

MFS SPECIAL VALUE TRUST  
Form N-CSR  
December 20, 2018  
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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 811-05912

**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)

**Christopher R. Bohane**

**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, 2018

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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Annual Report

October 31, 2018

# 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 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 primary purpose of the managed distribution policy is to provide shareholders with a constant, but not guaranteed, fixed minimum rate of distribution each month. 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. The amendment or termination of the managed distribution policy could have an adverse effect on the market price of the fund's shares.

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. The amounts and sources of distributions reported in the notice to shareholders 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 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. Please refer to "Tax Matters and Distributions" under Note 2 of the Notes to Financial Statements for information regarding the tax character of the fund's distributions.

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. Any such returns of capital will decrease the fund's total assets and, therefore, could have the effect of increasing the fund's expense ratio. In addition, in order to make the level of distributions called for under its managed distribution policy, the fund may have to sell portfolio securities at a less than opportune time. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with "yield" or "income". The fund's total return in relation to changes in net asset value is presented in the Financial Highlights.

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**MFS® Special Value Trust**

New York Stock Exchange Symbol: **MFV**

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**NOT FDIC INSURED   MAY LOSE VALUE   NO BANK GUARANTEE**

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## **LETTER FROM THE EXECUTIVE CHAIRMAN**

Dear Shareholders:

Rising bond yields, international trade friction, and geopolitical uncertainty have contributed to an uptick in market volatility in recent quarters a departure from the

low-volatility environment that prevailed for much of 2017. Against this more challenging backdrop, equity markets in the United States have outperformed most international markets on a relative basis, though returns have been modest year to date on an absolute basis. Global economic growth has become less synchronized over the past few months, with Europe, China, and some emerging markets having shown signs of slowing growth while U.S. growth has remained above average.

Although the U.S. Federal Reserve continues to gradually raise interest rates and shrink its balance sheet, monetary policy remains fairly accommodative around the world, with many central banks taking only tentative steps toward tighter policies.

U.S. tax reforms adopted in late 2017 have been welcomed by equity markets while emerging market economies have recently had to contend with tighter financial conditions as a result of firmer U.S. Treasury yields and a stronger dollar. The split result of the U.S. midterm congressional elections suggests meaningful further U.S. fiscal stimulus is less likely than if the Republicans had maintained control of both houses of Congress. Globally, inflation remains largely subdued, but tight labor markets and moderate global demand have investors on the lookout for its potential reappearance. Increased U.S. protectionism is also a growing concern, as investors fear trade disputes could dampen business sentiment, leading to even slower global growth. While there has been progress on this front – NAFTA has been replaced with a new agreement between the U.S., Mexico, and Canada; the free trade pact with Korea has been updated; and a negotiating framework with the European Union has been agreed upon – tensions over trade with China remain quite high.

As a global investment manager with nearly a century of expertise, MFS® firmly believes active risk management offers downside mitigation and may help improve investment outcomes. We built our active investment platform with this belief in mind. Our long-term perspective influences nearly every aspect of our business, ensuring our investment decisions align with the investing time horizons of our clients.

Respectfully,

**Robert J. Manning**

Executive Chairman

MFS Investment Management

December 14, 2018

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

**Table of Contents****PORTFOLIO COMPOSITION****Portfolio structure (i)****Top ten holdings (i)**

|                      |      |
|----------------------|------|
| Citigroup, Inc.      | 2.4% |
| Comcast Corp., A     | 2.1% |
| JPMorgan Chase & Co. | 2.1% |
| NASDAQ, Inc.         | 1.9% |
| Aon PLC              | 1.8% |
| Sherwin-Williams Co. | 1.8% |
| U.S. Bancorp         | 1.8% |
| Johnson & Johnson    | 1.7% |
| Southern Co.         | 1.7% |
| Duke Energy Corp.    | 1.7% |

**Equity sectors**

|                             |       |
|-----------------------------|-------|
| Financial Services          | 12.6% |
| Health Care                 | 6.2%  |
| Special Products & Services | 4.0%  |
| Leisure                     | 3.5%  |
| Utilities & Communications  | 3.4%  |
| Consumer Staples            | 2.7%  |
| Autos & Housing             | 1.8%  |
| Basic Materials             | 1.5%  |
| Technology                  | 1.5%  |
| Energy                      | 0.9%  |
| Industrial Goods & Services | 0.8%  |

**Fixed income sectors (i)**

|                             |       |
|-----------------------------|-------|
| High Yield Corporates       | 53.4% |
| Emerging Markets Bonds      | 2.3%  |
| Investment Grade Corporates | 0.6%  |
| Floating Rate Loans         | 0.3%  |

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

|                         |       |
|-------------------------|-------|
| BBB                     | 0.8%  |
| BB                      | 25.6% |
| B                       | 24.2% |
| CCC                     | 5.6%  |
| CC                      | 0.1%  |
| D                       | 0.1%  |
| Not Rated               | 0.2%  |
| Non-Fixed Income        | 38.9% |
| Cash & Cash Equivalents | 4.5%  |
| Other (o)               | 0.0%  |

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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 and fixed income derivatives, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. The fund may or may not have held all of these instruments on this date. The fund is not rated by these agencies.
- (i) For purposes of this presentation, the components include the 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 value. The bond component will include any accrued interest amounts.
- (o) Less than 0.1%.

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

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and other assets and liabilities.

Other includes equivalent exposure from currency derivatives and/or any offsets to derivative positions.

Percentages are based on net assets as of October 31, 2018.

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. The fund s investment objective is to seek high current income, but may also consider capital appreciation. MFS normally invests the majority of the fund s assets in debt instruments, including below investment grade quality debt instruments. In addition, MFS normally invests a portion of the fund s assets in equity securities.

For the twelve months ended October 31, 2018, the fund provided a total return of 0.44%, at net asset value and a total return of 8.87%, at market value. This compares with a return of 0.98% for the fund s benchmark, the Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index ( Bloomberg Index ). The fund s other benchmark, the MFS Special Value Trust Blended Index ( Blended Index ), generated a return of 1.28%. 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.

**Annual Market Environment**

During the reporting period, the US Federal Reserve raised interest rates by 100 basis points, bringing the total number of rate hikes to eight since the central bank began to normalize monetary policy in late 2015. The growth rate in the US, eurozone and Japan remained above trend, although inflation remained contained, particularly outside the US. Late in the period, the European Central Bank announced that it would halt its asset purchase program at the end of 2018, but issued forward guidance that it does not expect to raise interest rates at least until after the summer of 2019. Both the Bank of England and the Bank of Canada raised rates several times during the period. The European political backdrop became a bit more volatile late in the period, spurred by concerns over cohesion in the eurozone after the election of an anti-establishment, Eurosceptic coalition government in Italy.

Bond yields rose in the US during the period, but remained low by historical standards, while yields in many developed markets fell. Outside of emerging markets, where spreads and currencies came under pressure, credit spreads remained quite tight, particularly in US high yield corporates. Growing concern over increasing global trade friction appeared to have weighed on business sentiment during the period s second half, especially outside the US. Tighter financial conditions from rising US rates and a strong dollar, combined with trade uncertainty, helped expose structural weaknesses in several emerging markets in the second half of the period.

Volatility increased at the end of the period amid signs of slowing global economic growth and increasing trade tensions, which prompted a market setback shortly after US markets set record highs in September. It was the second such equity market

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### *Management Review continued*

decline during the reporting period. The correction came despite a third consecutive quarter of strong growth in US earnings per share. Strong earnings growth, combined with the market decline, brought US equity valuations down from elevated levels, earlier in the period, to multiples more in line with long-term averages. While the US economy maintained its strength, global economic growth became less synchronized during the period, with Europe and China showing signs of a modest slowdown and some emerging markets coming under stress.

### **Detractors from Performance**

Within the equity portion of the fund, stock selection in the *energy* sector detracted from performance relative to the equity portion of the Blended Index. Within this sector, the fund's overweight position in oil field services company Schlumberger hurt relative returns as the company's stock price declined over concerns of slowing international growth and a drop in energy commodity prices.

Elsewhere, overweight positions in automotive components supplier Johnson Controls<sup>(b)</sup>, diversified financial services firm Citigroup, chemical company PPG Industries, tobacco company Philip Morris International, investment management company Blackrock and consumer credit reporting agency Equifax further weakened relative results. Additionally, not holding network equipment company Cisco Systems and pharmaceutical companies Pfizer and Merck dampened relative returns

Within the fixed income portion of the fund, the fund's allocation to cash and/or cash equivalents (which are not represented in the benchmark) held back performance relative to the Bloomberg Index. Additionally, the fund's lesser exposure to both C and CCC<sup>(r)</sup> rated securities further dampened relative results as these quality segments performed well over the reporting period. Lastly, bond selection in both B and CCC rated securities, and within the *communications*, *energy* and *consumer non-cyclicals* sectors, also weighed on relative returns.

### **Contributors to Performance**

Within the equity portion of the fund, stock selection in the *financial services* sector contributed to performance relative to the equity portion of the Blended Index. Within this sector, an overweight position in securities exchange services provider NASDAQ, as well as holding shares of risk management and human capital consulting services provider Aon<sup>(b)</sup>, benefited relative returns. The share price of NASDAQ rose throughout the period as strong organic growth and cost controls helped drive solid corporate earnings.

Stocks in other sectors that supported relative results included not holding shares of poor-performing diversified industrial conglomerate General Electric and specialty material, chemicals and agriculture products developer DowDuPont, as well as the fund's overweight positions in shares of life sciences supply company Thermo Fisher Scientific, retail electric services provider Southern Company, medical device maker Medtronic and cable services provider Comcast. Holding shares of management consulting firm Accenture<sup>(b)</sup> and financial technology services provider Fiserv<sup>(b)</sup> also aided relative returns.

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*Management Review continued*

Within the fixed income portion of the fund, the fund's shorter duration<sup>(d)</sup> stance supported results relative to the Bloomberg Index as rates rose during the reporting period.

Respectfully,

Portfolio Manager(s)

Ward Brown, Nevin Chitkara, David Cole, Matt Ryan, and Michael Skatrud

(b) Security is not a benchmark constituent.

(d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value.

(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 source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using 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). For securities which are not rated by any of the three agencies, the security is considered Not Rated.

*Note to Shareholders: Effective March 1, 2018, Michael Skatrud became a Portfolio Manager of the Fund. Effective September 1, 2018, William Adams is no longer a Portfolio Manager of the Fund.*

The views expressed in this report are those of the portfolio manager(s) 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 10/31/18**

The following chart presents 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**

|          |                               | Date                | Price  |
|----------|-------------------------------|---------------------|--------|
|          | Net Asset Value               | 10/31/18            | \$5.43 |
|          |                               | 10/31/17            | \$6.03 |
|          | New York Stock Exchange Price | 10/31/18            | \$5.49 |
| Year     |                               | 11/13/17 (high) (t) | \$6.80 |
| Ended    |                               | 10/30/18 (low) (t)  | \$5.37 |
| 10/31/18 |                               | 10/31/17            | \$6.66 |

**Total Returns vs Benchmark(s)**

|            |  |         |
|------------|--|---------|
|            | MFS Special Value Trust at   |         |
|            | New York Stock Exchange Price (r)  | (8.87)% |
|            | Net Asset Value (r)  | (0.44)% |
|            | Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f) | 0.98%   |
|            | MFS Special Value Trust Blended Index (f)(w)                                 | 1.28%   |
| Year Ended | JPMorgan Emerging Markets Bond Index Global (f)                              | (5.27)% |
| 10/31/18   | Russell 1000® Value Index (f)  | 3.03%   |

(f) Source: FactSet Research Systems Inc.

(r) Includes reinvestment of all distributions.

(t) For the period November 1, 2017 through October 31, 2018.

(w) As of October 31, 2018, the MFS Special Value Trust Blended Index was comprised of 57.50% Bloomberg 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 Definition(s)**

Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index a component of the Bloomberg Barclays 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. The Russell 1000® Value Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company.

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. 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 concurrent liquidation.

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.

**Table of Contents****PORTFOLIO MANAGERS PROFILES**

| <b>Portfolio Manager</b> | <b>Primary Role</b>  | <b>Since</b> | <b>Title and Five Year History</b>   |
|--------------------------|--|--------------|--|
| Ward Brown               | Emerging Markets<br>Debt Instruments<br>Portfolio Manager          | 2012         | Investment Officer of MFS; employed in the investment management area of MFS since 2005. |
| Nevin Chitkara           | Equity Securities<br>Portfolio Manager                             | 2012         | Investment Officer of MFS; employed in the investment management area of MFS since 1997. |
| David Cole               | Below Investment<br>Grade Debt<br>Instruments<br>Portfolio Manager | 2006         | Investment Officer of MFS; employed in the investment management area of MFS since 2004. |
| Matt Ryan                | Emerging Markets<br>Debt Instruments<br>Portfolio Manager          | 2012         | Investment Officer of MFS; employed in the investment management area of MFS since 1997. |
| Michael Skatrud          | Below Investment<br>Grade Debt<br>Instruments<br>Portfolio Manager | 2018         | Investment Officer of MFS; employed in the investment management area of MFS since 2013. |

*Note to Shareholders: Effective March 1, 2018, Michael Skatrud became a Portfolio Manager of the Fund. Effective September 1, 2018, William Adams is longer a Portfolio Manager of the Fund.*

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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.

