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EATON VANCE MUNICIPAL INCOME TRUST  
Form N-CSRS  
July 28, 2004

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: 811-09141  
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Eaton Vance Municipal Income Trust  
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(Exact Name of registrant as Specified in Charter)

The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109  
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(Address of Principal Executive Offices)

Alan R. Dynner  
The Eaton Vance Building, 255 State Street, Boston, Massachusetts 02109  
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(Name and Address of Agent for Services)

(617) 482-8260  
-----

(registrant's Telephone Number)

November 30  
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Date of Fiscal Year End

May 31, 2004  
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Date of Reporting Period

ITEM 1. REPORTS TO STOCKHOLDERS

[EV LOGO]

SEMIANNUAL REPORT MAY 31, 2004

[GRAPHIC IMAGE]

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EATON VANCE MUNICIPAL INCOME TRUST

[GRAPHIC IMAGE]

EATON VANCE FUNDS  
EATON VANCE MANAGEMENT  
BOSTON MANAGEMENT AND RESEARCH  
EATON VANCE DISTRIBUTORS, INC.

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## PRIVACY NOTICE

The Eaton Vance organization is committed to ensuring your financial privacy. This notice is being sent to comply with privacy regulations of the Securities and Exchange Commission. Each of the above financial institutions has in effect the following policy with respect to nonpublic personal information about its customers:

- Only such information received from you, through application forms or otherwise, and information about your Eaton Vance fund transactions will be collected.
- None of such information about you (or former customers) will be disclosed to anyone, except as permitted by law (which includes disclosure to employees necessary to service your account).
- Policies and procedures (including physical, electronic and procedural safeguards) are in place that are designed to protect the confidentiality of such information.

For more information about Eaton Vance's privacy policies, call:  
1-800-262-1122.

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The Securities and Exchange Commission permits funds to deliver only one copy of shareholder documents, including prospectuses, proxy statements and shareholder reports, to fund investors with multiple accounts at the same residential or post office box address. This practice is often called "householding" and it helps eliminate duplicate mailings to shareholders.

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Eaton Vance Municipal Income Trust as of May 31, 2004

LETTER TO SHAREHOLDERS

[PHOTO OF THOMAS J. FETTER]

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Thomas J. Fetter  
President

The municipal bond market consists of a broad array of bond issues, with widely varying features and performance characteristics that may make them appropriate for a specific investment scenario. In this edition of our continuing educational series, we will feature zero coupon bonds - a variety of bond that has seen increasing use by investors over the past 20 years - and discuss why they can provide flexibility in managing a bond portfolio.

THE 1980'S BROUGHT NEW VARIATIONS TO THE BOND MARKET...

Any discussion of zero coupon bonds should start with the term "coupon." Traditionally, bonds were issued in certificate form, with interest coupons attached, which the owner would clip and present for payment. The coupon rate indicates the rate of annual interest the issuer pays to the bondholder. For example, a \$1,000 bond with a 5% coupon makes two semiannual interest payments of \$25 each.

Today, most bonds are issued as "book-entry bonds," registered in the owner's name, but not delivered in certificate form. That change has not only replaced the antiquated coupon-clipping system, but also encouraged the development of new types of bonds - including zero coupon bonds, introduced in 1982.

ZERO-COUPONS: NO INTEREST PAYMENTS, BUT A PREDICTABLE LUMP-SUM PAYMENT AT MATURITY...

Zero coupon bonds do not have coupons attached and do not make regular interest payments. Instead, they are issued at a discount, usually well below par, or face value. As with coupon bonds, the bondholder receives face value if the bond is held to its maturity date. Over time - from its issuance to its maturity - zero coupon bonds accrete to par, meaning that their price appreciates over time to reflect the accrual of "imputed" compound interest. An investor holding a zero coupon bond to maturity receives a lump sum payment from the issuer for face value reflecting the initial investment plus interest that has accrued. Although zero coupon bonds do not pay any interest until they mature, the accrual of "imputed" compound interest is recognized currently.

ZERO COUPON BONDS PROVIDE PORTFOLIO MANAGERS ADDITIONAL FLEXIBILITY...

For a portfolio manager, zero coupons can play a useful strategic role. Like other bonds, zero coupon bond prices are affected by market conditions, changes in an issuer's underlying fundamentals and fluctuations in interest rates. Because they pay no coupon or periodic interest payments, they typically display more price sensitivity than other bonds in response to changes in interest rates. Therefore, zero coupon bonds can provide more appreciation potential in a declining interest rate environment. Of course, zero coupons display increased DOWNSIDE volatility in the event of an INCREASE in interest rates.

Some zero coupon bonds start out as coupon-bearing bonds, which are then deposited with a trustee and subsequently "stripped" of their coupons. New securities are then created from principal and coupon payments. This allows an investor to choose a maturity to match the time when funds will be needed. Moreover, because of their many permutations, zero coupon bonds can help balance income-oriented bonds with performance oriented zero coupons, providing more versatility in managing a municipal portfolio.

TAX-EXEMPT BONDS CONTINUE TO OFFER OPPORTUNITIES FOR ISSUERS AND INVESTORS ALIKE...

Throughout its history, the municipal market has helped finance public projects

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and has pioneered new financing options for issuers - such as zero coupon bonds - that offer new opportunities for investors. We at Eaton Vance remain confident that the market will continue to offer such opportunities and emphasize our continued commitment to this exciting market.

Sincerely,

/s/ Thomas J. Fetter

Thomas J. Fetter  
President  
July 7, 2004

Shares of the Trust are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested. Yields will vary.

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### MANAGEMENT DISCUSSION

[PHOTO OF THOMAS M. METZOLD]

Thomas M. Metzold  
Portfolio Manager

### INVESTMENT ENVIRONMENT

- The U.S. economy strengthened significantly in the six months ended May 31, 2004. Despite sometimes unsettling news from Iraq, consumers continued to spend, while businesses began to renew capital spending programs. Not surprisingly, amid a strengthening economy and rising inflation, the bond markets gave back some of their gains from the previous year.
- Rising job growth was among the key developments during the six-month period ended May 31, 2004. While monthly labor data can be quite volatile, recent trends suggest a favorable turn in the labor market. The nation's unemployment rate was 5.6% in May 2004, down from 6.1% a year earlier. The Federal Reserve has maintained a close watch on employment and price data. While holding its Federal Funds rate - a key short-term interest rate barometer - at 1.00% through May 2004, Chairman Greenspan indicated that the Fed was prepared to raise rates if it detected an imminent threat of inflation. (A rate increase was announced at the end of June 2004.)
- The municipal bond market performed generally in line with the Treasury market during the six-month period ended May 31, 2004. Ten-year Treasury bond yields - which were around 4.37% at November 30, 2003 - rose to 4.68% by May 31, 2004, while 10-year municipal yields rose from 3.81% to 4.21%. The Lehman Brothers Municipal Bond Index retreated slightly during the six months ended May 31, 2004, posting a total return of -0.22%.<sup>(1)</sup>

### THE TRUST

#### PERFORMANCE FOR THE PAST SIX MONTHS

- Based on share price (traded on the New York Stock Exchange), the Trust had a total return of -0.57% for the six months ended May 31, 2004. That return was the result of a decrease in share price from \$15.55 on November 30, 2003, to \$14.85 on May 31, 2004, and the reinvestment of \$0.595 in regular monthly dividends.<sup>(2)</sup>

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- Based on net asset value, the Trust had a total return of -0.98% for the six months ended May 31, 2004. That return was the result of a decrease in net asset value per share from \$14.09 on November 30, 2003, to \$13.40 on May 31, 2004, and the reinvestment of \$0.595 in regular monthly dividends.
- Based on the most recent dividend and a share price of \$14.85, the Trust had a market yield of 8.01% at May 31, 2004.(3) The Trust's market yield is equivalent to a taxable yield of 12.32%.(4)

### MANAGEMENT DISCUSSION

- Management continued to adjust coupon structure and call protection to address changing market conditions. Coupon structure and call protection can have a significant influence on the Trust's responsiveness to interest rate fluctuations.
- The Trust remained selective within the hospital sector, its largest sector weighting at May 31, 2004. With the industry facing pressure to contain costs, the Trust focused on institutions that have significant market share, sound management, and highly marketable health care specialities.
- Insured\* transportation bonds were a large investment for the Trust. Transportation-related bonds represent a significant portion of the nation's municipal issuance and have increased in recent years amid growing infrastructure financing needs. Many of the Trust's holdings were in issues for airports, including Chicago's O'Hare International and Dallas-Fort Worth International.

