

EATON VANCE MUNICIPAL INCOME TRUST  
Form N-30D  
July 29, 2002

[GRAPHIC]

EDUCATION

SEMIANNUAL REPORT MAY 31, 2002

EATON VANCE MUNICIPAL INCOME TRUST

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002  
LETTER TO SHAREHOLDERS

[PHOTO OF THOMAS J. FETTER]  
Thomas J. Fetter  
President

Of the many variables confronting the municipal bond investor, few are as crucial to performance as maintaining good call protection. Most municipal bonds include call provisions, which outline the terms under which the bond issuer can redeem the bond prior to its stated maturity date. While these provisions increase the issuer's financial flexibility, they create an ongoing challenge for municipal bond investors.

CALL PROTECTION IS CRITICAL TO DELIVERING A CONSISTENT DIVIDEND...

As most investors know, fund dividends are subject to changes in the prevailing interest rate level. As rates decline, fund dividends understandably reflect those fluctuations. However, call provisions permit bond issuers to refinance their outstanding debt, under specific terms and timing, in much the same way a homeowner refinances a mortgage. Not surprisingly, these calls can be disruptive for investors, who may be forced to re-invest the proceeds of a called bond at lower rates. Therefore, prudent investors strive to maintain adequate call protection in an effort to insulate the portfolio from these untimely disruptions and thereby provide a more predictable income stream.

AMPLE CALL PROTECTION ENHANCES THE POTENTIAL FOR CAPITAL APPRECIATION...

Price performance is another compelling reason to maintain adequate call protection. As most investors know, bond prices rise as interest rates decline. That is, bond investors will pay more for a bond as interest rates fall below the bond's existing coupon. Because it responds to declining rates, such a bond is said to have "positive convexity."

However, investors will NOT pay as much for a bond - even if rates are falling - if that bond is likely to be called. As a bond approaches the point where it is likely to be called, it tends to trade nearer its call price, usually par or a modest premium. As a result, this tends to impede the callable bond's upside performance. In effect, the callable bond has lost its positive convexity and is now said to have "negative convexity," meaning it will be significantly less responsive to declining interest rates.

[CHART]

The chart above demonstrates this relationship. Note that as yields decline

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

to point Y - the point where investors start to anticipate an imminent call - the price performance of the callable bond tends to "roll-off," and thus lag that of the non-callable bond. While it is difficult to pinpoint precisely when this "roll-off" will occur, bonds with ample call protection are generally considered less susceptible to this phenomenon than bonds with waning call protection.

CALL PROTECTION IS A MAJOR ADVANTAGE OF MUNICIPAL BOND MUTUAL FUNDS...

While call features can have a profound influence on income and price performance, these nuances may be overlooked by the individual investor, a fact that can put the individual at a serious disadvantage. At Eaton Vance, call provisions remain a prime strategic consideration for our fund managers and analysts. We monitor our portfolios and individual bonds and make periodic adjustments to update call protection, as necessary. Together with diversification, in-depth research and professional management, we believe that continuously updated call protection represents yet another major advantage for the mutual fund investor.

Sincerely,  
/s/ Thomas J. Fetter  
Thomas J. Fetter  
President

2

### MANAGEMENT DISCUSSION

[PHOTO OF THOMAS M. METZOLD]  
Thomas M. Metzold  
Portfolio Manager

### INVESTMENT ENVIRONMENT

- While the recession of 2001 proved shallow and of short duration, the economy has struggled in the first half of 2002 to generate a recovery of any significance. Companies have remained reticent to resume capital spending and have managed inventories very conservatively. Although consumer confidence has improved significantly, recent reports suggest that Americans are increasingly resigned to a slow-paced recovery.
- The Federal Reserve, which signaled late in 2001 that it would likely raise rates, has since suggested a less hawkish stance. That ambiguity has been reflected in the bond market, whose prices move in the opposite direction of interest rates. Against this backdrop, the municipal bond market has continued to register solidly positive returns. The Lehman Brothers Municipal Bond Index - a broad-based, unmanaged index of municipal bonds - posted a total return of 2.56% for the six months ended May 31, 2002.(1)

### 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 9.46% for the six months ended May 31, 2002. That return was the result of an increase in share price from \$13.50 on November 30, 2001 to \$14.24 on May 31, 2002, and the reinvestment of \$0.491 in regular monthly dividends.(2)
- Based on net asset value, the Trust had a total return of 2.41% for the six months ended May 31, 2002. That return was the result of a decrease in net

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

asset value per share from \$12.93 on November 30, 2001 to \$12.76 on May 31, 2002, and the reinvestment of \$0.491 in regular monthly dividends.