If your shares are held directly with the Plan Agent, you may withdraw from the Plan at any time by going to the Plan Agent's website at [www.computershare.com/investor](http://www.computershare.com/investor), 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/investor](http://www.computershare.com/investor), or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

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10/31/18

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

| <b>Bonds - 55.4%</b>   |                   |                   |
|--|-------------------|-------------------|
| <b>Issuer</b>  | <b>Shares/Par</b> | <b>Value (\$)</b> |
| <b>Aerospace - 0.9%</b>  |                   |                   |
| Dae Funding LLC, 5%, 8/01/2024 (n)                                   | \$ 175,000        | \$ 170,625        |
| TransDigm, Inc., 6.5%, 7/15/2024                                     | 125,000           | 126,355           |
| TransDigm, Inc., 6.375%, 6/15/2026                                   | 50,000            | 49,000            |
|  |                   | \$ 345,980        |
| <b>Broadcasting - 1.8%</b>   |                   |                   |
| Liberty Media Corp. - Liberty Formula One, 8.5%, 7/15/2029           | \$ 110,000        | \$ 116,050        |
| Liberty Media Corp. - Liberty Formula One, 8.25%, 2/01/2030          | 50,000            | 52,250            |
| Match Group, Inc., 6.375%, 6/01/2024                                 | 105,000           | 109,069           |
| Meredith Corp., 6.875%, 2/01/2026 (n)                                | 75,000            | 75,000            |
| Netflix, Inc., 5.875%, 2/15/2025                                     | 85,000            | 86,390            |
| Netflix, Inc., 4.875%, 4/15/2028 (n)                                 | 25,000            | 22,937            |
| Netflix, Inc., 5.875%, 11/15/2028 (n)                                | 115,000           | 112,987           |
| WMG Acquisition Corp., 5%, 8/01/2023 (n)                             | 30,000            | 29,625            |
| WMG Acquisition Corp., 4.875%, 11/01/2024 (n)                        | 95,000            | 92,625            |
| WMG Acquisition Corp., 5.5%, 4/15/2026 (n)                           | 15,000            | 14,625            |
|  |                   | \$ 711,558        |
| <b>Building - 2.1%</b>   |                   |                   |
| ABC Supply Co., Inc., 5.75%, 12/15/2023 (n)                          | \$ 125,000        | \$ 123,437        |
| ABC Supply Co., Inc., 5.875%, 5/15/2026 (n)                          | 65,000            | 63,050            |
| Beacon Escrow Corp., 4.875%, 11/01/2025 (n)                          | 105,000           | 94,238            |
| New Enterprise Stone & Lime Co., Inc., 10.125%, 4/01/2022 (n)        | 90,000            | 94,050            |
| New Enterprise Stone & Lime Co., Inc., 6.25%, 3/15/2026 (n)          | 110,000           | 107,250           |
| PGT Escrow Issuer, Inc., 6.75%, 8/01/2026 (n)                        | 42,000            | 43,260            |
| PriSo Acquisition Corp., 9%, 5/15/2023 (n)                           | 44,000            | 45,100            |
| Standard Industries, Inc., 5.375%, 11/15/2024 (n)                    | 95,000            | 91,200            |
| Standard Industries, Inc., 6%, 10/15/2025 (n)                        | 65,000            | 63,944            |
| Summit Materials LLC/Summit Materials Finance Co., 6.125%, 7/15/2023 | 105,000           | 101,587           |
|  |                   | \$ 827,116        |
| <b>Business Services - 2.3%</b>                                      |                   |                   |
| Alliance Data Systems Corp., 5.875%, 11/01/2021 (n)                  | \$ 40,000         | \$ 40,692         |
| Ascend Learning LLC, 6.875%, 8/01/2025 (n)                           | 70,000            | 69,650            |
| CDK Global, Inc., 4.875%, 6/01/2027                                  | 125,000           | 117,031           |
| Equinix, Inc., 5.375%, 4/01/2023                                     | 35,000            | 35,525            |
| Equinix, Inc., 5.75%, 1/01/2025                                      | 55,000            | 56,031            |
| Equinix, Inc., 5.875%, 1/15/2026                                     | 60,000            | 61,050            |

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**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>  | <b>Shares/Par</b> | <b>Value (\$)</b> |
|--|-------------------|-------------------|
| <b>Bonds - continued</b>   |                   |                   |
| <b>Business Services - continued</b>                                       |                   |                   |
| Financial & Risk U.S. Holdings, Inc., 8.25%, 11/15/2026 (n)                | \$ 95,000         | \$ 92,387         |
| First Data Corp., 5%, 1/15/2024 (n)  | 190,000           | 187,625           |
| MSCI, Inc., 4.75%, 8/01/2026 (n)   | 90,000            | 86,850            |
| Travelport Worldwide Ltd., 6%, 3/15/2026 (n)                               | 90,000            | 90,225            |
| Verscend Escrow Corp., 9.75%, 8/15/2026 (z)                                | 45,000            | 45,113            |
|  |                   | \$ 882,179        |
| <b>Cable TV - 3.7%</b>   |                   |                   |
| Alice Financing S.A., 6.625%, 2/15/2023 (n)                                | \$ 200,000        | \$ 197,960        |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/2024              | 185,000           | 186,850           |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.375%, 5/01/2025 (n)         | 25,000            | 24,469            |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 2/15/2026 (n)          | 175,000           | 173,250           |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.875%, 5/01/2027 (n)         | 70,000            | 68,775            |
| DISH DBS Corp., 5%, 3/15/2023  | 60,000            | 52,500            |
| DISH DBS Corp., 5.875%, 11/15/2024   | 45,000            | 38,250            |
| Intelsat Connect Finance, 9.5%, 2/15/2023 (n)                              | 30,000            | 28,800            |
| Intelsat Jackson Holdings S.A., 5.5%, 8/01/2023                            | 130,000           | 116,350           |
| Sirius XM Radio, Inc., 4.625%, 5/15/2023 (n)                               | 85,000            | 82,663            |
| Sirius XM Radio, Inc., 6%, 7/15/2024 (n)                                   | 60,000            | 61,338            |
| Sirius XM Radio, Inc., 5.375%, 4/15/2025 (n)                               | 45,000            | 44,578            |
| Unitymedia KabelBW GmbH, 6.125%, 1/15/2025 (n)                             | 200,000           | 205,500           |
| Videotron Ltd., 5.375%, 6/15/2024 (n)                                      | 25,000            | 24,969            |
| Videotron Ltd., 5.125%, 4/15/2027 (n)                                      | 155,000           | 146,862           |
|  |                   | \$ 1,453,114      |
| <b>Chemicals - 1.4%</b>  |                   |                   |
| Axalta Coating Systems Co., 4.875%, 8/15/2024 (n)                          | \$ 150,000        | \$ 141,562        |
| OCI N.V., 6.625%, 4/15/2023 (n)  | 200,000           | 205,000           |
| PolyOne Corp., 5.25%, 3/15/2023  | 90,000            | 90,000            |
| Starfruit Finance Co./Starfruit U.S. Holding Co. LLC, 6.5%, 10/01/2026 (n) | EUR 100,000       | 110,694           |
|  |                   | \$ 547,256        |
| <b>Computer Software - 0.3%</b>  |                   |                   |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp., 5.875%, 6/15/2021 (n)     | \$ 85,000         | \$ 86,171         |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp., 6.02%, 6/15/2026 (n)      | 45,000            | 46,631            |
|  |                   | \$ 132,802        |
| <b>Computer Software - Systems - 0.8%</b>                                  |                   |                   |
| CDW LLC/CDW Finance Corp., 5%, 9/01/2025                                   | \$ 25,000         | \$ 24,375         |
| Fair Isaac Corp., 5.25%, 5/15/2026 (n)                                     | 95,000            | 93,694            |

**Table of Contents***Portfolio of Investments continued*

| Issuer  | Shares/Par | Value (\$) |
|---|------------|------------|
| <b>Bonds - continued</b>  |            |            |
| <b>Computer Software - Systems - continued</b>                            |            |            |
| JDA Software Group, Inc., 7.375%, 10/15/2024 (n)                          | \$ 70,000  | \$ 71,750  |
| Sabre GLBL, Inc., 5.375%, 4/15/2023 (n)                                   | 135,000    | 135,000    |
|   |            | \$ 324,819 |
| <b>Conglomerates - 2.0%</b>   |            |            |
| Amsted Industries Co., 5%, 3/15/2022 (n)                                  | \$ 135,000 | \$ 132,469 |
| BWX Technologies, Inc., 5.375%, 7/15/2026 (n)                             | 100,000    | 100,250    |
| EnerSys, 5%, 4/30/2023 (n)  | 155,000    | 153,062    |
| Entegris, Inc., 4.625%, 2/10/2026 (n)                                     | 145,000    | 134,714    |
| Gates Global LLC, 6%, 7/15/2022 (n)                                       | 48,000     | 47,760     |
| Stevens Holding Co., Inc., 6.125%, 10/01/2026 (n)                         | 90,000     | 89,673     |
| TriMas Corp., 4.875%, 10/15/2025 (n)                                      | 120,000    | 113,440    |
|   |            | \$ 771,368 |
| <b>Construction - 0.7%</b>  |            |            |
| Empresas ICA S.A.B. de C.V., 8.9%, 2/04/2021 (a)(d)                       | \$ 125,000 | \$ 18,750  |
| Mattamy Group Corp., 6.5%, 10/01/2025 (n)                                 | 150,000    | 141,000    |
| Toll Brothers Finance Corp., 4.875%, 11/15/2025                           | 30,000     | 28,350     |
| Toll Brothers Finance Corp., 4.35%, 2/15/2028                             | 95,000     | 83,837     |
|   |            | \$ 271,937 |
| <b>Consumer Products - 1.2%</b>   |            |            |
| Coty, Inc., 6.5%, 4/15/2026 (n)   | \$ 155,000 | \$ 144,537 |
| Energizer Gamma Acquisition, Inc., 6.375%, 7/15/2026 (n)                  | 85,000     | 85,000     |
| Prestige Brands, Inc., 6.375%, 3/01/2024 (n)                              | 110,000    | 108,625    |
| Spectrum Brands, Inc., 6.125%, 12/15/2024                                 | 10,000     | 9,950      |
| Spectrum Brands, Inc., 5.75%, 7/15/2025                                   | 105,000    | 102,113    |
|   |            | \$ 450,225 |
| <b>Consumer Services - 0.9%</b>   |            |            |
| Frontdoor, Inc., 6.75%, 8/15/2026 (n)                                     | \$ 65,000  | \$ 66,300  |
| Matthews International Corp., 5.25%, 12/01/2025 (n)                       | 120,000    | 112,500    |
| NVA Holdings, Inc., 6.875%, 4/01/2026 (n)                                 | 70,000     | 69,125     |
| ServiceMaster Co. LLC, 5.125%, 11/15/2024 (n)                             | 105,000    | 101,062    |
|   |            | \$ 348,987 |
| <b>Containers - 2.8%</b>  |            |            |
| ARD Securities Finance, 8.75%, (8.75% cash or 8.75% PIK) 1/31/2023 (p)(z) | \$ 200,000 | \$ 187,528 |
| Berry Global Group, Inc., 5.5%, 5/15/2022                                 | 125,000    | 125,000    |
| Berry Global Group, Inc., 6%, 10/15/2022                                  | 30,000     | 30,637     |
| Crown Americas LLC/Crown Americas Capital Corp., 4.75%, 2/01/2026 (n)     | 40,000     | 37,750     |