\*Private insurance does not remove the risk of loss of principal associated with insured investments.

THE VIEWS EXPRESSED IN THIS REPORT ARE THOSE OF THE PORTFOLIO MANAGER AND ARE CURRENT ONLY THROUGH THE END OF THE PERIOD OF THE REPORT AS STATED ON THE COVER. THESE VIEWS ARE SUBJECT TO CHANGE AT ANY TIME BASED UPON MARKET OR OTHER CONDITIONS, AND EATON VANCE DISCLAIMS ANY RESPONSIBILITY TO UPDATE SUCH VIEWS. THESE VIEWS MAY NOT BE RELIED ON AS INVESTMENT ADVICE AND, BECAUSE INVESTMENT DECISIONS FOR A FUND ARE BASED ON MANY FACTORS, MAY NOT BE RELIED ON AS AN INDICATION OF TRADING INTENT ON BEHALF OF ANY FUND.

### TRUST INFORMATION as of May 31, 2004

#### PERFORMANCE

Average Annual Total Returns (by market value, New York Stock Exchange)

|                         |       |
|-------------------------|-------|
| One Year                | 6.90% |
| Life of Trust (1/29/99) | 6.97% |

Average Annual Total Returns (at net asset value)

|                         |       |
|-------------------------|-------|
| One Year                | 3.77% |
| Life of Trust (1/29/99) | 4.93% |

(1) It is not possible to invest directly in an Index.

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- (2) A portion of the Trust's income may be subject to federal income tax and/or federal alternative minimum tax. Income may be subject to state tax.
- (3) The Trust's market yield is calculated by dividing the most recent dividend per share by the share price at the end of the period and annualizing the result.
- (4) Taxable-equivalent yield assumes maximum 35.0% federal income tax rate. A lower rate would result in a lower tax-equivalent figure.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. RETURNS ARE HISTORIC AND ARE CALCULATED BY DETERMINING THE PERCENTAGE CHANGE IN SHARE PRICE OR NET ASSET VALUE WITH ALL DISTRIBUTIONS REINVESTED. INVESTMENT RETURN AND MARKET PRICE WILL FLUCTUATE SO THAT SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. PERFORMANCE IS FOR THE STATED TIME PERIOD ONLY; DUE TO MARKET VOLATILITY, CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN QUOTED.

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EATON VANCE MUNICIPAL INCOME TRUST as of May 31, 2004  
PORTFOLIO OF INVESTMENTS (UNAUDITED)

TAX-EXEMPT INVESTMENTS -- 155.7%

PRINCIPAL AMOUNT  
(000'S OMITTED)      SECURITY

-----  
COGENERATION -- 1.3%

|    |       |  |
|----|-------|--|
| \$ | 2,950 | Maryland Energy Cogeneration, (AES Warrior Run), (AMT),<br>7.40%, 9/1/19 |
|----|-------|--|

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-----  
EDUCATION -- 2.6%

|    |       |   |
|----|-------|---|
| \$ | 2,250 | California Educational Facilities Authority, Residual<br>Certificates, Variable Rate, 12/1/32(1)(2) |
|    | 3,430 | Massachusetts Development Finance Agency,<br>(Boston University), 5.45%, 5/15/59                    |

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ELECTRIC UTILITIES -- 9.2%

|    |       |   |
|----|-------|---|
| \$ | 6,500 | Brazos River Authority, TX, (Reliant Energy, Inc.),<br>5.20%, 12/1/18                 |
|    | 2,000 | Brazos River Authority, TX, PCR (Texas Energy Co.), (AMT),<br>6.75%, 4/1/38           |
|    | 3,550 | Mississippi Business Finance Corp., (System Energy<br>Resources, Inc.), 5.90%, 5/1/22 |
|    | 7,250 | North Carolina Municipal Power Agency, (Catawba),<br>6.50%, 1/1/20                    |

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### ESCROWED / PREREFUNDED -- 7.7%

|    |        |  |
|----|--------|--|
| \$ | 5,000  | Bakersfield, CA, (Bakersfield Assisted Living Center),<br>Escrowed to Maturity, 0.00%, 4/15/21   |
|    | 35,000 | Dawson Ridge, CO, Metropolitan District #1,<br>Escrowed to Maturity, 0.00%, 10/1/22              |
|    | 1,725  | Maricopa County, AZ, IDA, (Place Five and The Greenery),<br>Escrowed to Maturity, 8.625%, 1/1/27 |

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### GENERAL OBLIGATIONS -- 7.9%

|    |       |  |
|----|-------|--|
| \$ | 1,500 | California, 5.25%, 11/1/29                         |
|    | 2,500 | California, 5.25%, 4/1/30                          |
|    | 4,950 | California, 5.50%, 11/1/33                         |
|    | 2,000 | Kershaw County, SC, School District, 5.00%, 2/1/18 |
|    | 1,200 | New York, NY, Variable Rate, 6/1/28(1)(2)          |
|    | 5,000 | Puerto Rico, Variable Rate, 7/1/29(2)(3)           |

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### HEALTH CARE - MISCELLANEOUS -- 1.3%

|    |       |  |
|----|-------|--|
| \$ | 624   | Tax Exempt Securities Trust, Community Health Provider,<br>Pooled Loan Program, 6.00%, 12/1/36 |
|    | 1,647 | Tax Exempt Securities Trust, Community Health Provider,<br>Pooled Loan Program, 6.25%, 12/1/36 |
|    | 625   | Tax Exempt Securities Trust, Community Health Provider,<br>Pooled Loan Program, 7.75%, 12/1/36 |

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### HOSPITAL -- 23.1%

|    |       |  |
|----|-------|--|
| \$ | 2,500 | California Health Facilities Authority, (Cedars Sinai Medical<br>Center), Variable Rate, 12/1/34(2)(3) |
|    | 930   | Chautauqua County, NY, IDA, (Women's Christian<br>Association), 6.35%, 11/15/17                        |
|    | 985   | Chautauqua County, NY, IDA, (Women's Christian<br>Association), 6.40%, 11/15/29                        |
|    | 1,000 | Halifax, FL, Medical Center,<br>7.25%, 10/1/24   |
|    | 6,000 | Henderson, NV, Health Care Facility,<br>5.625%, 7/1/24   |
|    | 2,765 | Highland County, OH, (Joint Township Hospital District),<br>6.75%, 12/1/29                             |
|    | 5,000 | Illinois Health Facility Authority, (Loyola University Health<br>System), 6.00%, 7/1/21                |
|    | 4,750 | Louisiana Public Facilities Authority, (Tuoro Infirmary),<br>5.625%, 8/15/29                           |
|    | 2,000 | Martin County, MN, (Fairmont Community Hospital<br>Association), 6.625%, 9/1/22                        |
|    | 1,150 | Mecosta County, MI, General Hospital,<br>5.75%, 5/15/09  |
|    | 2,500 | Mecosta County, MI, General Hospital,<br>6.00%, 5/15/18  |
|    | 4,260 | New Jersey Health Care Facilities Financing Authority,<br>(Capital Health System), 5.25%, 7/1/27       |

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|       |   |
|-------|---|
| 1,500 | New Jersey Health Care Facilities Financing Authority,<br>(Trinitas Hospital), 7.50%, 7/1/30                    |
| 5,000 | North Central, TX, Health Facility Development Corp.,<br>(Baylor Healthcare System), 5.125%, 5/15/29            |
| 1,470 | Oneonta, AL, Eastern Health Care Facility Financing Authority,<br>(Eastern Health Systems, Inc.), 7.75%, 7/1/21 |
| 7,000 | Rhode Island HEFA, (St. Joseph Health Services),<br>5.50%, 10/1/29  |
| 2,425 | Southwestern Illinois, Development Authority, (Anderson<br>Hospital), 5.625%, 8/15/29                           |
| 2,500 | Sullivan County, TN, Health Educational and Housing Facility<br>Board, (Wellmont Health System), 6.25%, 9/1/32  |