- Based on the most recent dividend and a share price of \$14.24 the Trust had a market yield of 7.25% at May 31, 2002.(3) The Trust's market yield is equivalent to a taxable yield of 11.81%.(4)

### MANAGEMENT DISCUSSION

- The municipal market responded well to the sluggish recovery. Municipal bonds have also benefited from the disappointing performance of the stock market and a less-than-robust outlook for equities in the coming year. Moreover, municipals have received an additional boost from efforts within Congress and a number of state legislatures to roll back previous tax cuts. With the possibility of higher tax rates, municipal bonds hold added appeal for investors.
- Hospital bonds remained a significant focus of the Trust's investment strategy. Because the national hospital market remains intensely competitive, the Trust focused on well-positioned institutions, while diversifying among issuers across the country.
- Industrial development revenue bonds (IDRs), particularly in the airline sector, provided some compelling opportunities for the Trust. In a weaker economy, management has remained very selective and emphasized diversification within the IDR segment.

### 5 LARGEST CATEGORIES (5)

By total investments

[CHART]

Hospital	27.0%
Insured Transportation*	22.2%
Insured General Obligations*	13.7%
Housing	13.1%
Industrial Development Revenue	11.8%

\*May not represent the Portfolio's current or future investments. Private insurance does not decrease the risk of loss of principal associated with this investment.

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.

TRUST INFORMATION  
as of May 31, 2002

### PERFORMANCE (6)

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

One Year	22.21%
Life of Trust (1/29/99)	4.83%

# Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

Average Annual Total Returns (at net asset value)

One Year	9.95%
Life of Trust (1/29/99)	1.44%(3)

RATING DISTRIBUTION(5)  
By total investments

[CHART]

AAA	40.8%
AA	5.9%
A	6.6%
BBB	17.6%
BB	0.7%
CCC	0.5%
Non-Rated	27.9%

- (1) It is not possible to invest directly in an Index.
  - (2) A portion of the Trust's income may be subject federal and state income tax and/or federal alternative minimum 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 38.6% federal income tax rate. A lower rate would result in a lower tax-equivalent figure.
  - (5) Rating Distribution and 5 Largest Categories are determined by dividing the total market value of the holdings by the total net assets of the Trust. Rating Distribution and 5 Largest Categories are subject to change.
  - (6) Returns are historical and are calculated by determining the percentage change in share price or net asset value with all distributions reinvested.
- \* Private insurance does not remove the risk of loss of principal associated with insured investments due to changes in market conditions.

Past performance is no guarantee of future results. Investment return and market price will fluctuate so that shares, when sold, may be worth more or less than their original cost.

3

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

PORTFOLIO OF INVESTMENTS (UNAUDITED)

TAX-EXEMPT INVESTMENTS -- 159.5%

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY	VALUE
-----		
Cogeneration -- 1.4%		
-----		
\$ 2,950	Maryland Energy Cogeneration, (AES Warrior Run), (AMT), 7.40%, 9/1/19	\$ 3,039,945
		\$ 3,039,945
-----		
Education -- 4.1%		
-----		
\$ 2,250	California Educational Facilities Authority, Residual Certificates, Variable Rate, 12/1/32(1)(2)	\$ 2,316,870
6,875	Massachusetts Development Finance Agency, (Boston University), 5.45%, 5/15/59	6,366,387
		\$ 8,683,257
-----		
Electric Utilities -- 8.4%		
-----		
\$ 6,500	Brazos River Authority, TX, (Reliant Energy, Inc.), (AMT), 5.375%, 4/1/19	\$ 5,538,585
3,550	Mississippi Business Finance Corp., (System Energy Resources, Inc.), 5.90%, 5/1/22	3,419,111
7,250	North Carolina Municipal Power Agency, (Catawba), 6.50%, 1/1/20	7,601,335
1,250	San Antonio, TX, Electric and Natural Gas, 4.50%, 2/1/21	1,134,375
		\$ 17,693,406
-----		
Escrowed / Prerefunded -- 6.9%		
-----		
\$ 2,850	Clark County, NV, Airport, (MBIA), Prerefunded to 7/1/10, 6.00%, 7/1/29	\$ 3,266,271
35,000	Dawson Ridge, CO, Metropolitan District #1, Escrowed to Maturity, 0.00%, 10/1/22	9,191,700
1,725	Maricopa County, AZ, IDA, (Place Five and The Greenery), Escrowed to Maturity, 8.625%, 1/1/27	2,162,201
		\$ 14,620,172
-----		
General Obligations -- 4.3%		
-----		
\$ 2,000	Kershaw County, SC, School District, 5.00%, 2/1/18	\$ 2,027,200
8,225	North East Independent School District, TX, 4.50%, 10/1/28	7,135,599
		\$ 9,162,799
-----		
Health Care - Miscellaneous -- 1.5%		
-----		
\$ 655	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program,	