**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>  | <b>Shares/Par</b> | <b>Value (\$)</b> |
|--|-------------------|-------------------|
| <b>Bonds - continued</b>   |                   |                   |
| <b>Containers - continued</b>  |                   |                   |
| Crown Americas LLC/Crown Americas Capital Corp. V, 4.25%, 9/30/2026                  | \$ 55,000         | \$ 49,912         |
| Flex Acquisition Co., Inc., 6.875%, 1/15/2025 (n)                                    | 85,000            | 79,475            |
| Multi-Color Corp., 6.125%, 12/01/2022 (n)  | 123,000           | 124,384           |
| Reynolds Group, 5.75%, 10/15/2020  | 48,456            | 48,455            |
| Reynolds Group, 5.125%, 7/15/2023 (n)  | 70,000            | 68,425            |
| Sealed Air Corp., 4.875%, 12/01/2022 (n)   | 115,000           | 113,850           |
| Sealed Air Corp., 5.125%, 12/01/2024 (n)   | 25,000            | 24,313            |
| Sealed Air Corp., 5.5%, 9/15/2025 (n)  | 25,000            | 24,688            |
| Silgan Holdings, Inc., 4.75%, 3/15/2025  | 85,000            | 80,644            |
| W/S Packaging Group, Inc., 9%, 4/15/2023 (n)   | 70,000            | 71,400            |
|  |                   | \$ 1,066,461      |
| <b>Electrical Equipment - 0.4%</b>   |                   |                   |
| CommScope Technologies LLC, 5%, 3/15/2027 (n)  | \$ 185,000        | \$ 165,144        |
| <b>Electronics - 0.6%</b>  |                   |                   |
| Qorvo, Inc., 5.5%, 7/15/2026 (n)   | \$ 80,000         | \$ 80,200         |
| Sensata Technologies B.V., 5.625%, 11/01/2024 (n)                                    | 40,000            | 39,800            |
| Sensata Technologies B.V., 5%, 10/01/2025 (n)  | 130,000           | 125,450           |
|  |                   | \$ 245,450        |
| <b>Emerging Market Sovereign - 0.7%</b>  |                   |                   |
| Republic of Ecuador, 10.5%, 3/24/2020 (n)  | \$ 200,000        | \$ 205,000        |
| Republic of Venezuela, 7%, 3/31/2038 (a)(d)  | 203,000           | 49,329            |
|  |                   | \$ 254,329        |
| <b>Energy - Independent - 3.5%</b>   |                   |                   |
| Afren PLC, 11.5%, 2/01/2016 (a)(d)(z)  | \$ 195,167        | \$ 488            |
| Alta Mesa Holdings LP/Alta Mesa Finance Services Corp., 7.875%, 12/15/2024           | 145,000           | 129,413           |
| Callon Petroleum Co., 6.375%, 7/01/2026  | 100,000           | 99,250            |
| CrownRock LP/CrownRock Finance, Inc., 5.625%, 10/15/2025 (n)                         | 150,000           | 142,687           |
| Diamondback Energy, Inc., 5.375%, 5/31/2025  | 160,000           | 159,200           |
| Gulfport Energy Corp., 6%, 10/15/2024  | 85,000            | 79,475            |
| Gulfport Energy Corp., 6.375%, 5/15/2025   | 35,000            | 33,250            |
| Indigo Natural Resources LLC, 6.875%, 2/15/2026 (n)                                  | 95,000            | 89,775            |
| Magnolia Oil & Gas Operating LLC/Magnolia Oil & Gas Finance Corp., 6%, 8/01/2026 (n) | 100,000           | 98,750            |
| Oasis Petroleum, Inc., 6.25%, 5/01/2026 (n)  | 80,000            | 78,600            |
| Parsley Energy LLC/Parsley Finance Corp., 5.25%, 8/15/2025 (n)                       | 25,000            | 24,156            |
| Parsley Energy LLC/Parsley Finance Corp., 5.625%, 10/15/2027 (n)                     | 145,000           | 142,937           |
| PDC Energy, Inc., 6.125%, 9/15/2024  | 18,000            | 17,190            |

**Table of Contents***Portfolio of Investments continued*

| Issuer  | Shares/Par | Value (\$)   |
|---|------------|--------------|
| <b>Bonds - continued</b>                                      |            |              |
| Energy - Independent - continued                              |            |              |
| QEP Resources, Inc., 5.25%, 5/01/2023                         | \$ 120,000 | \$ 114,900   |
| Sanchez Energy Corp., 6.125%, 1/15/2023                       | 65,000     | 24,050       |
| SM Energy Co., 6.75%, 9/15/2026                               | 135,000    | 135,337      |
|   |            | \$ 1,369,458 |
| Entertainment - 0.9%  |            |              |
| Cinemark USA, Inc., 5.125%, 12/15/2022                        | \$ 50,000  | \$ 50,125    |
| Cinemark USA, Inc., 4.875%, 6/01/2023                         | 35,000     | 34,169       |
| Live Nation Entertainment, Inc., 5.625%, 3/15/2026 (n)        | 105,000    | 104,737      |
| Six Flags Entertainment Corp., 4.875%, 7/31/2024 (n)          | 165,000    | 155,925      |
|   |            | \$ 344,956   |
| Financial Institutions - 0.8%                                 |            |              |
| Avolon Holdings Funding Ltd., 5.125%, 10/01/2023              | \$ 60,000  | \$ 58,875    |
| Navient Corp., 7.25%, 1/25/2022                               | 35,000     | 36,400       |
| Navient Corp., 7.25%, 9/25/2023                               | 75,000     | 77,625       |
| Park Aerospace Holdings Ltd., 5.5%, 2/15/2024 (n)             | 150,000    | 148,537      |
|   |            | \$ 321,437   |
| Food & Beverages - 2.0%                                       |            |              |
| Aramark Services, Inc., 4.75%, 6/01/2026                      | \$ 80,000  | \$ 76,200    |
| Aramark Services, Inc., 5%, 2/01/2028 (n)                     | 60,000     | 56,925       |
| Cott Holdings, Inc., 5.5%, 4/01/2025 (n)                      | 155,000    | 147,637      |
| JBS USA LLC/JBS USA Finance, Inc., 6.75%, 2/15/2028 (n)       | 30,000     | 28,913       |
| JBS USA Lux S.A./JBS USA Finance, Inc., 5.875%, 7/15/2024 (n) | 150,000    | 147,225      |
| Lamb Weston Holdings, Inc., 4.625%, 11/01/2024 (n)            | 65,000     | 63,666       |
| Lamb Weston Holdings, Inc., 4.875%, 11/01/2026 (n)            | 40,000     | 38,600       |
| Pilgrim s Pride Corp., 5.875%, 9/30/2027 (n)                  | 120,000    | 108,600      |
| U.S. Foods Holding Corp., 5.875%, 6/15/2024 (n)               | 110,000    | 108,900      |
|   |            | \$ 776,666   |
| Gaming & Lodging - 2.4%                                       |            |              |
| CCM Merger, Inc., 6%, 3/15/2022 (n)                           | \$ 85,000  | \$ 86,487    |
| GLP Capital LP/GLP Financing II, Inc., 5.375%, 11/01/2023     | 55,000     | 56,426       |
| GLP Capital LP/GLP Financing II, Inc., 5.25%, 6/01/2025       | 75,000     | 75,376       |
| GLP Capital LP/GLP Financing II, Inc., 5.375%, 4/15/2026      | 10,000     | 9,937        |
| Hilton Domestic Operating Co., Inc., 5.125%, 5/01/2026 (n)    | 90,000     | 87,975       |
| Hilton Worldwide Finance LLC, 4.625%, 4/01/2025               | 105,000    | 101,850      |
| Marriot Ownership Resorts, Inc., 5.625%, 4/15/2023 (z)        | 90,000     | 90,225       |
| MGM Resorts International, 6.625%, 12/15/2021                 | 45,000     | 47,124       |
| MGM Resorts International, 6%, 3/15/2023                      | 45,000     | 45,675       |
| MGM Resorts International, 5.75%, 6/15/2025                   | 90,000     | 87,525       |
| Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2021       | 105,000    | 104,869      |

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*Portfolio of Investments continued*

| Issuer   | Shares/Par | Value (\$)   |
|--|------------|--------------|
| <b>Bonds - continued</b>                                     |            |              |
| <b>Gaming &amp; Lodging - continued</b>                      |            |              |
| Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2023      | \$ 50,000  | \$ 49,500    |
| Wyndham Hotels Group, LLC, 5.375%, 4/15/2026 (n)             | 95,000     | 92,150       |
|  |            | \$ 935,119   |
| <b>Industrial - 0.6%</b>                                     |            |              |
| Cleaver Brooks, Inc., 7.875%, 3/01/2023 (n)                  | \$ 115,000 | \$ 115,575   |
| KAR Auction Services, Inc., 5.125%, 6/01/2025 (n)            | 120,000    | 112,800      |
|  |            | \$ 228,375   |
| <b>Insurance - 0.3%</b>                                      |            |              |
| AssuredPartners Inc., 7%, 8/15/2025 (n)                      | \$ 120,000 | \$ 118,050   |
| <b>Insurance - Health - 0.5%</b>                             |            |              |
| Centene Corp., 6.125%, 2/15/2024                             | \$ 55,000  | \$ 57,475    |
| Centene Corp., 5.375%, 6/01/2026 (n)                         | 125,000    | 126,875      |
|  |            | \$ 184,350   |
| <b>Insurance - Property &amp; Casualty - 0.5%</b>            |            |              |
| Hub International Ltd., 7%, 5/01/2026 (n)                    | \$ 80,000  | \$ 78,080    |
| Wand Merger Corp., 8.125%, 7/15/2023 (n)                     | 105,000    | 106,838      |
|  |            | \$ 184,918   |
| <b>Medical &amp; Health Technology &amp; Services - 3.5%</b> |            |              |
| Avantor, Inc., 9%, 10/01/2025 (n)                            | \$ 70,000  | \$ 70,587    |
| DaVita, Inc., 5.052%, 5/01/2025                              | 65,000     | 61,425       |
| Encompass Health Corp., 5.75%, 9/15/2025                     | 40,000     | 39,600       |
| HCA, Inc., 7.5%, 2/15/2022                                   | 135,000    | 146,475      |
| HCA, Inc., 5%, 3/15/2024                                     | 85,000     | 86,009       |
| HCA, Inc., 5.375%, 2/01/2025                                 | 120,000    | 120,750      |
| HCA, Inc., 5.875%, 2/15/2026                                 | 35,000     | 35,787       |
| HealthSouth Corp., 5.125%, 3/15/2023                         | 105,000    | 105,000      |
| Heartland Dental, LLC, 8.5%, 5/01/2026 (n)                   | 75,000     | 71,437       |
| Polaris, 8.5%, (8.5% cash or 8.5% PIK) 12/01/2022 (n)(p)     | 125,000    | 128,125      |
| Tenet Healthcare Corp., 8.125%, 4/01/2022                    | 140,000    | 145,775      |
| Tenet Healthcare Corp., 6.75%, 6/15/2023                     | 85,000     | 84,469       |
| Universal Health Services, Inc., 7.625%, 8/15/2020           | 155,000    | 155,194      |
| West Street Merger Sub, Inc., 6.375%, 9/01/2025 (n)          | 120,000    | 112,500      |
|  |            | \$ 1,363,133 |
| <b>Medical Equipment - 0.4%</b>                              |            |              |
| Teleflex, Inc., 5.25%, 6/15/2024                             | \$ 80,000  | \$ 80,800    |
| Teleflex, Inc., 4.875%, 6/01/2026                            | 30,000     | 29,250       |
| Teleflex, Inc., 4.625%, 11/15/2027                           | 45,000     | 41,963       |
|  |            | \$ 152,013   |

**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>  | <b>Shares/Par</b> | <b>Value (\$)</b> |
|--|-------------------|-------------------|
| <b>Bonds - continued</b>   |                   |                   |
| <b>Metals &amp; Mining - 3.7%</b>  |                   |                   |
| Baffinland Iron Mines Corp./Baffinland Iron Mines LP, 8.75%, 7/15/2026 (n)       | \$ 85,000         | \$ 85,637         |
| First Quantum Minerals Ltd., 7.25%, 4/01/2023 (n)                                | 200,000           | 184,750           |
| Freeport-McMoRan Copper & Gold, Inc., 5.4%, 11/14/2034                           | 110,000           | 96,250            |
| Freeport-McMoRan, Inc., 6.875%, 2/15/2023  | 198,000           | 207,355           |
| Kaiser Aluminum Corp., 5.875%, 5/15/2024   | 155,000           | 155,194           |
| Kinross Gold Corp., 5.95%, 3/15/2024   | 17,000            | 17,383            |
| Kinross Gold Corp., 4.5%, 7/15/2027  | 13,000            | 11,635            |
| Lundin Mining Corp., 7.875%, 11/01/2022 (n)                                      | 85,000            | 88,536            |
| Northwest Acquisitions ULC/Dominion Finco, Inc., 7.125%, 11/01/2022 (n)          | 155,000           | 156,062           |
| Novelis Corp., 5.875%, 9/30/2026 (n)   | 185,000           | 174,362           |
| Petra Diamonds U.S. Treasury PLC, 7.25%, 5/01/2022 (n)                           | 200,000           | 192,000           |
| TMS International Corp., 7.25%, 8/15/2025 (n)                                    | 75,000            | 74,625            |
|  |                   | \$ 1,443,789      |
| <b>Midstream - 3.1%</b>  |                   |                   |
| Blue Racer Midstream LLC/Blue Racer Finance Corp., 6.125%, 11/15/2022 (n)        | \$ 65,000         | \$ 66,300         |
| Blue Racer Midstream LLC/Blue Racer Finance Corp., 6.625%, 7/15/2026 (n)         | 90,000            | 91,350            |
| Cheniere Energy, Inc., 5.875%, 3/31/2025   | 75,000            | 77,250            |
| DCP Midstream Operating LP, 4.95%, 4/01/2022                                     | 43,000            | 43,215            |
| DCP Midstream Operating LP, 3.875%, 3/15/2023                                    | 85,000            | 81,600            |
| DCP Midstream Operating LP, 5.375%, 7/15/2025 (n)                                | 55,000            | 55,773            |
| DCP Midstream Operating LP, 5.6%, 4/01/2044                                      | 45,000            | 40,725            |
| Energy Transfer Equity LP, 5.875%, 1/15/2024                                     | 115,000           | 120,894           |
| EnLink Midstream Partners LP, 4.4%, 4/01/2024                                    | 95,000            | 91,545            |
| Tallgrass Energy LP, 5.5%, 1/15/2028 (n)   | 210,000           | 207,598           |
| Targa Resources Partners LP/Targa Resources Finance Corp, 5.375%, 2/01/2027      | 200,000           | 194,500           |
| Targa Resources Partners LP/Targa Resources Finance Corp., 5.25%, 5/01/2023      | 75,000            | 74,812            |
| Targa Resources Partners LP/Targa Resources Finance Corp., 5.125%, 2/01/2025 (n) | 40,000            | 38,900            |
|  |                   | \$ 1,184,462      |
| <b>Network &amp; Telecom - 0.4%</b>  |                   |                   |
| Zayo Group LLC/Zayo Capital, Inc., 6.375%, 5/15/2025                             | \$ 60,000         | \$ 61,350         |
| Zayo Group LLC/Zayo Capital, Inc., 5.75%, 1/15/2027 (n)                          | 110,000           | 107,822           |
|  |                   | \$ 169,172        |