See notes to financial statements

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PRINCIPAL AMOUNT  
(000'S OMITTED)

SECURITY

HOUSING -- 13.5%

|    |       |  |
|----|-------|--|
| \$ | 990   | California Statewide Communities Development Authority,<br>Variable Rate, 6/1/09(2)(3)                       |
|    | 4,000 | Charter Mac Equity Trust, TN,<br>6.00%, 4/30/19  |
|    | 4,000 | Charter Mac Equity Trust, TN, (AMT),<br>6.625%, 6/30/09  |
|    | 3,185 | Florida Capital Projects Finance Authority, Student Housing<br>Revenue, (Florida University), 7.75%, 8/15/20 |
|    | 925   | Lake Creek, CO, Affordable Housing Corp., Multifamily,<br>7.00%, 12/1/23                                     |
|    | 4,485 | Louisiana Public Facilities Authority, (Eden Point),<br>6.25%, 3/1/34  |
|    | 4,000 | Muni Mae Tax-Exempt Bond, LLC, (AMT),<br>6.875%, 6/30/09   |
|    | 3,175 | North Little Rock, AR, Residential Housing Facilities,<br>(Parkstone Place), 6.50%, 8/1/21                   |
|    | 3,590 | Oregon Health Authority, (Trillium Affordable Housing),<br>(AMT), 6.75%, 2/15/29                             |
|    | 970   | Raleigh, NC, Housing Authority, Multifamily, (Cedar Point),<br>7.00%, 11/1/30(4)                             |
|    | 3,300 | Texas Student Housing Corp., (University of Northern Texas),<br>6.75%, 7/1/16                                |

INDUSTRIAL DEVELOPMENT REVENUE -- 6.7%

|    |       |  |
|----|-------|--|
| \$ | 1,911 | Abia Development Corp., TX, (Austin Cargoport<br>Development), (AMT), 6.50%, 10/1/24 |
|    | 1,835 | Broward County, FL, IDR, (Lynxs Cargoport), (AMT),<br>6.75%, 6/1/19                  |



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|       |   |
|-------|---|
| 2,500 | Gulf Coast, TX, Waste Disposal Authority, (Valero Energy Corp.) (AMT), 5.70%, 4/1/32              |
| 6,000 | New Jersey EDA, (Continental Airlines), (AMT), 6.25%, 9/15/29                                     |
| 3,500 | New York City, NY, Industrial Development Agency, (American Airlines, Inc.), (AMT), 8.50%, 8/1/28 |
| 2,950 | Phoenix, AZ, IDA, (America West Airlines, Inc.), (AMT), 6.25%, 6/1/19                             |

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 -----  
 INSURED - EDUCATION -- 1.3%

|    |       |  |
|----|-------|--|
| \$ | 3,000 | Massachusetts HEFA, (Berklee College of Music), (MBIA), Variable Rate, 10/1/27(2)(3) |
|----|-------|--|

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 -----  
 INSURED - ELECTRIC UTILITIES -- 0.8%

|    |       |  |
|----|-------|--|
| \$ | 100   | Los Angeles, CA, Department of Water and Power, (MBIA), Variable Rate, 2/15/24(1)(2) |
|    | 1,350 | Wamego, KS, PCR, (MBIA), 5.30%, 6/1/31(5)  |

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 -----  
 INSURED - ESCROWED / PREREFUNDED -- 1.8%

|    |       |  |
|----|-------|--|
| \$ | 4,250 | Metropolitan Transportation Authority of New York, Escrowed to Maturity, (FGIC), 4.75%, 7/1/26 |
|----|-------|--|

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 -----  
 INSURED - GENERAL OBLIGATIONS -- 13.0%

|    |        |  |
|----|--------|--|
| \$ | 500    | California, (FGIC), Variable Rate, 12/1/29(1)(2)   |
|    | 3,500  | California, (FGIC), Variable Rate, 9/1/30(1)(2)  |
|    | 2,000  | Chicago, IL, (MBIA), 5.00%, 1/1/41   |
|    | 30,160 | Chicago, IL, Board of Education, (FGIC), 0.00%, 12/1/22  |
|    | 13,000 | Illinois Development Finance Authority, (Local Government Program-Elgin School District-U46), (FSA), 0.00%, 1/1/20 |
|    | 4,000  | Puerto Rico, (FSA), Variable Rate, 7/1/27(1)(2)  |
|    | 1,500  | Santa Maria, CA, (Joint Union High School District), (FSA), 5.25%, 8/1/25  |

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 INSURED - HOSPITAL -- 8.3%

|    |        |   |
|----|--------|---|
| \$ | 19,705 | Kentucky EDA, (Norton Healthcare, Inc.), (MBIA), 0.00%, 10/1/25 |
|    | 23,020 | Kentucky EDA, (Norton Healthcare, Inc.), (MBIA), 0.00%, 10/1/26 |
|    | 10,000 | Kentucky EDA, (Norton Healthcare, Inc.), (MBIA),                |

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0.00%, 10/1/27  
 4,000 New Jersey Health Care Facilities Financing Authority,  
 (St. Barnabas Medical Center), (MBIA),  
 Variable Rate, 7/1/28(1) (2)

INSURED - LEASE REVENUE / CERTIFICATES OF  
 PARTICIPATION -- 2.2%

\$ 5,000 San Bernardino County, CA, Medical Center Financing  
 Project, (MBIA), 5.00%, 8/1/28

See notes to financial statements

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PRINCIPAL AMOUNT  
 (000'S OMITTED) SECURITY

INSURED - SPECIAL TAX REVENUE -- 0.1%

\$ 60 South Orange County, CA, Public Financing Authority,  
 (FGIC), DRIVERS, Variable Rate, 8/15/15(1) (2)

INSURED - TRANSPORTATION -- 21.7%

\$ 9,000 Central Texas Turnpike Authority, (AMBAC),  
 0.00%, 8/15/21  
 3,500 Chicago, IL, O'Hare International Airport, (AMBAC), (AMT),  
 5.375%, 1/1/32  
 2,500 Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT),  
 5.50%, 11/1/20(6)  
 4,930 Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT),  
 5.75%, 11/1/30  
 4,500 Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT),  
 6.125%, 11/1/35  
 2,400 Massachusetts Turnpike Authority, Metropolitan Highway  
 System, (MBIA), Variable Rate, 1/1/27(1) (2)  
 3,500 Miami-Dade County, FL, International Airport, (FGIC),  
 5.00%, 10/1/37  
 7,500 Minneapolis and St. Paul, MN, Metropolitan Airport  
 Commission, (FGIC), 5.25%, 1/1/32  
 5,500 Nevada Department of Business and Industry, (Las Vegas  
 Monorail -1st Tier), (AMBAC), 5.375%, 1/1/40  
 2,000 Puerto Rico Highway and Transportation Authority, (FSA),  
 Variable Rate, 7/1/32(1) (2)  
 7,000 San Antonio, TX, Airport System, (Improvements), (FGIC),  
 5.25%, 7/1/21  
 1,500 South Carolina Transportation Infrastructure, (AMBAC),

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5.00%, 10/1/33

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 -----  
 INSURED - WATER AND SEWER -- 0.9%

|    |       |                                      |
|----|-------|--------------------------------------|
| \$ | 1,150 | Jupiter, FL, (AMBAC), 4.75%, 10/1/28 |
|    | 1,000 | Jupiter, FL, (AMBAC), 4.75%, 10/1/33 |

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 -----  
 NURSING HOME -- 3.6%

|    |       |  |
|----|-------|--|
| \$ | 3,445 | Ohio HFA, Retirement Rental Housing, (Encore Retirement Partners), 6.75%, 3/1/19             |
|    | 750   | Okaloosa County, FL, Retirement Rental Housing, (Encore Retirement Partners), 6.125%, 2/1/14 |
|    | 2,000 | Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.75%, 4/1/34  |
|    | 767   | Tarrant County, TX, Health Facilities Authority, 8.00%, 9/1/25(4)                            |
|    | 1,154 | Tarrant County, TX, Health Facilities Authority, (3927 Foundation), 10.25%, 9/1/19(4)        |
|    | 2,960 | Wisconsin HEFA, (Wisconsin Illinois Senior Housing), 7.00%, 8/1/29                           |