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

6.00%, 12/1/36 \$ 656,648

PRINCIPAL AMOUNT  
(000'S OMITTED)

SECURITY

VALUE

-----  
Health Care - Miscellaneous (continued)

\$ 1,728	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program, 6.25%, 12/1/36	\$ 1,781,429
656	Tax Exempt Securities Trust, Community Health Provider, Pooled Loan Program, 7.75%, 12/1/36	655,814
		\$ 3,093,891

-----  
Hospital -- 27.0%

\$ 2,500	California Health Facilities Authority, (Cedars Sinai Medical Center), Variable Rate, 12/1/34(1)(3)	\$ 2,776,625
1,000	Chautauqua County, NY, IDA, (Women's Christian Association), 6.35%, 11/15/17	924,970
1,000	Chautauqua County, NY, IDA, (Women's Christian Association), 6.40%, 11/15/29	890,660
1,410	Colorado Health Facilities Authority, (Rocky Mountain Adventist), 6.625%, 2/1/22	1,449,367
1,000	Halifax, FL, Medical Center, 7.25%, 10/1/24	1,053,370
2,840	Highland County, OH, (Joint Township Hospital District), 6.75%, 12/1/29	2,608,852
5,000	Illinois Health Facility Authority, (Loyola University Health System), 6.00%, 7/1/21	5,067,800
3,000	John Tolfree Health System Corp., MI, 6.00%, 9/15/23	2,953,650
1,215	Loris, SC, Community Hospital District, 5.625%, 1/1/20	1,164,578
3,500	Loris, SC, Community Hospital District, 5.625%, 1/1/29	3,280,235
5,250	Louisiana Public Facilities Authority, (Tuoro Infirmary), 5.625%, 8/15/29	5,163,323
2,000	Martin County, MN, (Fairmont Community Hospital Association), 6.625%, 9/1/22	1,933,840
1,530	Mecosta County, MI, General Hospital, 5.75%, 5/15/09	1,519,244
2,500	Mecosta County, MI, General Hospital, 6.00%, 5/15/18	2,300,600
4,260	New Jersey Health Care Facilities Financing Authority, (Capital Health System), 5.25%, 7/1/27	3,474,541
1,500	New Jersey Health Care Facilities Financing Authority, (Trinitas Hospital), 7.50%, 7/1/30	1,618,665
5,000	North Central, TX, Health Facility Development Corp., (Baylor Healthcare System), 5.125%, 5/15/29	4,694,550
1,550	Oneonta, AL, Eastern Health Care Facility Financing Authority, (Eastern	

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

7,000	Health Systems, Inc.), 7.75%, 7/1/21	1,694,786
	Rhode Island HEFA, (St. Joseph Health Services), 5.50%, 10/1/29	5,677,490

SEE NOTES TO FINANCIAL STATEMENTS

4

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

PORTFOLIO OF INVESTMENTS (UNAUDITED) CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY	VALUE
-----		
Hospital (continued)		
-----		
\$ 2,425	Southwestern Illinois, Development Authority, (Anderson Hospital), 5.625%, 8/15/29	\$ 2,223,264
2,500	Sullivan County, TN, Health Educational and Housing Facility Board, (Wellmont Health System), 6.25%, 9/1/32	2,481,225
2,000	Weber County, UT, (IHC Health Services, Inc.), 5.00%, 8/15/30	1,847,960
		-----
		\$ 56,799,595
-----		
Housing -- 13.1%		
-----		
\$ 990	California Statewide Communities Development Authority, Variable Rate, 6/1/09(1)(3)	\$ 1,004,672
4,000	Charter Mac Equity Trust, TN, (AMT), 6.625%, 6/30/09	4,124,600
3,185	Florida Capital Projects Finance Authority, Student Housing Revenue, (Florida University), 7.75%, 8/15/20	3,164,489
940	Lake Creek, CO, Affordable Housing Corp., Multifamily, 7.00%, 12/1/23	885,442
4,575	Louisiana Public Facilities Authority, (Eden Point), 6.25%, 3/1/34	4,039,725
4,000	Muni Mae Tax-Exempt Bond, LLC, (AMT), 6.875%, 6/30/09	4,157,920
3,350	North Little Rock, AR, Residential Housing Facilities, (Parkstone Place), 6.50%, 8/1/21	3,167,559
3,660	Oregon Health Authority, (Trillium Affordable Housing), (AMT), 6.75%, 2/15/29	3,415,183
970	Raleigh, NC, Housing Authority, Multifamily, (Cedar Point), 7.00%, 11/1/30(4)	436,500
3,300	Texas Student Housing Corp., (University of Northern Texas), 6.75%, 7/1/16	3,242,514
		-----
		\$ 27,638,604