**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>   | <b>Shares/Par</b> | <b>Value (\$)</b> |
|---|-------------------|-------------------|
| <b>Bonds - continued</b>  |                   |                   |
| <b>Oil Services - 1.0%</b>  |                   |                   |
| Apergy Corp, 6.375%, 5/01/2026 (n)  | \$ 120,000        | \$ 121,500        |
| Bristow Group, Inc., 6.25%, 10/15/2022  | 165,000           | 121,275           |
| Diamond Offshore Drill Co., 7.875%, 8/15/2025   | 45,000            | 44,325            |
| Diamond Offshore Drill Co., 5.7%, 10/15/2039  | 140,000           | 105,700           |
|   |                   | \$ 392,800        |
| <b>Oils - 0.5%</b>  |                   |                   |
| Parkland Fuel Corp., 6%, 4/01/2026 (n)  | \$ 180,000        | \$ 175,950        |
| <b>Pharmaceuticals - 0.7%</b>   |                   |                   |
| Mallinckrodt International Finance S.A., 5.75%, 8/01/2022 (n)                         | \$ 85,000         | \$ 75,862         |
| Mallinckrodt International Finance S.A., 5.625%, 10/15/2023 (n)                       | 30,000            | 25,725            |
| Valeant Pharmaceuticals International, Inc., 5.5%, 3/01/2023 (n)                      | 90,000            | 85,275            |
| Valeant Pharmaceuticals International, Inc., 6.125%, 4/15/2025 (n)                    | 80,000            | 73,576            |
|   |                   | \$ 260,438        |
| <b>Precious Metals &amp; Minerals - 0.2%</b>  |                   |                   |
| Teck Resources Ltd., 6%, 8/15/2040  | \$ 15,000         | \$ 14,663         |
| Teck Resources Ltd., 6.25%, 7/15/2041   | 80,000            | 79,800            |
|   |                   | \$ 94,463         |
| <b>Printing &amp; Publishing - 0.2%</b>   |                   |                   |
| Nielsen Co. Lux S.A.R.L., 5%, 2/01/2025 (n)   | \$ 10,000         | \$ 9,722          |
| Nielsen Finance LLC, 5%, 4/15/2022 (n)  | 71,000            | 69,136            |
|   |                   | \$ 78,858         |
| <b>Real Estate - Healthcare - 0.5%</b>  |                   |                   |
| MPT Operating Partnership LP/MPT Financial Co., REIT, 5.25%, 8/01/2026                | \$ 100,000        | \$ 96,500         |
| MPT Operating Partnership LP/MPT Financial Co., REIT, 5%, 10/15/2027                  | 120,000           | 112,764           |
|   |                   | \$ 209,264        |
| <b>Real Estate - Other - 0.5%</b>   |                   |                   |
| CyrusOne LP/CyrusOne Finance Corp., REIT, 5%, 3/15/2024                               | \$ 120,000        | \$ 120,000        |
| CyrusOne LP/CyrusOne Finance Corp., REIT, 5.375%, 3/15/2027                           | 60,000            | 59,550            |
|   |                   | \$ 179,550        |
| <b>Restaurants - 0.4%</b>   |                   |                   |
| Golden Nugget, Inc., 6.75%, 10/15/2024 (n)  | \$ 50,000         | \$ 49,875         |
| KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, 5.25%, 6/01/2026 (n) | 115,000           | 112,988           |
|   |                   | \$ 162,863        |

**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>   | <b>Shares/Par</b> | <b>Value (\$)</b> |
|---|-------------------|-------------------|
| <b>Bonds - continued</b>  |                   |                   |
| <b>Retailers - 0.6%</b>   |                   |                   |
| DriveTime Automotive Group, Inc./DT Acceptance Corp., 8%, 6/01/2021 (n)                       | \$ 75,000         | \$ 76,875         |
| Hanesbrands, Inc., 4.625%, 5/15/2024 (n)  | 25,000            | 23,938            |
| Hanesbrands, Inc., 4.875%, 5/15/2026 (n)  | 130,000           | 123,175           |
|   |                   | \$ 223,988        |
| <b>Specialty Chemicals - 0.5%</b>   |                   |                   |
| Univar USA, Inc., 6.75%, 7/15/2023 (n)  | \$ 180,000        | \$ 184,950        |
| <b>Specialty Stores - 0.2%</b>  |                   |                   |
| Penske Automotive Group Co., 5.375%, 12/01/2024   | \$ 15,000         | \$ 14,569         |
| Penske Automotive Group Co., 5.5%, 5/15/2026  | 55,000            | 52,250            |
|   |                   | \$ 66,819         |
| <b>Supermarkets - 0.2%</b>  |                   |                   |
| Albertsons Cos. LLC/Safeway Co., 6.625%, 6/15/2024  | \$ 90,000         | \$ 85,050         |
| <b>Telecommunications - Wireless - 2.6%</b>   |                   |                   |
| Altice Luxembourg S.A., 7.625%, 2/15/2025 (n)   | \$ 200,000        | \$ 170,500        |
| SBA Communications Corp., 4%, 10/01/2022  | 120,000           | 114,900           |
| SBA Communications Corp., 4.875%, 9/01/2024   | 50,000            | 48,250            |
| Sprint Corp., 7.875%, 9/15/2023   | 140,000           | 149,450           |
| Sprint Corp., 7.125%, 6/15/2024   | 125,000           | 127,813           |
| Sprint Nextel Corp., 6%, 11/15/2022   | 145,000           | 146,359           |
| T-Mobile USA, Inc., 6.5%, 1/15/2024   | 75,000            | 77,625            |
| T-Mobile USA, Inc., 5.125%, 4/15/2025   | 60,000            | 59,100            |
| T-Mobile USA, Inc., 6.5%, 1/15/2026   | 70,000            | 73,675            |
| T-Mobile USA, Inc., 5.375%, 4/15/2027   | 50,000            | 48,875            |
|   |                   | \$ 1,016,547      |
| <b>Telephone Services - 0.4%</b>  |                   |                   |
| Level 3 Financing, Inc., 5.375%, 1/15/2024  | \$ 50,000         | \$ 49,500         |
| Level 3 Financing, Inc., 5.375%, 5/01/2025  | 100,000           | 97,625            |
|   |                   | \$ 147,125        |
| <b>Transportation - Services - 0.1%</b>   |                   |                   |
| Navios South American Logistics, Inc./Navios Logistics Finance (U.S.), Inc., 7.25%, 5/01/2022 | \$ 50,000         | \$ 46,500         |
| <b>Utilities - Electric Power - 1.6%</b>  |                   |                   |
| Clearway Energy Operating LLC, 5.75%, 10/15/2025 (n)  | \$ 110,000        | \$ 108,350        |
| Covanta Holding Corp., 6.375%, 10/01/2022   | 35,000            | 35,744            |
| Covanta Holding Corp., 5.875%, 3/01/2024  | 135,000           | 134,662           |



**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>                                      | <b>Shares/Par</b> | <b>Value (\$)</b>    |
|--|-------------------|----------------------|
| <b>Bonds - continued</b>                           |                   |                      |
| Utilities - Electric Power - continued             |                   |                      |
| Covanta Holding Corp., 5.875%, 7/01/2025           | \$ 50,000         | \$ 48,500            |
| Covanta Holding Corp., 6%, 1/01/2027               | 150,000           | 144,750              |
| NextEra Energy Operating Co., 4.25%, 9/15/2024 (n) | 105,000           | 99,750               |
| Pattern Energy Group, Inc., 5.875%, 2/01/2024 (n)  | 58,000            | 57,420               |
|  |                   | \$ 629,176           |
| <b>Total Bonds (Identified Cost, \$22,490,705)</b> |                   | <b>\$ 21,528,964</b> |
| <b>Common Stocks - 38.9%</b>                       |                   |                      |
| Brokerage & Asset Managers - 3.0%                  |                   |                      |
| BlackRock, Inc.                                    | 1,006             | \$ 413,888           |
| NASDAQ, Inc.                                       | 8,432             | 731,139              |
|  |                   | \$ 1,145,027         |
| Business Services - 4.0%                           |                   |                      |
| Accenture PLC, A                                   | 4,026             | \$ 634,578           |
| Equifax, Inc.                                      | 4,160             | 421,991              |
| Fiserv, Inc. (a)                                   | 6,351             | 503,634              |
|  |                   | \$ 1,560,203         |
| Cable TV - 2.2%                                    |                   |                      |
| Comcast Corp., A                                   | 21,825            | \$ 832,405           |
| Chemicals - 1.5%                                   |                   |                      |
| PPG Industries, Inc.                               | 5,685             | \$ 597,437           |
| Construction - 1.8%                                |                   |                      |
| Sherwin-Williams Co.                               | 1,801             | \$ 708,639           |
| Electronics - 1.5%                                 |                   |                      |
| Texas Instruments, Inc.                            | 6,272             | \$ 582,230           |
| Food & Beverages - 1.4%                            |                   |                      |
| Nestle S.A., ADR                                   | 6,555             | \$ 552,455           |
| Insurance - 3.4%                                   |                   |                      |
| Aon PLC  | 4,570             | \$ 713,743           |
| Travelers Cos., Inc.                               | 4,769             | 596,745              |
|  |                   | \$ 1,310,488         |
| Machinery & Tools - 0.8%                           |                   |                      |
| Illinois Tool Works, Inc.                          | 2,515             | \$ 320,839           |

**Table of Contents***Portfolio of Investments continued*

| <b>Issuer</b>  | <b>Shares/Par</b> | <b>Value (\$)</b>    |
|--|-------------------|----------------------|
| <b>Common Stocks - continued</b>                                 |                   |                      |
| <b>Major Banks - 2.1%</b>  |                   |                      |
| JPMorgan Chase & Co.   | 7,614             | \$ 830,078           |
| <b>Medical Equipment - 4.4%</b>                                  |                   |                      |
| Danaher Corp.  | 5,178             | \$ 514,693           |
| Medtronic PLC  | 6,720             | 603,591              |
| Thermo Fisher Scientific, Inc.                                   | 2,554             | 596,742              |
|  |                   | \$ 1,715,026         |
| <b>Oil Services - 0.9%</b>                                       |                   |                      |
| LTRI Holdings LP (a)(u)  | 60                | \$ 53,365            |
| Schlumberger Ltd.  | 5,976             | 306,629              |
|  |                   | \$ 359,994           |
| <b>Other Banks &amp; Diversified Financials - 4.2%</b>           |                   |                      |
| Citigroup, Inc.  | 14,160            | \$ 926,914           |
| U.S. Bancorp   | 13,175            | 688,657              |
|  |                   | \$ 1,615,571         |
| <b>Pharmaceuticals - 1.7%</b>                                    |                   |                      |
| Johnson & Johnson  | 4,833             | \$ 676,572           |
| <b>Printing &amp; Publishing - 1.3%</b>                          |                   |                      |
| Moody's Corp.  | 3,571             | \$ 519,509           |
| <b>Tobacco - 1.3%</b>  |                   |                      |
| Philip Morris International, Inc.                                | 5,495             | \$ 483,945           |
| <b>Utilities - Electric Power - 3.4%</b>                         |                   |                      |
| Duke Energy Corp.  | 7,783             | \$ 643,109           |
| Southern Co.   | 14,708            | 662,301              |
|  |                   | \$ 1,305,410         |
| <b>Total Common Stocks (Identified Cost, \$10,316,985)</b>       |                   | <b>\$ 15,115,828</b> |
| <b>Floating Rate Loans (r) - 0.3%</b>                            |                   |                      |
| <b>Consumer Products - 0.1%</b>                                  |                   |                      |
| Spectrum Brands, Inc., Term Loan B, 4.354%, 6/23/2022            | \$ 30,128         | \$ 30,135            |
| <b>Medical &amp; Health Technology &amp; Services - 0.2%</b>     |                   |                      |
| DaVita HealthCare Partners, Inc., Term Loan B, 5.052%, 6/24/2021 | \$ 74,447         | \$ 74,505            |
| <b>Total Floating Rate Loans (Identified Cost, \$104,449)</b>    |                   | <b>\$ 104,640</b>    |