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 -----  
 OTHER REVENUE -- 16.5%

|    |       |   |
|----|-------|---|
| \$ | 4,000 | California Statewide Communities Development Authority, (East Valley Tourist Development Authority), 8.25%, 10/1/14 |
|    | 3,000 | Capital Trust Agency, FL, (Seminole Tribe Convention), 8.95%, 10/1/33   |
|    | 4,000 | Capital Trust Agency, FL, (Seminole Tribe Convention), 10.00%, 10/1/33  |
|    | 4,450 | Golden Tobacco Securitization Corp., CA, 6.75%, 6/1/39  |
|    | 2,900 | Golden Tobacco Securitization Corp., CA, Variable Rate, 6/1/31(2)(3)  |
|    | 1,500 | Mohegan Tribe Indians, CT, Gaming Authority, (Public Improvements), 6.25%, 1/1/21                                   |
|    | 1,000 | New Jersey EDA, (School Facilities), 5.00%, 6/15/26   |
|    | 5,000 | New Jersey EDA, (School Facilities), Variable Rate, 6/15/28(2)(3)   |
|    | 3,900 | Puerto Rico Infrastructure Financing Authority, Variable Rate, 10/1/32(1)(2)(7)                                     |
|    | 3,300 | Santa Fe, NM, (Crow Hobbs), 8.50%, 9/1/16   |
|    | 3,000 | Tobacco Settlement Financing Corp., NJ, Variable Rate, 6/1/39(2)(3)   |

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 -----  
 SENIOR LIVING / LIFE CARE -- 3.6%

|    |       |  |
|----|-------|--|
| \$ | 1,960 | Cliff House Trust, PA, (AMT), 6.625%, 6/1/27 |
|----|-------|--|

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|       |  |
|-------|--|
| 190   | Delaware County, PA, IDA, (Glen Riddle), (AMT),<br>8.125%, 9/1/05                              |
| 2,000 | Delaware County, PA, IDA, (Glen Riddle), (AMT),<br>8.625%, 9/1/25                              |
| 3,240 | Logan County, CO, Industrial Development Revenue,<br>(TLC Care Choices, Inc.), 6.875%, 12/1/23 |
| 1,400 | Mesquite, TX, Health Facilities Authority, (Christian<br>Retirement Facility), 7.625%, 2/15/28 |

-----  
SPECIAL TAX REVENUE -- 4.0%

|    |       |   |
|----|-------|---|
| \$ | 3,280 | Bell Mountain Ranch, CO, Metropolitan District,<br>6.625%, 11/15/25 |
|    | 3,600 | Black Hawk, CO, Business Improvement District,<br>6.50%, 12/1/11    |

See notes to financial statements

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PRINCIPAL AMOUNT  
(000'S OMITTED) SECURITY

-----  
SPECIAL TAX REVENUE (CONTINUED)

|    |       |  |
|----|-------|--|
| \$ | 695   | Longleaf, FL, Community Development District,<br>6.20%, 5/1/09 |
|    | 1,725 | Longleaf, FL, Community Development District,<br>6.65%, 5/1/20 |

-----  
TRANSPORTATION -- 4.6%

|    |       |   |
|----|-------|---|
| \$ | 3,750 | Kent County, MI, Airport Facility, (AMT),<br>Variable Rate, 1/1/25(2) (3) |
|    | 7,000 | Port Authority of New York and New Jersey,<br>5.00%, 9/1/33               |

-----  
TOTAL TAX-EXEMPT INVESTMENTS -- 155.7%  
(IDENTIFIED COST \$350,569,718)

-----  
OTHER ASSETS, LESS LIABILITIES -- 2.3%

-----  
AUCTION PREFERRED SHARES PLUS CUMULATIVE  
UNPAID DIVIDENDS -- (58.0)%

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NET ASSETS APPLICABLE TO COMMON  
SHARES -- 100.0%

---

AMT - Interest earned from these securities may be considered a tax preference item for purposes of the Federal Alternative Minimum Tax.

AMBAC - AMBAC Financial Group, Inc.

FGIC - Financial Guaranty Insurance Company

FSA - Financial Security Assurance, Inc.

MBIA - Municipal Bond Insurance Association

At May 31, 2004, the concentration of the Trust's investments in the various states, determined as a percentage of net assets, is as follows:

|   |       |
|---|-------|
| California                                      | 17.6% |
| Colorado  | 10.5% |
| Florida   | 10.8% |
| Illinois  | 13.1% |
| Texas   | 20.4% |
| Others, representing less than 10% individually | 83.3% |

The Trust invests primarily in debt securities issued by municipalities. The ability of the issuers of the debt securities to meet their obligations may be affected by economic developments in a specific industry or municipality. In order to reduce the risk associated with such economic developments, at May 31, 2004, 32.2% of the securities in the portfolio of investments are backed by bond insurance of various financial institutions and financial guaranty assurance agencies. The aggregate percentage insured by an individual financial institution ranged from 3.9% to 14.4% of total investments.

- (1) Security has been issued as a leveraged inverse floater bond.
- (2) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At May 31, 2004, the aggregate value of the securities is \$51,701,241 or 22.9% of the Trust's net assets.
- (3) Security has been issued as an inverse floater bond.
- (4) Non-income producing security.
- (5) When-issued security.
- (6) Security (or a portion thereof) has been segregated to cover when-issued securities.
- (7) Security (or a portion thereof) has been segregated to cover margin requirements on open financial futures contracts.<sup>7</sup>

See notes to financial statements

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EATON VANCE MUNICIPAL INCOME TRUST as of May 31, 2004  
 FINANCIAL STATEMENTS (UNAUDITED)

## STATEMENT OF ASSETS AND LIABILITIES

AS OF MAY 31, 2004

### ASSETS

|   |                |
|---|----------------|
| Investments, at value (identified cost, \$350,569,718)                    | \$ 351,853,549 |
| Receivable for investments sold   | 40,000         |
| Interest receivable   | 7,214,038      |
| Receivable for daily variation margin on open financial futures contracts | 495,315        |
| Prepaid expenses  | 182,603        |
| <hr style="border-top: 1px dashed black;"/>                               |                |
| TOTAL ASSETS  | \$ 359,785,505 |

### LIABILITIES

|   |              |
|---|--------------|
| Payable to affiliate for Trustees' fees     | \$ 2,278     |
| Payable for when-issued securities          | 1,350,000    |
| Due to bank                                 | 1,193,206    |
| Accrued expenses                            | 92,935       |
| <hr style="border-top: 1px dashed black;"/> |              |
| TOTAL LIABILITIES                           | \$ 2,638,419 |

|  |                |
|--|----------------|
| AUCTION PREFERRED SHARES (5,240 SHARES OUTSTANDING) AT LIQUIDATION VALUE PLUS<br>CUMULATIVE UNPAID DIVIDENDS | \$ 131,069,641 |
| <hr style="border-top: 1px dashed black;"/>  |                |
| NET ASSETS APPLICABLE TO COMMON SHARES   | \$ 226,077,445 |

### SOURCES OF NET ASSETS

|   |                |
|---|----------------|
| Common Shares, \$0.01 par value, unlimited number of shares authorized,<br>16,872,006 shares issued and outstanding | \$ 168,720     |
| Additional paid-in capital  | 249,651,203    |
| Accumulated net realized loss (computed on the basis of identified cost)  | (31,732,936)   |
| Accumulated undistributed net investment income   | 4,098,936      |
| Net unrealized appreciation (computed on the basis of identified cost)  | 3,891,522      |
| <hr style="border-top: 1px dashed black;"/>   |                |
| NET ASSETS APPLICABLE TO COMMON SHARES  | \$ 226,077,445 |

### NET ASSET VALUE PER COMMON SHARE

|  |          |
|--|----------|
| (\$226,077,445 DIVIDED BY 16,872,006 COMMON SHARES ISSUED AND OUTSTANDING) | \$ 13.40 |
| <hr style="border-top: 1px dashed black;"/>                                |          |

