N
Ward Brown	N
Nevin P. Chitkara	N
David P. Cole	N
Matthew W. Ryan	N

Other Accounts

In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of October 31, 2013:

	Registered Investment Companies*		Other Pooled Investment Vehicles		Other Accounts	
Name	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets
William J. Adams	12	$7.5 billion	3	$1.3 billion	1	$102 million
Ward Brown	12	$12.1 billion	8	$4.1 billion	6	$3.4 billion
Nevin P. Chitkara	19	$56.0 billion	6	$4.7 billion	39	$14.9 billion
David P. Cole	12	$7.5 billion	1	$918 million	1	$102 million

Matthew W. Ryan	14	$12.9 billion	8	$4.1 billion	6	$3.4 billion

* Includes the Fund.

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Advisory fees are not based upon performance of any of the accounts identified in the table above.

Potential Conflicts of Interest

The Adviser seeks to identify potential conflicts of interest resulting from a portfolio manager s management of both the Fund and other accounts, and has adopted policies and procedures designed to address such potential conflicts.

The management of multiple funds and accounts (including proprietary accounts) gives rise to potential conflicts of interest if the funds and accounts have different objectives and strategies, benchmarks, time horizons and fees as a portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. In certain instances there are securities which are suitable for the Fund s portfolio as well as for accounts of the Adviser or its subsidiaries with similar investment objectives. The Fund s trade allocation policies may give rise to conflicts of interest if the Fund s orders do not get fully executed or are delayed in getting executed due to being aggregated with those of other accounts of the Adviser or its subsidiaries. A portfolio manager may execute transactions for another fund or account that may adversely affect the value of the Fund s investments. Investments selected for funds or accounts other than the Fund may outperform investments selected for the Fund.

When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed by the Adviser to be fair and equitable to each. It is recognized that in some cases this system could have a detrimental effect on the price or volume of the security as far as the Fund is concerned. In most cases, however, the Adviser believes that the Fund s ability to participate in volume transactions will produce better executions for the Fund.

The Adviser and/or a portfolio manager may have a financial incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor accounts other than the Fund, for instance, those that pay a higher advisory fee and/or have a performance adjustment and/or include an investment by the portfolio manager.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

MFS Special Value Trust

Period	(a) Total number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs
11/01/12-11/30/12	0	N/A	0	691,094
12/01/12-12/31/12	0	N/A	0	691,094
1/01/13-1/31/13	0	N/A	0	691,094
2/01/13-2/28/13	0	N/A	0	691,094
3/01/13-3/31/13	0	N/A	0	696,770
4/01/13-4/30/13	0	N/A	0	696,770
5/01/13-5/31/13	0	N/A	0	696,770
6/01/13-6/30/13	0	N/A	0	696,770
7/01/13-7/31/13	0	N/A	0	696,770
8/01/13-8/31/13	0	N/A	0	696,770
9/01/13-9/30/13	0	N/A	0	696,770
10/01/13-10/31/13	0	N/A	0	696,770

Total	***0***	***0***

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Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1st of each year. The programs conform to the conditions of Rule 10b-18 of the securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (March 1 through the following February 28) to 10% of the Registrant s outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2013 plan year is 696,770.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant s Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) Based upon their evaluation 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-CSR, 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 second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.

(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Code of Ethics attached hereto.

(2) 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.

(3) Notices to Trust s common shareholders in accordance with Investment Company Act Section 19(a) and Rule 19a-1.

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(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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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.

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SIGNATURES

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

Registrant MFS SPECIAL VALUE TRUST

By (Signature and Title)*	JOHN M. CORCORAN John M. Corcoran, President
Date: December 16, 2013	

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)*	JOHN M. CORCORAN John M. Corcoran, President (Principal Executive Officer)
Date: December 16, 2013	

By (Signature and Title)*	DAVID L. DILORENZO David L. DiLorenzo, Treasurer (Principal Financial Officer and Accounting Officer)
Date: December 16, 2013	

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