**Table of Contents***Portfolio of Investments continued*

| <b>Warrants - 0.0%</b>  |                     |                       |                   |                      |
|---|---------------------|-----------------------|-------------------|----------------------|
| <b>Issuer</b>   | <b>Strike Price</b> | <b>First Exercise</b> | <b>Shares/Par</b> | <b>Value (\$)</b>    |
| Forest & Paper Products - 0.0%  |                     |                       |                   |                      |
| Appvion Holdings Corp. - Tranche A<br>(1 share for 1 warrant) (a)                     | \$ 27.17            | 8/24/18               | 40                | \$ 360               |
| Appvion Holdings Corp. - Tranche B<br>(1 share for 1 warrant) (a)                     | 31.25               | 8/24/18               | 40                | 300                  |
| <b>Total Warrants (Identified Cost, \$0)</b>  |                     |                       |                   | <b>\$ 660</b>        |
| <b>Investment Companies (h) - 4.7%</b>  |                     |                       |                   |                      |
| Money Market Funds - 4.7%   |                     |                       |                   |                      |
| MFS Institutional Money Market Portfolio, 2.21% (v)<br>(Identified Cost, \$1,805,326) |                     |                       | 1,805,596         | \$ 1,805,415         |
| <b>Other Assets, Less Liabilities - 0.7%</b>  |                     |                       |                   | 278,642              |
| <b>Net Assets - 100.0%</b>  |                     |                       |                   | <b>\$ 38,834,149</b> |

(a) Non-income producing security.

(d) In default.

(h) An affiliated issuer, which 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. At period end, the aggregate values of the fund's investments in affiliated issuers and in unaffiliated issuers were \$1,805,415 and \$36,750,092, respectively.

(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 \$12,682,775, representing 32.7% of net assets.

(p) Payment-in-kind (PIK) security for which interest income may be received in additional securities and/or cash.

(r) The remaining maturities of floating rate loans may be less than the 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. The interest rate shown represents the weighted average of the floating interest rates on settled contracts within the loan facility at period end, unless otherwise indicated. The floating interest rates on settled contracts are determined periodically by reference to a base lending rate and a spread.

(u) The security was valued using significant unobservable inputs and is considered level 3 under the fair value hierarchy. For further information about the fund's level 3 holdings, please see Note 2 in the Notes to Financial Statements.

(v) Affiliated issuer 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.

**Table of Contents***Portfolio of Investments continued*

(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:

| <b>Restricted Securities</b>                                       | <b>Acquisition Date</b> | <b>Cost</b> | <b>Value</b>     |
|--|-------------------------|-------------|------------------|
| Afren PLC, 11.5%, 2/01/2016  | 2/11/11                 | \$193,132   | \$488            |
| ARD Securities Finance, 8.75%, (8.75% cash or 8.75% PIK) 1/31/2023 | 9/20/18                 | 198,162     | 187,528          |
| Marriot Ownership Resorts, Inc., 5.625%, 4/15/2023                 | 8/30/18                 | 90,536      | 90,225           |
| Verscend Escrow Corp., 9.75%, 8/15/2026                            | 10/05/18-10/25/18       | 45,698      | 45,113           |
| <b>Total Restricted Securities</b>                                 |                         |             | <b>\$323,354</b> |
| % of Net assets  |                         |             | 0.8%             |

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

ADR American Depositary Receipt  
 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 10/31/18****Forward Foreign Currency Exchange Contracts**

| <b>Currency Purchased</b> | <b>Currency Sold</b> | <b>Counterparty</b>         | <b>Settlement Date</b> | <b>Unrealized Appreciation (Depreciation)</b> |
|---------------------------|----------------------|-----------------------------|------------------------|---|
| <b>Asset Derivatives</b>  |                      |                             |                        |   |
| USD 116,838               | EUR 100,000          | Goldman Sachs International | 1/11/2019              | \$2,824                                       |

See Notes to Financial Statements

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

At 10/31/18

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

|  |              |
|--|--------------|
| <b>Assets</b>  |              |
| Investments in unaffiliated issuers, at value (identified cost, \$32,912,139)                                | \$36,750,092 |
| Investments in affiliated issuers, at value (identified cost, \$1,805,326)                                   | 1,805,415    |
| Cash   | 948          |
| Receivables for  |              |
| Forward foreign currency exchange contracts  | 2,824        |
| Investments sold   | 33,991       |
| Interest and dividends   | 339,443      |
| Other assets   | 3,982        |
| Total assets   | \$38,936,695 |
| <b>Liabilities</b>   |              |
| Payable to affiliates  |              |
| Investment adviser   | \$2,014      |
| Transfer agent and dividend disbursing costs   | 225          |
| Payable for independent Trustees' compensation   | 7,926        |
| Accrued expenses and other liabilities   | 92,381       |
| Total liabilities  | \$102,546    |
| Net assets   | \$38,834,149 |
| <b>Net assets consist of</b>   |              |
| Paid-in capital  | \$35,159,030 |
| Total distributable earnings (loss)  | 3,675,119    |
| Net assets   | \$38,834,149 |
| Shares of beneficial interest outstanding  | 7,149,072    |
| Net asset value per share (net assets of \$38,834,149 / 7,149,072 shares of beneficial interest outstanding) | \$5.43       |
| <b>See Notes to Financial Statements</b>   |              |

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

Year ended 10/31/18

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.

|   |               |
|---|---------------|
| <b>Net investment income (loss)</b>                         |               |
| Income  |               |
| Interest  | \$1,323,758   |
| Dividends   | 346,241       |
| Dividends from affiliated issuers                           | 38,750        |
| Other   | 4,148         |
| Foreign taxes withheld                                      | (2,466)       |
| Total investment income                                     | \$1,710,431   |
| Expenses  |               |
| Management fee  | \$339,734     |
| Transfer agent and dividend disbursing costs                | 16,427        |
| Administrative services fee                                 | 17,500        |
| Independent Trustees' compensation                          | 10,882        |
| Stock exchange fee  | 23,796        |
| Custodian fee   | 5,470         |
| Shareholder communications                                  | 50,915        |
| Audit and tax fees  | 74,738        |
| Legal fees  | 1,500         |
| Miscellaneous   | 32,656        |
| Total expenses  | \$573,618     |
| Net investment income (loss)                                | \$1,136,813   |
| <b>Realized and unrealized gain (loss)</b>                  |               |
| Realized gain (loss) (identified cost basis)                |               |
| Unaffiliated issuers  | \$917,547     |
| Affiliated issuers  | (138)         |
| Forward foreign currency exchange contracts                 | 1,795         |
| Foreign currency  | 184           |
| Net realized gain (loss)                                    | \$919,388     |
| Change in unrealized appreciation or depreciation           |               |
| Unaffiliated issuers  | \$(2,154,233) |
| Affiliated issuers  | (101)         |
| Forward foreign currency exchange contracts                 | 2,824         |
| Translation of assets and liabilities in foreign currencies | (9)           |
| Net unrealized gain (loss)                                  | \$(2,151,519) |
| Net realized and unrealized gain (loss)                     | \$(1,232,131) |
| Change in net assets from operations                        | \$(95,318)    |

**See Notes to Financial Statements**

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

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

|   | <b>Year ended</b> |                 |
|---|-------------------|-----------------|
|   | <b>10/31/18</b>   | <b>10/31/17</b> |
| <b>Change in net assets</b>                         |                   |                 |
| <b>From operations</b>                              |                   |                 |
| Net investment income (loss)                        | \$1,136,813       | \$1,427,526     |
| Net realized gain (loss)                            | 919,388           | 1,095,303       |
| Net unrealized gain (loss)                          | (2,151,519)       | 2,578,328       |
| Change in net assets from operations                | \$(95,318)        | \$5,101,157     |
| Distributions to shareholders (a)                   | \$(2,074,125)     | \$(1,520,530)   |
| Tax return of capital distributions to shareholders | \$(2,074,137)     | \$(2,735,959)   |
| Change in net assets from fund share transactions   | \$235,740         | \$147,832       |
| Total change in net assets                          | \$(4,007,840)     | \$992,500       |
| <b>Net assets</b>                                   |                   |                 |
| At beginning of period                              | 42,841,989        | 41,849,489      |
| At end of period (b)                                | \$38,834,149      | \$42,841,989    |

(a) Distributions from net investment income and from net realized gain are no longer required to be separately disclosed. See Note 2. For the year ended October 31, 2017, distributions from net investment income were \$1,520,530.

(b) Parenthetical disclosure of accumulated distributions in excess of net investment income is no longer required. See Note 2. For the year ended October 31, 2017, end of period net assets included accumulated distributions in excess of net investment income of \$77,222.

**See Notes to Financial Statements**

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

The financial highlights table is intended to help you understand the fund's financial performance for the past 5 years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate that 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.

|  | <b>Year ended</b> |                 |                 |                 |                 |
|--|-------------------|-----------------|-----------------|-----------------|-----------------|
|  | <b>10/31/18</b>   | <b>10/31/17</b> | <b>10/31/16</b> | <b>10/31/15</b> | <b>10/31/14</b> |
| Net asset value, beginning of period               | \$6.03            | \$5.91          | \$6.09          | \$6.78          | \$7.05          |
| <b>Income (loss) from investment operations</b>    |                   |                 |                 |                 |                 |
| Net investment income (loss) (d)                   | \$0.16            | \$0.20(c)       | \$0.23          | \$0.25          | \$0.28          |
| Net realized and unrealized gain (loss)            | (0.18)            | 0.52            | 0.18            | (0.29)          | 0.15            |
| Total from investment operations                   | \$(0.02)          | \$0.72          | \$0.41          | \$(0.04)        | \$0.43          |
| <b>Less distributions declared to shareholders</b> |                   |                 |                 |                 |                 |
| From net investment income                         | \$(0.18)          | \$(0.21)        | \$(0.24)        | \$(0.32)        | \$(0.42)        |
| From net realized gain                             | (0.11)            |                 |                 |                 |                 |
| From tax return of capital                         | (0.29)            | (0.39)          | (0.35)          | (0.33)          | (0.28)          |
| Total distributions declared to shareholders       | \$(0.58)          | \$(0.60)        | \$(0.59)        | \$(0.65)        | \$(0.70)        |
| Net increase from repurchase of capital shares     | \$                | \$0.00(w)       | \$              | \$              | \$              |
| Net asset value, end of period (x)                 | \$5.43            | \$6.03          | \$5.91          | \$6.09          | \$6.78          |
| Market value, end of period                        | \$5.49            | \$6.66          | \$5.50          | \$5.53          | \$7.59          |
| Total return at market value (%)                   | (8.87)            | 33.86           | 10.75           | (19.11)         | 14.73           |
| Total return at net asset value (%) (j)(r)(s)(x)   | (0.44)            | 12.79(c)        | 8.07            | (0.28)          | 5.97            |
| <b>Ratios (%) (to average net assets)</b>          |                   |                 |                 |                 |                 |
| <b>and Supplemental data:</b>                      |                   |                 |                 |                 |                 |
| Expenses before expense reductions (f)             | 1.39              | 1.23(c)         | 1.42            | 1.41            | 1.35            |
| Expenses after expense reductions (f)              | N/A               | N/A             | N/A             | N/A             | 1.35            |
| Net investment income (loss)                       | 2.76              | 3.35(c)         | 3.88            | 3.80            | 4.05            |
| Portfolio turnover                                 | 33                | 35              | 26              | 29              | 39              |
| Net assets at end of period (000 omitted)          | \$38,834          | \$42,842        | \$41,849        | \$43,126        | \$47,904        |

**See Notes to Financial Statements**



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*Financial Highlights continued*

- (c) Amount reflects a one-time reimbursement of expenses by the custodian (or former custodian) without which net investment income and performance would be lower and expenses would be higher.
- (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.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values and total returns at net asset value have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

**See Notes to Financial Statements**

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**NOTES TO FINANCIAL STATEMENTS**

**(1) Business and Organization**

MFS 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 diversified closed-end management investment company.