## STATEMENT OF OPERATIONS

FOR THE SIX MONTHS  
 ENDED MAY 31, 2004

### INVESTMENT INCOME

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|  |                 |
|--|-----------------|
| Interest   | \$ 12,848,980   |
| -----  |                 |
| TOTAL INVESTMENT INCOME                              | \$ 12,848,980   |
| -----  |                 |
| EXPENSES   |                 |
| Investment adviser fee                               | \$ 1,282,777    |
| Administration fee                                   | 366,507         |
| Trustees' fees and expenses                          | 11,050          |
| Transfer and dividend disbursing agent fees          | 124,282         |
| Preferred shares remarketing agent fee               | 164,200         |
| Custodian fee  | 74,750          |
| Legal and accounting services                        | 29,440          |
| Printing and postage                                 | 28,974          |
| Miscellaneous  | 50,026          |
| -----  |                 |
| TOTAL EXPENSES                                       | \$ 2,132,006    |
| -----  |                 |
| NET INVESTMENT INCOME                                | \$ 10,716,974   |
| -----  |                 |
| REALIZED AND UNREALIZED GAIN (LOSS)                  |                 |
| Net realized gain (loss) --                          |                 |
| Investment transactions (identified cost basis)      | \$ 1,725,638    |
| Financial futures contracts                          | (1,228,441)     |
| -----  |                 |
| NET REALIZED GAIN                                    | \$ 497,197      |
| -----  |                 |
| Change in unrealized appreciation (depreciation) --  |                 |
| Investments (identified cost basis)                  | \$ (14,118,007) |
| Financial futures contracts                          | 1,995,139       |
| -----  |                 |
| NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) | \$ (12,122,868) |
| -----  |                 |
| NET REALIZED AND UNREALIZED LOSS                     | \$ (11,625,671) |
| -----  |                 |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS FROM INCOME  | \$ (698,395)    |
| -----  |                 |
| NET DECREASE IN NET ASSETS FROM OPERATIONS           | \$ (1,607,092)  |
| -----  |                 |

See notes to financial statements

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STATEMENTS OF CHANGES IN NET ASSETS

|                     |                  |                   |
|---------------------|------------------|-------------------|
|                     | SIX MONTHS ENDED |                   |
| INCREASE (DECREASE) | MAY 31, 2004     | YEAR ENDED        |
| IN NET ASSETS       | (UNAUDITED)      | NOVEMBER 30, 2003 |
| -----               |                  |                   |

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|  |    |              |                 |
|--|----|--------------|-----------------|
| From operations --   |    |              |                 |
| Net investment income  | \$ | 10,716,974   | \$ 21,202,621   |
| Net realized gain (loss)   |    | 497,197      | (3,246,611)     |
| Net change in unrealized appreciation (depreciation)   |    | (12,122,868) | 20,262,444      |
| Distributions to preferred shareholders from net investment income                                 |    | (698,395)    | (1,586,402)     |
| -----  |    |              |                 |
| NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS  | \$ | (1,607,092)  | \$ 36,632,052   |
| -----  |    |              |                 |
| Distributions to common shareholders --  |    |              |                 |
| From net investment income   | \$ | (10,012,004) | \$ (18,871,152) |
| -----  |    |              |                 |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS   | \$ | (10,012,004) | \$ (18,871,152) |
| -----  |    |              |                 |
| Capital share transactions --  |    |              |                 |
| Reinvestment of distributions to common shareholders   | \$ | 1,136,067    | \$ 2,524,723    |
| -----  |    |              |                 |
| NET INCREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS   | \$ | 1,136,067    | \$ 2,524,723    |
| -----  |    |              |                 |
| NET INCREASE (DECREASE) IN NET ASSETS  | \$ | (10,483,029) | \$ 20,285,623   |
| -----  |    |              |                 |
| NET ASSETS APPLICABLE TO COMMON SHARES   |    |              |                 |
| At beginning of period   | \$ | 236,560,474  | \$ 216,274,851  |
| -----  |    |              |                 |
| AT END OF PERIOD   | \$ | 226,077,445  | \$ 236,560,474  |
| -----  |    |              |                 |
| ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME INCLUDED IN NET ASSETS APPLICABLE TO COMMON SHARES |    |              |                 |
| AT END OF PERIOD   | \$ | 4,098,936    | \$ 4,092,361    |
| -----  |    |              |                 |

See notes to financial statements

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Financial Highlights

Selected data for a common share outstanding during the periods stated

|  | SIX MONTHS ENDED<br>MAY 31, 2004<br>(UNAUDITED) (1) | YEAR<br>-----<br>2003 (1) |
|--|---|---------------------------|
| Net asset value -- Beginning of period (Common shares) | \$ 14.090   | \$ 13.020                 |
| -----  |   |                           |
| INCOME (LOSS) FROM OPERATIONS                          |   |                           |



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|   |    |         |    |         |
|---|----|---------|----|---------|
| Net investment income   | \$ | 0.637   | \$ | 1.269   |
| Net realized and unrealized gain (loss)                               |    | (0.691) |    | 1.026   |
| Distribution to preferred shareholders from net investment income     |    | (0.041) |    | (0.095) |
| -----   |    |         |    |         |
| TOTAL INCOME (LOSS) FROM OPERATIONS                                   | \$ | (0.095) | \$ | 2.200   |
| -----   |    |         |    |         |
| LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS                             |    |         |    |         |
| From net investment income  | \$ | (0.595) | \$ | 1.130   |
| -----   |    |         |    |         |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS                            | \$ | (0.595) | \$ | (1.130) |
| -----   |    |         |    |         |
| PREFERRED AND COMMON SHARES OFFERING COSTS CHARGED TO PAID-IN CAPITAL | \$ | --      | \$ | --      |
| -----   |    |         |    |         |
| PREFERRED SHARES UNDERWRITING DISCOUNTS                               | \$ | --      | \$ | --      |
| -----   |    |         |    |         |
| NET ASSET VALUE -- END OF PERIOD (COMMON SHARES)                      | \$ | 13.400  | \$ | 14.090  |
| -----   |    |         |    |         |
| MARKET VALUE -- END OF PERIOD (COMMON SHARES)                         | \$ | 14.850  | \$ | 15.550  |
| -----   |    |         |    |         |
| TOTAL RETURN(4)   |    | (0.57)% |    | 20.02%  |
| -----   |    |         |    |         |

|   | YEAR ENDED NOVEMBER 30, |            |
|---|-------------------------|------------|
|   | 2000(1)                 | 1999(1)(3) |
| -----   |                         |            |
| Net asset value -- Beginning of period (Common shares)                | \$ 11.720               | \$ 15.000  |
| -----   |                         |            |
| INCOME (LOSS) FROM OPERATIONS   |                         |            |
| Net investment income   | \$ 1.083                | \$ 0.837   |
| Net realized and unrealized gain (loss)                               | 0.260                   | (3.246)    |
| Distribution to preferred shareholders from net investment income     | (0.328)                 | (0.197)    |
| -----   |                         |            |
| TOTAL INCOME (LOSS) FROM OPERATIONS                                   | \$ 1.015                | \$ (2.606) |
| -----   |                         |            |
| LESS DISTRIBUTIONS TO COMMON SHAREHOLDERS                             |                         |            |
| From net investment income  | \$ (0.785)              | \$ (0.550) |
| -----   |                         |            |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS                            | \$ (0.785)              | \$ (0.550) |
| -----   |                         |            |
| PREFERRED AND COMMON SHARES OFFERING COSTS CHARGED TO PAID-IN CAPITAL | \$ --                   | \$ (0.042) |
| -----   |                         |            |

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|  |    |        |    |          |
|--|----|--------|----|----------|
| PREFERRED SHARES UNDERWRITING DISCOUNTS          | \$ | --     | \$ | (0.082)  |
| -----  |    |        |    |          |
| NET ASSET VALUE -- END OF PERIOD (COMMON SHARES) | \$ | 11.950 | \$ | 11.720   |
| -----  |    |        |    |          |
| MARKET VALUE -- END OF PERIOD (COMMON SHARES)    | \$ | 11.125 | \$ | 11.688   |
| -----  |    |        |    |          |
| TOTAL RETURN(4)                                  |    | 2.05%  |    | (18.74)% |
| -----  |    |        |    |          |