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

-----  
Industrial Development Revenue -- 11.8%  
-----

\$ 1,970	Abia Development Corp., TX, (Austin Cargoport Development), (AMT), 6.50%, 10/1/24	\$ 1,770,263
1,890	Broward County, FL, IDR, (Lynxs Cargoport), (AMT), 6.75%, 6/1/19	1,752,503
2,500	Denver, CO, City and County, (United Airlines), Variable Rate, 10/1/32(1)(3)	701,550
1,000	Gloucester County, NJ, Improvements Authority, (Waste Management, Inc.), (AMT), 7.00%, 12/1/29	1,086,700
2,500	Gulf Coast, TX, Waste Disposal Authority, (Valero Energy Corp.) (AMT), 5.70%, 4/1/32	2,358,225
2,250	Gulf Coast, TX, Waste Disposal, (Champion International), (AMT), 6.875%, 12/1/28	2,322,765

PRINCIPAL AMOUNT  
(000'S OMITTED)

SECURITY

VALUE

-----  
Industrial Development Revenue (continued)  
-----

\$ 2,500	Los Angeles, CA, Regional Airports Improvements Corp., (Terminal Four), (AMT), 7.50%, 12/1/24	\$ 2,439,125
3,000	Minneapolis and St. Paul, MN, Metropolitan Airport Commission, (Northwest Airlines), (AMT), 7.00%, 4/1/25	2,720,430
3,000	Missouri Development Finance Authority, Solid Waste Disposal, (Proctor and Gamble Paper Products), (AMT), 5.20%, 3/15/29	2,946,570
6,000	New Jersey EDA, (Continental Airlines), (AMT), 6.25%, 9/15/29	5,226,480
3,550	Phoenix, AZ, IDA, (America West Airlines, Inc.), (AMT), 6.25%, 6/1/19	1,541,055
		\$ 24,865,666

-----  
Insured - Education -- 1.4%  
-----

\$ 3,000	Massachusetts HEFA, (Berklee College of Music), (MBIA), Variable Rate, 10/1/27(1)(3)	\$ 2,945,670
		\$ 2,945,670

-----  
Insured - Electric Utilities -- 0.5%  
-----

\$ 100	Los Angeles, CA, Department of Water and Power, (MBIA), Variable Rate, 12/15/24(1)(2)	\$ 1,038,350
		\$ 1,038,350

-----  
Insured - General Obligations -- 13.7%  
-----



Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

\$ 500	California General Obligation, (FGIC), Variable Rate, 12/1/29(1) (2)	\$ 1,057,450
3,500	California General Obligation, (FGIC), Variable Rate, 9/1/30(1) (2)	3,530,485
11,250	Chicago, IL, (MBIA), 5.00%, 1/1/41	10,531,463
30,160	Chicago, IL, Board Education, (FGIC), 0.00%, 12/1/22	9,551,974
10,000	Washington State General Obligation, (FGIC), 0.00%, 1/1/19	4,112,900
		\$ 28,784,272

Insured - Hospital -- 8.4%

\$21,305	Kentucky EDA, (Norton Healthcare, Inc.), (MBIA), 0.00%, 10/1/25	\$ 5,753,415
23,470	Kentucky EDA, (Norton Healthcare, Inc.), (MBIA), 0.00%, 10/1/26	5,978,278
10,000	Kentucky EDA, (Norton Healthcare, Inc.), (MBIA), 0.00%, 10/1/27	2,401,400

SEE NOTES TO FINANCIAL STATEMENTS

5

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

PORTFOLIO OF INVESTMENTS (UNAUDITED) CONT'D

PRINCIPAL AMOUNT (000'S OMITTED)	SECURITY	VALUE
Insured - Hospital (continued)		
\$ 4,000	New Jersey Health Care Facilities Financing Authority, (St. Barnabas Medical Center), (MBIA), Variable Rate, 7/1/28(1) (2)	\$ 3,537,840
		\$ 17,670,933
Insured - Special Tax Revenue -- 4.5%		
\$15,905	Metropolitan Pier and Exposition Authority, IL, (MBIA), 0.00%, 6/15/23	\$ 4,915,440
4,000	Puerto Rico Infrastructure Financing Authority, (FSA), Variable Rate, 7/1/27(1) (2)	4,162,120
60	South Orange County, CA, Public Financing Authority, (FGIC), DRIVERS, Variable Rate, 8/15/15(1) (3)	347,070
		\$ 9,424,630