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

**(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 below investment grade quality securities can involve a substantially greater risk of default or can already be in default, and their values can decline significantly. Below investment grade quality securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general, than higher quality debt instruments. 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 market, economic, industrial, political, regulatory, geopolitical, and other conditions.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20) Premium Amortization on Purchased Callable Debt Securities (ASU 2017-08). For entities that hold callable debt securities at a premium, ASU 2017-08 requires that the premium be amortized to the earliest call date. ASU 2017-08 will be effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Management has evaluated the potential impacts of ASU 2017-08 and believes that adoption of ASU 2017-08 will not have a material effect on the fund's overall financial position or its overall results of operations.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820) – Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13) which introduces new fair value disclosure requirements as well as eliminates and modifies certain existing fair value disclosure requirements. ASU 2018-13 would be effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years; however, management has elected to early adopt ASU 2018-13 effective with the current reporting period. The impact of the fund's adoption was limited to changes in

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**Table of Contents***Notes to Financial Statements continued*

the fund's financial statement disclosures regarding fair value, primarily those disclosures related to transfers between levels of the fair value hierarchy.

In August 2018, the Securities and Exchange Commission (SEC) released its Final Rule on Disclosure Update and Simplification (the Final Rule) which is intended to simplify an issuer's disclosure compliance efforts by removing redundant or outdated disclosure requirements without significantly altering the mix of information provided to investors. Effective with the current reporting period, the fund adopted the Final Rule with the impacts being that the fund is no longer required to present the components of distributable earnings on the Statement of Assets and Liabilities or the sources of distributions to shareholders and the amount of undistributed net investment income on the Statements of Changes in Net Assets.

**Balance Sheet Offsetting** 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 International Swaps and Derivatives Association (ISDA) Master Agreement, or similar agreement, does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty. The fund's right to setoff may be restricted or prohibited by the bankruptcy or insolvency laws of the particular jurisdiction to which a specific master netting agreement counterparty is subject. Balance sheet offsetting disclosures, to the extent applicable to the fund, have been included in the fund's Significant Accounting Policies note under the captions for each of the fund's in-scope financial instruments and transactions.

**Investment Valuations** Equity securities, including restricted equity securities, are generally valued at the last sale or official closing price on their primary market or exchange as provided by a third-party pricing service. Equity securities, for which there were no sales reported that day, are generally valued at the last quoted daily bid quotation on their primary market or exchange as provided by a third-party pricing service. Debt instruments and floating rate loans, 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 may be 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. In determining values, 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

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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 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,

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such as forward foreign currency exchange contracts. The following is a summary of the levels used as of October 31, 2018 in valuing the fund's assets or liabilities:

| <b>Financial Instruments</b> | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>        |
|------------------------------|---------------------|---------------------|-----------------|---------------------|
| <b>Equity Securities:</b>    |                     |                     |                 |                     |
| United States                | \$14,510,008        | \$660               | \$53,365        | \$14,564,033        |
| Switzerland                  | 552,455             |                     |                 | 552,455             |
| Non-U.S. Sovereign Debt      |                     | 254,329             |                 | 254,329             |
| U.S. Corporate Bonds         |                     | 17,973,605          |                 | 17,973,605          |
| Foreign Bonds                |                     | 3,301,030           |                 | 3,301,030           |
| Floating Rate Loans          |                     | 104,640             |                 | 104,640             |
| Mutual Funds                 | 1,805,415           |                     |                 | 1,805,415           |
| <b>Total</b>                 | <b>\$16,867,878</b> | <b>\$21,634,264</b> | <b>\$53,365</b> | <b>\$38,555,507</b> |

**Other Financial Instruments**

|  |    |         |    |         |
|--|----|---------|----|---------|
| <b>Forward Foreign Currency Exchange</b> |    |         |    |         |
| Contracts Assets                         | \$ | \$2,824 | \$ | \$2,824 |

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

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

|   |                          |
|---|--------------------------|
| Balance as of 10/31/17                            | <b>Equity Securities</b> |
|   | \$53,365                 |
| Change in unrealized appreciation or depreciation | 0                        |
| Balance as of 10/31/18                            | \$53,365                 |

The net change in unrealized appreciation or depreciation from investments held as level 3 at October 31, 2018 is \$0. At October 31, 2018, the fund held one level 3 security.

**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 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

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*Notes to Financial Statements continued*

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 during the period were forward foreign currency exchange contracts. Depending on the type of derivative, the fund may exit a derivative position by entering into an offsetting transaction with a counterparty or exchange, negotiating an agreement with the derivative counterparty, or novating the position to a third party. 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, 2018 as reported in the Statement of Assets and Liabilities:

| <b>Risk</b>      | <b>Derivative Contracts</b>       | <b>Fair Value<br/>Asset Derivatives</b> |
|------------------|-----------------------------------|---|
| Foreign Exchange | Forward Foreign Currency Exchange | \$2,824                                 |

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, 2018 as reported in the Statement of Operations:

| <b>Risk</b>      | <b>Forward<br/>Foreign<br/>Currency<br/>Exchange<br/>Contracts</b> |
|------------------|--|
| Foreign exchange | \$1,795  |

The following table presents, by major type of derivative contract, the change in unrealized appreciation or depreciation on derivatives held by the fund for the year ended October 31, 2018 as reported in the Statement of Operations:

| <b>Risk</b>      | <b>Forward<br/>Foreign<br/>Currency<br/>Exchange<br/>Contracts</b> |
|------------------|--|
| Foreign exchange | \$2,824  |

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain, but not all, uncleared derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an ISDA Master Agreement on a bilateral basis. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a specified 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 agreement 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.

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Collateral and margin requirements differ by type of derivative. For cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options), margin requirements are set by the clearing broker and the clearing house and collateral, in the form of cash or securities, is posted by the fund directly with the clearing broker. Collateral terms are counterparty agreement specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options) and collateral, in the form of cash and securities, is held in segregated accounts with the fund's custodian in connection with these agreements. For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such counterparty-specific agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated or delivered 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 for uncleared derivatives and/or deposits with brokers for cleared derivatives. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments. The fund may be required to make payments of interest on uncovered collateral or margin obligations with the broker. Any such payments are included in Miscellaneous expense in the Statement of Operations.

**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 forward foreign currency exchange contracts.

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, a multicurrency cash settlement system for the centralized settlement of foreign transactions. 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, where applicable, by the posting of collateral by the counterparty to the fund to cover the fund's exposure to the counterparty under such ISDA Master Agreement.

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*Notes to Financial Statements continued*

**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 contractually obligate the fund to supply additional cash to the borrower on demand. The fund generally provides this financial support in order to preserve its existing investment or to obtain a more senior secured interest in the assets of the borrower. 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 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.

**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. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability. Foreign taxes, if any, have been accrued by the fund in the accompanying financial statements in accordance with the



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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 10.00% 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 and a capital loss carryforward, 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.

Book/tax differences primarily relate to defaulted bonds and amortization and accretion of debt securities.

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

|  | <b>Year ended<br/>10/31/18</b> | <b>Year ended<br/>10/31/17</b> |
|--|--------------------------------|--------------------------------|
| Ordinary income (including any short-term capital gains) (a) | \$1,295,488                    | \$1,520,530                    |
| Long-term capital gains                                      | 778,637                        |                                |
| Tax return of capital (b)                                    | 2,074,137                      | 2,735,959                      |
| Total distributions  | \$4,148,262                    | \$4,256,489                    |

(a) Included in the fund's distributions from ordinary income for the years ended October 31, 2018 and October 31, 2017 is \$89,992 and \$50,216, respectively, 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:

| <b>As of 10/31/18</b>                      |              |
|--|--------------|
| Cost of investments                        | \$34,851,581 |
| Gross appreciation                         | 4,985,130    |
| Gross depreciation                         | (1,278,380)  |
| Net unrealized appreciation (depreciation) | \$3,706,750  |
| Other temporary differences                | (31,631)     |

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*Notes to Financial Statements continued*

**(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 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 fund's average daily net assets. This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until October 31, 2019. For the year ended October 31, 2018, the fund's average daily net assets and gross income fees 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, 2018 was equivalent to an annual effective rate of 0.83% 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, 2018, these fees paid to MFSC amounted to \$2,363.

**Administrator** MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund 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, 2018 was equivalent to an annual effective rate of 0.0425% 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. The DB plan resulted in a pension expense of \$2,767 and is included in Independent Trustees compensation in the Statement of Operations for the year ended October 31, 2018. The liability for deferred retirement benefits payable to those former independent Trustees under the DB plan amounted to \$7,924 at October 31, 2018, and is included in Payable for independent Trustees compensation in the Statement of Assets and Liabilities.

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**Other** This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the year ended October 31, 2018, the fee paid by the fund under this agreement was \$66 and is included in Miscellaneous expense in the Statement of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

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. This money market fund does not pay a management fee to MFS.

Effective on or about January 3, 2018, the adviser has voluntarily undertaken to reimburse the fund from its own resources on a quarterly basis for the cost of investment research embedded in the cost of the fund's securities trades. This

agreement may be rescinded at any time. For the period on or about January 3, 2018 to October 31, 2018, this reimbursement amounted to \$227, which is included in Other income in the Statement of Operations.

**(4) Portfolio Securities**

For the year ended October 31, 2018, purchases and sales of investments, other than short-term obligations, aggregated \$12,774,368 and \$14,866,845, 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. The fund repurchased 249 shares of beneficial interest during the year ended October 31, 2017 at an average price per share of \$5.43 and a weighted average discount of 7.65% per share. Transactions in fund shares were as follows:

|  | Year ended<br>10/31/18 |           | Year ended<br>10/31/17 |           |
|--|------------------------|-----------|------------------------|-----------|
|  | Shares                 | Amount    | Shares                 | Amount    |
| Shares issued to shareholders in reinvestment of distributions | 40,652                 | \$235,740 | 24,202                 | \$149,184 |
| Capital shares reacquired                                      |                        |           | (249)                  | (1,352)   |
| Net change   | 40,652                 | \$235,740 | 23,953                 | \$147,832 |

**(6) Line of Credit**

The fund and certain other funds managed by MFS participate in a \$1.25 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 Overnight Bank Funding rate or daily 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

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Notes to Financial Statements continued

participating funds. 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, based on its borrowings, at a rate equal to the Overnight Bank Funding rate plus an agreed upon spread. For the year ended October 31, 2018, 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) Investments in 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 affiliated issuers:

| Affiliated Issuers                          | Beginning<br>Shares/Par<br>Amount | Acquisitions<br>Shares/Par<br>Amount | Dispositions<br>Shares/Par<br>Amount | Ending<br>Shares/Par<br>Amount |
|---|-----------------------------------|--------------------------------------|--------------------------------------|--------------------------------|
| MFS Institutional Money<br>Market Portfolio | 2,545,079                         | 8,714,784                            | (9,454,267)                          | 1,805,596                      |

| Affiliated Issuers                          | Realized<br>Gain (Loss) | Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Capital Gain<br>Distributions | Dividend<br>Income | Ending<br>Value |
|---|-------------------------|--|-------------------------------|--------------------|-----------------|
| MFS Institutional Money<br>Market Portfolio | \$(138)                 | \$(101)  | \$                            | \$38,750           | \$1,805,415     |

**(8) Legal Proceedings**

In May 2015, the Motors Liquidation Company Avoidance Action Trust (hereafter, "AAT") served upon the fund a complaint in an adversary proceeding in the U.S. Bankruptcy Court for the Southern District of New York, captioned *Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A., et al.* (No. 09-00504 (REG)). The complaint, which was originally filed in 2009 but not served on the fund until 2015, names as defendants over 500 entities (including the fund) that held an interest in a \$1.5 billion General Motors (GM) term loan in 2009, when GM filed for bankruptcy. The AAT alleges that the fund and the other term loan lenders were improperly treated as secured lenders with respect to the term loan shortly before and immediately after GM's bankruptcy, receiving full principal and interest payments under the loan. The AAT alleges that the fund and other term loan lenders should have been treated as unsecured (or partially unsecured) creditors because the main lien securing the collateral was allegedly not perfected at the time of GM's bankruptcy due to an erroneous filing in October 2008 that terminated the financing statement perfecting the lien. The AAT seeks to claw back payments made to the fund and the other term loan lenders after, and during the 90 days before, GM's June 2009 bankruptcy petition. During that time period, the fund received term loan payments of approximately \$280,000. The fund cannot predict the outcome of this proceeding. Among other things, it is unclear whether the AAT's claims will succeed; what the fund would be entitled to as an unsecured (or partially unsecured) creditor, given the existence of other collateral not impacted by the erroneous October 2008 filing; whether third parties responsible for the erroneous October 2008 filing would bear

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*Notes to Financial Statements continued*

some or all of any liability; and the degree to which the fund may be entitled to indemnification from a third party for any amount required to be disgorged. The fund has and will continue to incur legal expenses associated with the defense of this action and in related claims against third parties.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

**Opinion on the Financial Statements**

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, 2018, 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, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the financial statements ). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at October 31, 2018, 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.

**Basis for Opinion**

These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on the Fund s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ( PCAOB ) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018, by correspondence with the custodian and others. Our audits also included evaluating the

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*Report of Independent Registered Public Accounting Firm continued*

accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor of one or more MFS investment companies since 1993.