See notes to financial statements

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Selected data for a common share outstanding during the periods stated

|  | SIX MONTHS ENDED<br>MAY 31, 2004<br>(UNAUDITED) (1) | YEAR<br>-----<br>2003 (1) |
|--|---|---------------------------|
| -----  |   |                           |
| RATIOS/SUPPLEMENTAL DATA+ ++   |   |                           |
| Net assets applicable to common shares, end of period<br>(000's omitted)   | \$ 226,077  | \$ 236,560                |
| Ratios (As a percentage of average net assets<br>applicable to common shares):   |   |                           |
| Net expenses(5)  | 1.81%(6)  | 1.80%                     |
| Net expenses after custodian fee reduction(5)  | 1.81%(6)  | 1.80%                     |
| Net investment income(5)   | 9.10%(6)  | 9.37%                     |
| Portfolio Turnover   | 12%   | 30%                       |
| -----  |   |                           |
| + The expenses of the Trust may reflect a voluntary<br>reduction of the investment adviser fee. Had such<br>action not been taken, the ratios and the net<br>investment income would have been as follows: |   |                           |
| Ratios (As a percentage of average net assets applicable<br>to common shares):   |   |                           |
| Expenses(5)  |   |                           |
| Expenses after custodian fee reduction(5)  |   |                           |
| Net investment income(5)   |   |                           |
| Net investment income per share  |   |                           |
| ++ The ratios reported above are based on net assets<br>applicable solely to common shares. The ratios based<br>on net assets, including amounts related to preferred<br>shares are as follows:            |   |                           |
| Ratios (As a percentage of average total net assets):  |   |                           |
| Net expenses   | 1.16%(6)  | 1.14%                     |
| Net expenses after custodian fee reduction   | 1.16%(6)  | 1.14%                     |
| Net investment income  | 5.85%(6)  | 5.93%                     |
| -----  |   |                           |
| + The expenses of the Trust reflect a voluntary<br>reduction of the investment adviser fee. Had such<br>action not been taken, the ratios would have been as<br>follows:                                   |   |                           |
| Ratios (As a percentage of average total net assets):  |   |                           |

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Expenses  
 Expenses after custodian fee reduction  
 Net investment income

---

Senior Securities:

|   |           |           |
|---|-----------|-----------|
| Total preferred shares outstanding                        | 5,240     | 5,240     |
| Asset coverage per preferred share(7)                     | \$ 68,158 | \$ 70,154 |
| Involuntary liquidation preference per preferred share(8) | \$ 25,000 | \$ 25,000 |
| Approximate market value per preferred share(8)           | \$ 25,000 | \$ 25,000 |

---

YEAR ENDED NOVEMBER 30,

-----  
 2000 (1)                      1999 (1) (3)  
 -----

---

RATIOS/SUPPLEMENTAL DATA+ ++

|   |            |            |
|---|------------|------------|
| Net assets applicable to common shares, end of period<br>(000's omitted)    | \$ 194,676 | \$ 190,209 |
| Ratios (As a percentage of average net assets applicable to common shares): |            |            |
| Net expenses(5)   | 1.95%      | 1.76%(6)   |
| Net expenses after custodian fee reduction(5)                               | 1.91%      | 1.70%(6)   |
| Net investment income(5)  | 9.47%      | 7.38%(6)   |
| Portfolio Turnover  | 66%        | 151%       |

---

+ The expenses of the Trust may reflect a voluntary reduction of the investment adviser fee. Had such action not been taken, the ratios and the net investment income would have been as follows:

|   |  |          |
|---|--|----------|
| Ratios (As a percentage of average net assets applicable to common shares): |  |          |
| Expenses(5)   |  | 1.76%(6) |
| Expenses after custodian fee reduction(5)                                   |  | 1.70%(6) |
| Net investment income(5)  |  | 7.38%(6) |
| Net investment income per share   |  | \$ 0.837 |

++ The ratios reported above are based on net assets applicable solely to common shares. The ratios based on net assets, including amounts related to preferred shares are as follows:

|   |       |          |
|---|-------|----------|
| Ratios (As a percentage of average total net assets): |       |          |
| Net expenses  | 1.15% | 1.14%(6) |
| Net expenses after custodian fee reduction            | 1.12% | 1.10%(6) |
| Net investment income                                 | 5.56% | 4.77%(6) |

---

+ The expenses of the Trust reflect a voluntary reduction of the investment adviser fee. Had such action not been taken, the ratios would have been as follows:

|   |  |          |
|---|--|----------|
| Ratios (As a percentage of average total net assets): |  |          |
| Expenses  |  | 1.14%(6) |
| Expenses after custodian fee reduction                |  | 1.10%(6) |
| Net investment income                                 |  | 4.77%(6) |

---

Senior Securities:

|   |           |           |
|---|-----------|-----------|
| Total preferred shares outstanding                        | 5,240     | 5,240     |
| Asset coverage per preferred share(7)                     | \$ 62,155 | \$ 61,308 |
| Involuntary liquidation preference per preferred share(8) | \$ 25,000 | \$ 25,000 |



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between the latest bid and asked prices. Futures contracts and options on futures contracts listed on commodity exchanges are valued at closing settlement prices. Over-the-counter options on futures contracts are normally valued at the mean between the latest bid and asked prices. Interest rate swaps are normally valued on the basis of valuations furnished by a broker. Short-term obligations, maturing in sixty days or less, are valued at amortized cost, which approximates value. Investments for which valuations or market quotations are not readily available are valued at fair value using methods determined in good faith by or at the direction of the Trustees.

**B INVESTMENT TRANSACTIONS** -- Investment transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined using the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may be settled a month or more after the transaction date. The securities so purchased are subject to market fluctuations during this period. To the extent that when-issued or delayed delivery purchases are outstanding, the Trust instructs the custodian to segregate assets in a separate account, with a current value at least equal to the amount of its purchase commitments.

**C INCOME** -- Interest income is determined on the basis of interest accrued, adjusted for amortization of premium or discount.

**D FEDERAL INCOME TAXES** -- The Trust's policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute to shareholders each year all of its taxable income, if any, and tax-exempt income, including any net realized gain on investments. Therefore, no provision for federal income or excise tax is necessary. At November 30, 2003, the Trust, for federal income tax purposes, had a capital loss carryover of \$31,928,458 which will reduce the taxable income arising from future net realized gain on investments, if any, to the extent permitted by the Internal Revenue Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Trust of any liability for federal income or excise tax. Such capital loss carryover will expire on November 30, 2007 (\$9,497,591), November 30, 2008 (\$14,623,294), November 30, 2009 (\$5,266,337), and November 30, 2011 (\$2,541,236). In addition, the Trust intends to satisfy conditions which will enable it to designate distributions from the interest income generated by its investments in municipal obligations, which are exempt from regular federal income taxes when received by the Trust, as exempt-interest dividends. The portion of such interest, if any, earned on private activity bonds issued after August 7, 1986, may be considered a tax preference item for investors.

**E FINANCIAL FUTURES CONTRACTS** -- Upon the entering of a financial futures contract, the Trust is required to deposit (initial margin) either in cash or securities an amount equal to a certain percentage of the purchase price indicated in the financial futures contract. Subsequent payments are made or received by the Trust (margin maintenance) each day, dependent on the daily fluctuations in the value of the underlying security, and are recorded for book purposes as unrealized gains or losses by the Trust. The Trust's investment in financial futures contracts is designed for both hedging against anticipated future changes in interest rates and investment purposes. Should interest rates move unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss.

**F OPTIONS ON FINANCIAL FUTURES CONTRACTS** -- Upon the purchase of a put option on a financial futures contract by the Trust, the premium paid is recorded as an investment, the value of which is marked-to-market daily. When a purchased option expires, the Trust will realize a loss in the amount of the cost of the option. When the Trust enters into a closing sale transaction, the Trust

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will realize a gain or loss depending on whether the sales proceeds from the closing sale transaction are greater or less than the cost

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of the option. When the Trust exercises a put option, settlement is made in cash. The risk associated with purchasing put options is limited to the premium originally paid.

G INTEREST RATE SWAPS -- The Trust may enter into interest rate swap agreements to enhance return, to hedge against fluctuations in securities prices or interest rates or as substitution for the purchase or sale of securities. Pursuant to these agreements, the Trust makes semi-annual payments at a fixed interest rate of a benchmark industry index. During the term of the outstanding swap agreement, changes in the underlying value of the swap are recorded as unrealized gains and losses. Payments received or made at the end of a measurement period are recorded as realized gains and losses. The value of the swap is determined by changes in the relationship between two rates of interest. The Trust is exposed to credit loss in the event of non-performance by the swap counterparty. However, the Trust does not anticipate non-performance by the counterparty. Risk may also arise from the unanticipated movements in value of interest rates.

H USE OF ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

I EXPENSE REDUCTION -- Investors Bank & Trust Company (IBT) serves as custodian of the Trust. Pursuant to the custodian agreement, IBT receives a fee reduced by credits which are determined based on the average daily cash balance the Trust maintains with IBT. All significant credit balances used to reduce the Trust's custodian fees are reported as a reduction of total expenses in the Statement of Operations.

J INTERIM FINANCIAL STATEMENTS -- The interim financial statements relating to May 31, 2004 and for the six months then ended have not been audited by independent certified public accountants, but in the opinion of the Trust's management reflect all the adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial statements.

### 2 AUCTION PREFERRED SHARES (APS)

The Trust issued 2,620 shares of Auction Preferred Shares Series A and 2,620 shares of Auction Preferred Shares Series B on March 1, 1999 in a public offering. The underwriting discount and other offering costs were recorded as a reduction of the capital of the common shares. Dividends on the APS, which accrue daily, are cumulative at a rate which was established at the offering of the APS and have been reset every 7 days thereafter by an auction. Effective July 8, 2003, a special dividend period of 733 days was set on the series A shares. The dividend rate, which matures on July 12, 2005, is 1.25%. Dividend rates ranged from 0.45% to 1.25% for Series B Shares, during the six months ended May 31, 2004. Series A and Series B are identical in all respects except for the dates of reset for the dividend rates.

The APS are redeemable at the option of the Trust, at a redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends on any dividend payment date. The APS are also subject to mandatory redemption at a redemption price equal to \$25,000 per share, plus accumulated and unpaid

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dividends, if the Trust is in default for an extended period on its asset maintenance requirements with respect to the APS. If the dividends on the APS shall remain unpaid in an amount equal to two full years' dividends, the holders of the APS as a class have the right to elect a majority of the Board of Trustees. In general, the holders of the APS and the common shares have equal voting rights of one vote per share, except that the holders of the APS, as a separate class, have the right to elect at least two members of the Board of Trustees. The APS have a liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends. The Trust is required to maintain certain asset coverage with respect to the APS as defined in the Trust's By-Laws and the Investment Company Act of 1940. The Trust pays an annual fee equivalent to 0.25% of the preferred shares' liquidation value for the remarketing efforts associated with the preferred auctions.

### 3 DISTRIBUTIONS TO SHAREHOLDERS

The Trust intends to make monthly distributions of net investment income, after payment of any dividends on any outstanding Auction Preferred Shares. Distributions are recorded on the ex-dividend date. Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. Each dividend payment period for the Auction Preferred Shares is generally seven days. Effective July 8, 2003, the Series A shares set a special dividend period of 733 days. The applicable dividend rate for

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the Auction Preferred Shares on May 31, 2004 was 1.25% and 1.150%, for Series A and Series B Shares, respectively. For the six months ended May 31, 2004, the Trust paid dividends to Auction Preferred shareholders amounting to \$420,985 and \$277,410 for Series A and Series B Shares, respectively, representing an average APS dividend rate for such period of 1.25% and 88%, respectively.

The Trust distinguishes between distribution on a tax basis and a financial reporting basis. Accounting principles generally accepted in the United States of America require that only distributions in excess of tax basis earnings and profits be reported in the financial statements as a return of capital. Permanent differences between book and tax accounting relating to distributions are reclassified to paid in capital. These differences relate primarily to the method for amortizing premiums.

### 4 INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The investment adviser fee, computed at an annual rate of 0.70% of the Trust's average weekly gross assets, was earned by Eaton Vance Management (EVM) as compensation for management and investment advisory services rendered to the Trust. Except for Trustees of the Trust who are not members of EVM's organization, officers and Trustees receive remuneration for their services to the Trust out of such investment adviser fee. For the six months ended May 31, 2004, the fee was equivalent to 0.70% (annualized) of the Trust's average weekly gross assets and amounted to \$1,282,777. EVM also serves as the administrator of the Trust. An administration fee, computed at the annual rate of 0.20% (annualized) of the average weekly gross assets of the Trust, is paid to EVM for managing and administering business affairs of the Trust. For the six months ended May 31, 2004, the administrative fee amounted to \$366,507.

Certain officers and Trustees of the Trust are officers of EVM.

### 5 INVESTMENTS

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Purchases and sales of investments, other than U.S. Government securities and short-term obligations, aggregated \$50,810,842 and \$43,134,105, respectively, for the six months ended May 31, 2004.

### 6 FEDERAL INCOME TAX BASIS OF UNREALIZED APPRECIATION (DEPRECIATION)

The cost and unrealized appreciation (depreciation) in value of the investments owned by the Trust at May 31, 2004, as computed for Federal income tax purposes, are as follows:

|                               |    |              |
|-------------------------------|----|--------------|
| AGGREGATE COST                | \$ | 350,107,648  |
| -----                         |    |              |
| Gross unrealized appreciation | \$ | 14,160,605   |
| Gross unrealized depreciation |    | (12,414,704) |
| -----                         |    |              |
| NET UNREALIZED APPRECIATION   | \$ | 1,745,901    |
| -----                         |    |              |

### 7 SHARES OF BENEFICIAL INTEREST

The Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional \$0.01 par value common shares. Transactions in common shares were as follows:

|  | SIX MONTHS ENDED<br>MAY 31, 2004<br>(UNAUDITED) | YEAR ENDED<br>NOVEMBER 30, 2003 |
|--|---|---------------------------------|
| -----  |   |                                 |
| Shares issued pursuant to the Trust's dividend reinvestment plan | 77,127  | 181,895                         |
| -----  |   |                                 |
| NET INCREASE   | 77,127  | 181,895                         |
| -----  |   |                                 |

### 8 FINANCIAL INSTRUMENTS

The Trust regularly trades in financial instruments with off-balance sheet risk in the normal course of its investing activities to assist in managing exposure to various market risks. These financial instruments include futures contracts and interest rate swaps and may involve, to a varying degree, elements of risk in excess of the amounts recognized for financial statement purposes. The notional or contractual amounts of these instruments represent the investment the Trust has in particular classes of financial instruments and does not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. A summary of obligations under these financial instruments at May 31, 2004 is as follows:

#### FUTURES CONTRACTS

| EXPIRATION<br>DATE(S) | CONTRACTS | POSITION | NET UNREALIZED<br>APPRECIATION |
|-----------------------|-----------|----------|--------------------------------|
|-----------------------|-----------|----------|--------------------------------|



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|      |                        |       |    |           |
|------|------------------------|-------|----|-----------|
| 6/04 | 400 U.S. Treasury Bond | Short | \$ | 1,729,306 |
| 6/04 | 500 U.S. Treasury Note | Short |    | 878,385   |
|      |                        |       | \$ | 2,607,691 |

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At May 31, 2004, the Trust had sufficient cash and/or securities to cover margin requirements on open futures contracts.

9 ANNUAL MEETING OF SHAREHOLDERS OF MUNICIPAL INCOME TRUST

The Trust held its Annual Meeting of Shareholders on March 19, 2004. The following action was taken by the shareholders:

ITEM 1: The election of James B. Hawkes and Samuel L. Hayes, III as Class II Trustees of the Trust for a three-year term expiring in 2007.