Boston, Massachusetts

December 14, 2018

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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 4, 2018, the following action was taken:

**Item 1:** To elect the following individuals as Trustees:

| Nominee            | For           | Number of Shares | Withheld Authority |
|--------------------|---------------|------------------|--------------------|
| John A. Caroselli  | 5,923,544.072 |                  | 181,861.368        |
| Clarence Otis, Jr. | 5,874,803.072 |                  | 230,602.368        |
| Robin A. Stelmach  | 5,884,261.072 |                  | 221,144.368        |



**Table of Contents****TRUSTEES AND OFFICERS IDENTIFICATION AND BACKGROUND**

The Trustees and Officers of the Trust, as of December 1, 2018, 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)<br>Held<br>with Fund | Trustee/<br>Officer  |                  | Number<br>of MFS<br>Funds<br>overseen<br>by the<br>Trustee | Principal<br>Occupations   | Other  |
|--|----------------------------------|----------------------|------------------|--|--|--|
|  |                                  | Since <sup>(h)</sup> | Term<br>Expiring |  | During<br>the Past<br>Five Years   | Directorships<br>During the<br>Past Five<br>Years <sup>(i)</sup> |
| <b>INTERESTED TRUSTEES</b>                       |                                  |                      |                  |  |  |  |
| Robert J. Manning <sup>(k)</sup><br><br>(age 55) | Trustee                          | February 2004        | 2019             | 135  | Massachusetts Financial Services Company, Executive Chairman (since January 2017); Director; Chairman of the Board; Chief Executive Officer (until 2015); Co-Chief Executive Officer (2015-2016)   | N/A  |
| Robin A. Stelmach <sup>(k)</sup><br><br>(age 57) | Trustee                          | January 2014         | 2021             | 135  | Massachusetts Financial Services Company, Vice Chair (since January 2017); Chief Operating Officer and Executive Vice President (until January 2017)   | N/A  |
| <b>INDEPENDENT TRUSTEES</b>                      |                                  |                      |                  |  |  |  |
| John P. Kavanaugh<br><br>(age 64)                | Trustee and Chair<br>of Trustees | January 2009         | 2020             | 135  | Private investor   | N/A  |
| Steven E. Buller<br><br>(age 67)                 | Trustee                          | February 2014        | 2020             | 135  | Financial Accounting Standards Advisory Council, Chairman (2014-2015); Public Company Accounting Oversight Board, Standing Advisory Group, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014) | N/A  |

**Table of Contents***Trustees and Officers continued*

| Name, Age                       | Position(s)<br>Held<br>with Fund | Trustee/<br>Officer  | Term     | Number<br>of MFS<br>Funds<br>overseen<br>by the<br>Trustee | Principal<br>Occupations<br>During<br>the Past<br>Five Years   | Other<br>Directorships<br>During the<br>Past Five<br>Years <sup>(i)</sup>   |
|---------------------------------|----------------------------------|----------------------|----------|--|--|---|
|                                 |                                  | Since <sup>(h)</sup> | Expiring |  |  |   |
| John A. Caroselli<br>(age 64)   | Trustee                          | March 2017           | 2021     | 135  | JC Global Advisors, LLC (management consulting), President (since 2015); First Capital Corporation (commercial finance), Executive Vice President (until 2015) | N/A   |
| Maureen R. Goldfarb<br>(age 63) | Trustee                          | January 2009         | 2019     | 135  | Private investor   | N/A   |
| Michael Hegarty<br>(age 73)     | Trustee                          | December 2004        | 2020     | 135  | Private investor   | Rouse Properties Inc., Director (until 2016); Capmark Financial Group Inc., Director (until 2015)   |
| Clarence Otis, Jr.<br>(age 62)  | Trustee                          | March 2017           | 2021     | 135  | Darden Restaurants, Inc., Chief Executive Officer (until 2014)   | VF Corporation, Director; Verizon Communications, Inc., Director; The Travelers Companies, Director; Federal Reserve Bank of Atlanta, Director (until 2015) |
| Maryanne L. Roepke<br>(age 62)  | Trustee                          | May 2014             | 2019     | 135  | American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)  | N/A   |
| Laurie J. Thomsen<br>(age 61)   | Trustee                          | March 2005           | 2019     | 135  | Private investor   | The Travelers Companies, Director; Dycom Industries, Inc., Director (since 2015)  |

**Table of Contents***Trustees and Officers continued*

| <b>Name, Age</b>                                 | <b>Position(s) Held</b>                 | <b>Trustee/Officer</b>      | <b>Term</b>     | <b>Number of MFS Funds for which the Person is an Officer</b> | <b>Principal Occupations During the Past Five Years</b>   |
|--|---|-----------------------------|-----------------|---|---|
| <b>OFFICERS</b>                                  | <b>with Fund</b>                        | <b>Since <sup>(h)</sup></b> | <b>Expiring</b> |   |   |
| Christopher R. Bohane <sup>(k)</sup><br>(age 44) | Assistant Secretary and Assistant Clerk | July 2005                   | N/A             | 135   | Massachusetts Financial Services Company, Vice President and Assistant General Counsel  |
| Kino Clark <sup>(k)</sup><br>(age 50)            | Assistant Treasurer                     | January 2012                | N/A             | 135   | Massachusetts Financial Services Company, Vice President  |
| John W. Clark, Jr. <sup>(k)</sup><br>(age 51)    | Assistant Treasurer                     | April 2017                  | N/A             | 135   | Massachusetts Financial Services Company, Vice President (since March 2017); Deutsche Bank (financial services), Department Head Treasurer's Office (until February 2017)   |
| Thomas H. Connors <sup>(k)</sup><br>(age 59)     | Assistant Secretary and Assistant Clerk | September 2012              | N/A             | 135   | Massachusetts Financial Services Company, Vice President and Senior Counsel   |
| Ethan D. Corey <sup>(k)</sup><br>(age 55)        | Assistant Secretary and Assistant Clerk | July 2005                   | N/A             | 135   | Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel   |
| David L. DiLorenzo <sup>(k)</sup><br>(age 50)    | President                               | July 2005                   | N/A             | 135   | Massachusetts Financial Services Company, Senior Vice President   |
| Heidi W. Hardin <sup>(k)</sup><br>(age 51)       | Secretary and Clerk                     | April 2017                  | N/A             | 135   | Massachusetts Financial Services Company, Executive Vice President and General Counsel (since March 2017); Harris Associates (investment management), General Counsel (from September 2015 to January 2017); Janus Capital Management LLC (investment management), Senior Vice President and General Counsel (until September 2015) |

**Table of Contents***Trustees and Officers continued*

| <b>Name, Age</b>                               | <b>Position(s)<br/>Held<br/>with Fund</b>                          | <b>Trustee/Officer<br/>Since <sup>(h)</sup></b> | <b>Term<br/>Expiring</b> | <b>Number of<br/>MFS Funds<br/>for which<br/>the Person is<br/>an Officer</b> | <b>Principal<br/>Occupations During<br/>the Past Five Years</b>  |
|--|--|---|--------------------------|---|--|
| Brian E. Langenfeld <sup>(k)</sup><br>(age 45) | Assistant<br>Secretary<br>and Assistant<br>Clerk                   | June 2006                                       | N/A                      | 135   | Massachusetts Financial Services<br>Company, Vice President and<br>Senior Counsel  |
| Amanda S. Mooradian <sup>(k)</sup><br>(age 39) | Assistant<br>Secretary<br>and Assistant<br>Clerk                   | September 2018                                  | N/A                      | 135   | Massachusetts Financial Services<br>Company, Assistant Vice President<br>and Counsel   |
| Susan A. Pereira <sup>(k)</sup><br>(age 48)    | Assistant<br>Secretary<br>and Assistant<br>Clerk                   | July 2005                                       | N/A                      | 135   | Massachusetts Financial Services<br>Company, Vice President and<br>Senior Counsel  |
| Kasey L. Phillips <sup>(k)</sup><br>(age 47)   | Assistant<br>Treasurer   | September 2012                                  | N/A                      | 135   | Massachusetts Financial Services<br>Company, Vice President  |
| Matthew A. Stowe <sup>(k)</sup><br>(age 44)    | Assistant<br>Secretary<br>and Assistant<br>Clerk                   | October 2014                                    | N/A                      | 135   | Massachusetts Financial Services<br>Company, Vice President and<br>Assistant General Counsel   |
| Frank L. Tarantino<br>(age 74)                 | Independent  | June 2004                                       | N/A                      | 135   | Tarantino LLC (provider of<br>compliance services), Principal  |
| Richard S. Weitzel <sup>(k)</sup><br>(age 48)  | Senior Officer<br>Assistant<br>Secretary<br>and Assistant<br>Clerk | October 2007                                    | N/A                      | 135   | Massachusetts Financial Services<br>Company, Senior Vice President<br>and Associate General Counsel  |
| Martin J. Wolin <sup>(k)</sup><br>(age 51)     | Chief<br>Compliance<br>Officer                                     | July 2015                                       | N/A                      | 135   | Massachusetts Financial Services<br>Company, Senior Vice President<br>and Chief Compliance Officer<br>(since July 2015); Mercer<br>(financial service provider), Chief<br>Risk and Compliance Officer,<br>North America and Latin America<br>(until June 2015) |
| James O. Yost <sup>(k)</sup><br>(age 58)       | Treasurer  | September 1990                                  | N/A                      | 135   | Massachusetts Financial Services<br>Company, Senior Vice President   |

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*Trustees and Officers continued*

(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. From January 2012 through December 2016, Messrs. DiLorenzo and Yost served as Treasurer and Deputy Treasurer of the Funds, respectively.

(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 a 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. Under the terms of the Board's retirement policy, an Independent Trustee shall retire at the end of the calendar year in which he or she reaches the earlier of 75 years of age or 15 years of service on the Board (or, in the case of any Independent Trustee who joined the Board prior to 2015, 20 years of service on the Board).

Messrs. Buller and Otis and Ms. Roepke are members of the Trust's Audit Committee.

Each of the Interested Trustees and certain Officers hold comparable officer positions with certain affiliates of MFS.

**Investment Adviser**

Massachusetts Financial Services Company  
111 Huntington Avenue  
Boston, MA 02199-7618

**Portfolio Manager(s)**

Ward Brown  
Nevin Chitkara  
David Cole  
Matt Ryan  
Michael Skatrud

**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, 2018 ( 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 Senior Officer, a 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 Broadridge Financial Solutions, Inc. ( Broadridge ), an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2017 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/ objectives (the Broadridge performance universe ), (ii) information provided by Broadridge on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Broadridge. (the Broadridge expense group ), (iii) information provided by MFS on the advisory fees of 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

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*Board Review of Investment Advisory Agreement continued*

providing investment advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Broadridge 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 Broadridge and MFS, the Trustees reviewed the Fund's total return investment performance as well as the Broadridge performance universe 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 Broadridge performance universe over the three-year period ended December 31, 2017, 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 1st out of a total of 4 funds in the Broadridge 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 1st out of a total of 5 funds for the one-year period and 1st out of a total of 3 funds for the five-year period ended December 31, 2017. Given the size of the Broadridge performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Broadridge performance universe, the Trustees also reviewed the Fund's performance in comparison to a custom benchmark developed by MFS. The Fund outperformed its custom benchmark for the one-year period ended December 31, 2017 and underperformed its custom benchmark for each of the three- and five-year periods ended December 31, 2017 (one-year: 10.6% total return for the Fund versus 9.8% total return for the benchmark; three-year: 7.1% total return for the Fund versus 7.3% total return for the benchmark; five-year: 7.6% total return for the Fund versus 8.5% 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.

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 regarding the Fund's performance. After reviewing these and

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*Board Review of Investment Advisory Agreement continued*

related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that they were satisfied with MFS' responses and efforts relating to investment performance.

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 Broadridge. 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 data provided by Broadridge (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 the Fund's total expense ratio were each approximately at the Broadridge expense group median.

The Trustees also considered the advisory fees charged by MFS to any institutional separate accounts advised by MFS (separate accounts) and unaffiliated investment companies for which MFS serves as subadviser (subadvised funds) that have comparable investment strategies to the Fund, if any. 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, as well as the more extensive regulatory burdens imposed on MFS in managing the Fund, in comparison to separate accounts and subadvised funds.

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 considered so-called "fall-out benefits" to MFS such as reputational value derived from serving as investment manager to the MFS Funds. The Trustees also considered that, effective January 3, 2018, MFS had discontinued its historic practice of obtaining investment research from portfolio brokerage commissions paid by certain MFS Funds and would thereafter voluntarily reimburse a Fund, if applicable, for the costs of external research acquired through the use of the Fund's portfolio brokerage commissions.

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, 2018.

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### **PROXY VOTING POLICIES AND INFORMATION**

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting [mfs.com/proxyvoting](http://mfs.com/proxyvoting), 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 by August 31 of each year without charge by visiting [mfs.com/proxyvoting](http://mfs.com/proxyvoting), or by visiting the SEC's Web site at <http://www.sec.gov>.

### **QUARTERLY PORTFOLIO DISCLOSURE**

The fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available on the SEC's website at <http://www.sec.gov>. A shareholder can obtain the portfolio holdings report for the first and third quarters of the fund's fiscal year at [mfs.com/closedendfunds](http://mfs.com/closedendfunds) by choosing the fund's name and then selecting the Resources tab and clicking on Prospectus and Reports.

### **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](http://mfs.com)). This information is available at <https://www.mfs.com/en-us/what-we-do/announcements.html> or at [mfs.com/closedendfunds](http://mfs.com/closedendfunds) by choosing the fund's name.

Additional information about the fund (e.g. performance, dividends and the fund's price history) is also available by clicking on the fund's name under Closed-End Funds in the Products section of [mfs.com](http://mfs.com).

### **INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS**

The fund has entered into contractual arrangements with an investment adviser, administrator, transfer agent, and custodian who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the Trust's By-Laws and Declaration of Trust, any claims asserted against or on behalf of the MFS Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

### **FEDERAL TAX INFORMATION (unaudited)**

The fund will notify shareholders of amounts for use in preparing 2018 income tax forms in January 2019. 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 to be taxed at the same rate as long-term capital gain.

The fund designates \$857,000 as capital gain dividends paid during the fiscal year.

For corporate shareholders, 20.89% 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? |
|--|-----------------|-----------------------------|
| <b>For our everyday business purposes</b><br>such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes             | No                          |
| <b>For our marketing purposes</b><br>to offer our products and services to you   | No              | We don't share              |
| <b>For joint marketing with other financial companies</b>  | No              | We don't share              |
| <b>For our affiliates' everyday business purposes</b><br>information about your transactions and experiences   | No              | We don't share              |
| <b>For our affiliates' everyday business purposes</b>  | No              | We don't share              |

information about your creditworthiness  
**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., and MFS Heritage Trust Company.

**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

**Why can't I limit all sharing?**

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

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.*

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### **Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

### **Joint marketing**

*MFS does not share with nonaffiliates so they can market to you.*  
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 (the "Code") 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 the Code that relates to an element of the Code's definition 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 is filed as an exhibit to this Form N-CSR.

**ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.**

Messrs. Steven E. Buller and Clarence Otis, Jr. and Ms. Maryanne L. Roepke, 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. Buller and Otis and Ms. Roepke 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, 2018 and 2017, audit fees billed to the Fund by E&Y were as follows:

|                                | <b>Audit Fees</b> |             |
|--------------------------------|-------------------|-------------|
|                                | <b>2018</b>       | <b>2017</b> |
| <b>Fees billed by E&amp;Y:</b> |                   |             |
| MFS Special Value Trust        | 52,218            | 51,442      |



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For the fiscal years ended October 31, 2018 and 2017, 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 <sup>1</sup><br>2018 | 2017      | Tax Fees <sup>2</sup><br>2018 | 2017  | All Other Fees <sup>3</sup><br>2018 | 2017    |
|---|---|-----------|-------------------------------|-------|-------------------------------------|---------|
| <b>Fees billed by E&amp;Y:</b>                              |   |           |                               |       |                                     |         |
| To MFS Special Value Trust                                  | 11,608                                  | 11,027    | 9,947                         | 9,727 | 1,013                               | 1,014   |
| <b>Fees billed by E&amp;Y:</b>                              |   |           |                               |       |                                     |         |
| To MFS and MFS Related Entities of MFS Special Value Trust* | 1,728,076                               | 1,603,983 | 0                             | 0     | 34,150                              | 101,450 |

**Aggregate Fees for Non-audit**

|   | Services  |           |
|---|-----------|-----------|
|   | 2018      | 2017      |
| <b>Fees Billed by E&amp;Y:</b>                            |           |           |
| To MFS Special Value Trust, MFS and MFS Related Entities# | 1,982,494 | 1,859,201 |

\* 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.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> The fees included 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**, including fees for services related to review of internal controls and review of Rule 38a-1 compliance program.

**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 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.

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**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. Steven E. Buller, Clarence Otis, Jr., and Ms. Maryanne L. Roepke.

**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.**

A copy of the proxy voting policies and procedures are attached hereto as EX-99.PROXYPOL.

**Table of Contents****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.

*Michael Skatrud became a portfolio manager of the Fund on March 1, 2018. Effective September 1, 2018, William Adams was no longer a portfolio manager of the Fund.*

|                 | <b>Primary Role</b>                                       | <b>Since</b> | <b>Title and Five Year History</b>   |
|-----------------|---|--------------|--|
| Ward Brown      | Emerging Markets Debt Instruments Portfolio Manager       | 2012         | Investment Officer of MFS; employed in the investment area of MFS since 2005 |
| Nevin Chitkara  | Equity Securities Portfolio Manager                       | 2012         | Investment Officer of MFS; employed in the investment area of MFS since 1997 |
| David Cole      | Below Investment Grade Debt Instruments Portfolio Manager | 2006         | Investment Officer of MFS; employed in the investment area of MFS since 2004 |
| Matt Ryan       | Emerging Markets Debt Instruments Portfolio Manager       | 2012         | Investment Officer of MFS; employed in the investment area of MFS since 1997 |
| Michael Skatrud | Below Investment Grade Debt Instruments Portfolio Manager | March 2018   | Investment Officer of MFS; employed in the investment area of MFS since 2013 |

**Compensation**

MFS philosophy is to align portfolio manager compensation with the goal to provide shareholders with long-term value through a collaborative investment process. Therefore, MFS uses long-term investment performance as well as contribution to the overall investment process and collaborative culture as key factors in determining portfolio manager compensation. In addition, MFS seeks to maintain total compensation programs that are competitive in the asset management industry in each geographic market where it has employees. MFS uses competitive compensation data to ensure that compensation practices are aligned with its goals of attracting, retaining, and motivating the highest-quality professionals.

MFS reviews portfolio manager compensation annually. In determining portfolio manager compensation, MFS uses quantitative means and qualitative means to help ensure a sustainable investment process. As of December 31, 2017, portfolio manager total cash compensation is a combination of base salary and performance bonus:

*Base Salary* Base salary generally 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 primarily based on the pre-tax performance of accounts managed by the portfolio manager over a range of fixed-length time periods, intended to provide the ability to assess performance over time periods consistent with a full market cycle and a strategy's investment horizon. The fixed-length time periods include the portfolio manager's full tenure on each fund and, when available, ten-, five-, and three-year periods. For portfolio

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managers who have served for less than three years, shorter-term periods, including the one-year period, will also be considered, as will performance in previous roles, if any, held at the firm. Emphasis is generally placed on longer performance periods when multiple performance periods are available. Performance is evaluated across the full set of strategies and portfolios managed by a given portfolio manager, relative to appropriate peer group universes and/or representative indices ( benchmarks ). As of December 31, 2017, the following benchmarks were used to measure the following portfolio manager s performance for the Fund:

| <b>Fund</b>             | <b>Portfolio Manager</b>     | <b>Benchmark(s)</b>  |
|-------------------------|------------------------------|--|
| MFS Special Value Trust | Ward Brown                   | JPMorgan Emerging Markets Bond Index Global                              |
|                         | Nevin Chitkara               | Russell 1000® Value Index  |
|                         | David Cole                   | Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index |
|                         |                              | JPMorgan Emerging Markets Bond Index Global                              |
|                         |                              | Russell 1000® Value Index  |
|                         | Matt Ryan                    | JPMorgan Emerging Markets Bond Index Global                              |
|                         | Michael Skatrud <sup>1</sup> | Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index |
|                         |                              | JPMorgan Emerging Markets Bond Index Global                              |
|                         |                              | Russell 1000® Value Index  |

<sup>1</sup> Information is as of March 1, 2018.

The Russell 1000® Value Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company.

Benchmarks may include versions and components of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, where appropriate.

The qualitative portion is based on the results of an annual internal peer review process (where portfolio managers are evaluated by other portfolio managers, analysts, and traders) and management s assessment of overall portfolio manager contribution to the MFS investment process and the client experience (distinct from fund and other account performance).

The performance bonus is generally a combination of cash and a deferred cash award. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the 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.

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

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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, 2018. 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 |
|---------------------------|---|
| Ward Brown                | N   |
| Nevin Chitkara            | N   |
| David Cole                | N   |
| Matt Ryan                 | N   |
| Michael Skatrud           | 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 sub-advised by MFS or an affiliate. The number and assets of these accounts were as follows as of the Fund's fiscal year ended October 31, 2018:

| Name            | Registered Investment Companies* |                 | Other Pooled Investment Vehicles |                  | Other Accounts     |                 |
|-----------------|----------------------------------|-----------------|----------------------------------|------------------|--------------------|-----------------|
|                 | Number of Accounts               | Total Assets    | Number of Accounts               | Total Assets     | Number of Accounts | Total Assets    |
|                 | Ward Brown                       | 7               | \$ 10.6 billion                  | 5                | \$ 3.0 billion     | 3               |
| Nevin Chitkara  | 17                               | \$ 73.0 billion | 8                                | \$ 6.8 billion   | 41                 | \$ 22.9 billion |
| David Cole      | 12                               | \$ 7.7 billion  | 4                                | \$ 1.3 billion   | 1                  | \$ 42.4 million |
| Matt Ryan       | 9                                | \$ 11.1 billion | 6                                | \$ 3.5 billion   | 3                  | \$ 1.2 billion  |
| Michael Skatrud | 11                               | \$ 7.7 billion  | 5                                | \$ 749.9 million | 1                  | \$ 42.4 million |

\* Includes the Fund.

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

**Potential Conflicts of Interest**

MFS 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.

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The management of multiple funds and accounts (including proprietary accounts) gives rise to 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 MFS or its subsidiaries with similar investment objectives. MFS' 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 MFS 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 MFS to be fair and equitable to each. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

MFS 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**

| <b>Period</b>     | <b>(a)<br/>Total<br/>number<br/>of Shares<br/>Purchased</b> | <b>(b)<br/>Average<br/>Price<br/>Paid per<br/>Share</b> | <b>(c)<br/>Total<br/>Number<br/>of Shares<br/>Purchased<br/>as<br/>Part of<br/>Publicly<br/>Announced<br/>Plans or<br/>Programs</b> | <b>(d)<br/>Maximum<br/>Number (or<br/>Approximate<br/>Dollar Value)<br/>of<br/>Shares that May<br/>Yet Be Purchased<br/>under the Plans<br/>or Programs</b> |
|-------------------|---|---|---|---|
| 11/01/17-11/30/17 | 0   | N/A   | 0   | 710,046   |
| 12/01/17-12/31/17 | 0   | N/A   | 0   | 710,046   |
| 1/01/18-1/31/18   | 0   | N/A   | 0   | 710,046   |
| 2/01/18-2/28/18   | 0   | N/A   | 0   | 710,046   |
| 3/01/18-3/31/18   | 0   | N/A   | 0   | 710,046   |
| 4/01/18-4/30/18   | 0   | N/A   | 0   | 710,046   |
| 5/01/18-5/31/18   | 0   | N/A   | 0   | 710,046   |
| 6/01/18-6/30/18   | 0   | N/A   | 0   | 710,046   |
| 7/01/18-7/31/18   | 0   | N/A   | 0   | 710,046   |
| 8/01/18-8/31/18   | 0   | N/A   | 0   | 710,046   |
| 9/01/18-9/30/18   | 0   | N/A   | 0   | 710,046   |
| 10/1/18-10/31/18  | 0   | N/A   | 0   | 714,470   |
| <b>Total</b>      |   |   |   |   |

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Note: The Board approved procedures to repurchase shares and reviews the results periodically. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on October 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 (October 1 through the following September 30) to 10% of the Registrant's outstanding shares as of the first day of the plan year (October 1). The aggregate number of shares available for purchase for the October 1, 2018 plan year is 714,470.

### **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. DISCLOSURE OF SECURITIES LENDING ACTIVITIES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

During the fiscal year ended October 31, 2018, there were no fees or income related to securities lending activities of the Registrant.

### **ITEM 13. EXHIBITS.**

- (a) (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: Attached hereto as EX-99.COE.
- (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 as EX-99.302CERT.



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- (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.
- (4) Change in the registrant's independent public accountant. Not applicable.
- (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 as EX-99.906CERT.
- (c) Proxy Voting Policies and Procedures pursuant to Item 7 of Form N-CSR. Attached hereto as EX-99.PROXYPOL.
- (d) Notices to Trust's common shareholders in accordance with Investment Company Act Section 19(a) and Rule 19a-1. Attached hereto as EX-99.19a-1.

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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)\* DAVID L. DILORENZO  
David L. DiLorenzo, President

Date: December 14, 2018

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)\* DAVID L. DILORENZO  
David L. DiLorenzo, President

(Principal Executive Officer)

Date: December 14, 2018

By (Signature and Title)\* JAMES O. YOST  
James O. Yost, Treasurer

(Principal Financial Officer

and Accounting Officer)

Date: December 14, 2018

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