Mr. Hayes was designated the Nominee to be elected solely by APS shareholders:

| NOMINEE FOR CLASS II TRUSTEE<br>ELECTED BY APS SHAREHOLDERS | NUMBER OF SHARES |          |
|---|------------------|----------|
|   | FOR              | WITHHELD |
| Samuel L. Hayes, III  | 4,682            | 4        |

| NOMINEE FOR CLASS II TRUSTEE<br>ELECTED BY ALL SHAREHOLDERS | NUMBER OF SHARES |          |
|---|------------------|----------|
|   | FOR              | WITHHELD |
| James B. Hawkes   | 16,114,071       | 165,112  |

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EATON VANCE MUNICIPAL INCOME TRUST  
DIVIDEND REINVESTMENT PLAN

The Trust offers a dividend reinvestment plan (the Plan) pursuant to which shareholders automatically have dividends and capital gains distributions reinvested in common shares (the Shares) of the Trust unless they elect otherwise through their investment dealer. On the distribution payment date, if the net asset value per Share is equal to or less than the market price per Share plus estimated brokerage commissions then new Shares will be issued. The number of Shares shall be determined by the greater of the net asset value per Share or 95% of the market price. Otherwise, Shares generally will be purchased on the open market by the Plan Agent. Distributions subject to income tax (if any) are taxable whether or not shares are reinvested.

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



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Providence, RI 02940-3027  
800-331-1710

NUMBER OF EMPLOYEES

The Trust is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a closed-end, non-diversified, management investment company and has no employees.

NUMBER OF SHAREHOLDERS

As of May 31, 2004, our records indicate that there are 172 registered shareholders and approximately 7,900 shareholders owning the Trust shares in street name, such as through brokers, banks, and financial intermediaries.

If you are a street name shareholder and wish to receive our reports directly, which contain important information about the Trust, please write or call:

Eaton Vance Distributors, Inc.  
The Eaton Vance Building  
255 State Street  
Boston, MA 02109  
1-800-225-6265

NEW YORK STOCK EXCHANGE SYMBOL

The New York Stock Exchange symbol is EVN.

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EATON VANCE MUNICIPAL INCOME TRUST  
INVESTMENT MANAGEMENT

EATON VANCE MUNICIPAL INCOME TRUST

OFFICERS

Thomas J. Fetter  
President

James B. Hawkes  
Vice President and Trustee

Robert B. MacIntosh  
Vice President

Thomas M. Metzold  
Vice President and  
Portfolio Manager

James L. O'Connor  
Treasurer

Alan R. Dynner  
Secretary

TRUSTEES

Samuel L. Hayes, III

William H. Park

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Ronald A. Pearlman

Norton H. Reamer

Lynn A. Stout

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INVESTMENT ADVISER AND ADMINISTRATOR OF EATON VANCE MUNICIPAL INCOME TRUST  
EATON VANCE MANAGEMENT  
THE EATON VANCE BUILDING  
255 STATE STREET  
BOSTON, MA 02109

CUSTODIAN  
INVESTORS BANK & TRUST COMPANY  
200 CLARENDON STREET  
BOSTON, MA 02116

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT  
PFPC INC.  
P.O. BOX 43027  
PROVIDENCE, RI 02940-3027  
(800) 331-1710

EATON VANCE MUNICIPAL INCOME TRUST  
THE EATON VANCE BUILDING  
255 STATE STREET  
BOSTON, MA 02109

151-7/04

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ITEM 2. CODE OF ETHICS

The registrant has adopted a code of ethics applicable to its Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. The registrant undertakes to provide a copy of such code of ethics to any person upon request, without charge, by calling 1-800-262-1122.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

The registrant's Board has designated William H. Park, Samuel L. Hayes, III and Norton H. Reamer, each an independent trustee, as its audit committee financial experts. Mr. Park is a certified public accountant who is the President and Chief Executive Officer of Prizm Capital Management, LLC (investment management

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firm). Previously, he served as Executive Vice President and Chief Financial Officer of United Asset Management Corporation ("UAM") (a holding company owning institutional investment management firms). Mr. Hayes is the Jacob H. Schiff Professor of Investment Banking Emeritus of the Harvard University Graduate School of Business Administration. Mr. Reamer is the President, Chief Executive Officer and a Director of Asset Management Finance Corp. (a specialty finance company serving the investment management industry) and is President of Unicorn Corporation (an investment and financial advisory services company). Formerly, Mr. Reamer was Chairman of Hellman, Jordan Management Co., Inc. (an investment management company) and Advisory Director of Berkshire Capital Corporation (an investment banking firm), Chairman of the Board of UAM and Chairman, President and Director of the UAM Funds (mutual funds).

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

Not required in this filing.

### ITEM 6. SCHEDULE OF INVESTMENTS

Please see schedule of investments contained in the Report to Stockholders included under Item 1 of this Form N-CSR.

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

The Board of Trustees of the Trust has adopted a proxy voting policy and procedure (the "Fund Policy"), pursuant to which the Trustees have delegated proxy voting responsibility to the Fund's investment adviser and adopted the investment adviser's proxy voting policies and procedures (the "Policies") which are described below. The Trustees will review the Fund's proxy voting records from time to time and will annually consider approving the Policies for the upcoming year. In the event that a conflict of interest arises between the Fund's shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund, the investment adviser will generally refrain from voting the proxies related to the companies giving rise to such conflict until it consults with the Board of the Fund except as contemplated under the Fund Policy. The Board's Special Committee will instruct the investment adviser on the appropriate course of action.

The Policies are designed to promote accountability of a company's management to its shareholders and to align the interests of management with those shareholders. The investment adviser will generally support company management on proposals relating to environmental and social policy issues and on matters regarding the state of organization of the company. On all other matters, the investment adviser will take management's proposals under advisement but will consider each matter in light of the guidelines set forth in the Policies. Except in the instance of routine matters related to corporate administration which are not expected to have a significant economic impact on the company or its shareholders (on which the investment adviser will routinely vote with management), the investment adviser will review each matter on a case-by-case basis and reserves the right to deviate from the Policies guidelines when it believes the situation warrants such a deviation. The Policy includes voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. The investment adviser may abstain from voting from time to time where it determines that the costs associated with

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voting a proxy outweighs the benefits derived from exercising the right to vote.

In addition, the investment adviser will monitor situations that may result in a conflict of interest between the Fund's shareholders and the investment adviser, the administrator, or any of their affiliates or any affiliate of the Fund by maintaining a list of significant existing and prospective corporate clients. The investment adviser's personnel responsible for reviewing and voting proxies on behalf of the Fund will report any proxy received or expected to be received from a company included on that list to the investment adviser's general counsel or chief equity investment officer. The general counsel or chief equity investment officer will determine if a conflict exists. If a conflict does exist, the proxy will either be voted strictly in accordance with the Policy or the investment adviser will seek instruction on how to vote from the Board.

Effective August 31, 2004, information on how the Fund voted proxies relating to portfolio securities during the 12 month period ended June 30, 2004 [is/will be] available (1) without charge, upon request, by calling 1-800-262-1122, and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

### ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not required in this filing.

### ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Effective February 9, 2004, the Governance Committee of the Board of Trustees formalized the procedures by which a Fund's shareholders may recommend nominees to the registrant's Board of Trustees. The Governance Committee shall, when identifying candidates for the position of Independent Trustee, consider any such candidate recommended by a shareholder of a Fund if such recommendation contains sufficient background information concerning the candidate, and is received in a sufficiently timely manner (and in any event no later than the date specified for receipt of shareholder proposals in any applicable proxy statement with respect to a Fund). Shareholders shall be directed to address any such recommendations to the attention of the Governance Committee, c/o the Secretary of the Fund.

### ITEM 10. CONTROLS AND PROCEDURES

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the period that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting.

### ITEM 11. EXHIBITS

- (a) (1) Registrant's Code of Ethics - Not applicable (please see Item 2).
- (a) (2) (i) Treasurer's Section 302 certification.

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- (a) (2) (ii) President's Section 302 certification.
- (b) Combined Section 906 certification.

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.

EATON VANCE MUNICIPAL INCOME TRUST

By: /s/ Thomas J. Fetter

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Thomas J. Fetter  
President

Date: July 20, 2004

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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: /s/ James L. O'Connor

-----  
James L. O'Connor  
Treasurer

Date: July 20, 2004

-----  
By: /s/ Thomas J. Fetter

-----  
Thomas J. Fetter  
President

Date: July 20, 2004

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