Insured - Transportation -- 22.2%

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

\$ 3,500	Chicago, IL, O'Hare International Airport, (AMBAC), (AMT), 5.375%, 1/1/32	\$ 3,464,020
2,500	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 5.50%, 11/1/20	2,524,575
4,930	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 5.75%, 11/1/30	5,029,537
4,500	Dallas-Fort Worth, TX, International Airport, (FGIC), (AMT), 6.125%, 11/1/35	4,727,790
3,500	Florida Turnpike Authority, (Department of Transportation), (FGIC), 4.50%, 7/1/27	3,135,230
2,400	Massachusetts Turnpike Authority, Metropolitan Highway System, (MBIA), Variable Rate, 1/1/37(1)(2)	1,977,600
4,250	Metropolitan Transportation Authority, NY, Commuter Revenue (FGIC), 4.75%, 7/1/26	4,064,743
7,500	Minneapolis and St. Paul, MN, Metropolitan Airport Commission, (FGIC), 5.25%, 1/1/32	7,482,900
5,500	Nevada Department of Business and Industry, (Las Vegas Monorail -1st Tier), (AMBAC), 5.375%, 1/1/40	5,455,835
2,000	Puerto Rico Highway and Transportation Authority, (FSA), Variable Rate, 7/1/32(1)(3)	1,935,300
7,000	San Antonio, TX, Airport System, (Improvements), (FGIC), 5.25%, 7/1/21	6,896,050
		\$ 46,693,580

PRINCIPAL AMOUNT  
(000'S OMITTED)

	SECURITY	VALUE
-----		
Insured - Water and Sewer -- 2.1%		
-----		
\$ 5,000	Charleston, SC, Waterworks and Sewer, (FGIC), 4.50%, 1/1/24	\$ 4,489,100
		\$ 4,489,100
-----		
Nursing Home -- 4.4%		
-----		
\$ 3,700	Ohio HFA, Retirement Rental Housing, (Encore Retirement Partners), 6.75%, 3/1/19	\$ 3,173,453
750	Okaloosa County, FL, Retirement Rental Housing, (Encore Retirement Partners), 6.125%, 2/1/14	660,555
2,000	Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.75%, 4/1/34	1,683,160
779	Tarrant County, TX, Health Facilities Authority, 8.00%, 9/1/25	770,313
1,221	Tarrant County, TX, Health Facilities Authority, (3927 Foundation), 10.25%, 9/1/19(4)	54,928
3,000	Wisconsin HEFA, (Wisconsin Illinois Senior Housing), 7.00%, 8/1/29	2,823,330
		-----

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

\$ 9,165,739

-----  
Other Revenue -- 9.6%  
-----

\$ 2,000	Badger Tob Asset Securitization Corp., WI, 6.375%, 6/1/32	\$ 1,955,580
4,000	Capital Trust Agency, FL, (Seminole Tribe Convention), 10.00%, 10/1/33	4,013,800
1,500	Mohegan Tribe Indians, CT, Gaming Authority, (Public Improvements), 6.25%, 1/1/21	1,534,620
3,900	Puerto Rico Infrastructure Financing Authority, Variable Rate, 10/1/32(1)(2)	4,704,375
3,300	Santa Fe, NM, (Crow Hobbs), 8.50%, 9/1/16	3,425,565
5,000	Tobacco Settlement Financing Corp., LA, 5.875%, 5/15/39	4,567,500

-----  
\$ 20,201,440  
-----

-----  
Senior Living / Life Care -- 4.1%  
-----

\$ 1,960	Cliff House Trust, PA, (AMT), 6.625%, 6/1/27	\$ 1,790,166
360	Delaware County, PA, IDA, (Glen Riddle), (AMT), 8.125%, 9/1/05	371,372
2,000	Delaware County, PA, IDA, (Glen Riddle), (AMT), 8.625%, 9/1/25	2,127,400
3,236	Logan County, CO, Industrial Development Revenue, (TLC Care Choices, Inc.), 6.875%, 12/1/23	2,907,925
1,400	Mesquite, TX, Health Facilities Authority, (Christian Retirement Facility), 7.625%, 2/15/28	1,444,156

-----  
\$ 8,641,019  
-----

SEE NOTES TO FINANCIAL STATEMENTS

6

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

PORTFOLIO OF INVESTMENTS (UNAUDITED) CONT'D

PRINCIPAL AMOUNT  
(000'S OMITTED)

SECURITY

VALUE

-----  
Special Tax Revenue -- 4.5%  
-----

\$ 3,280	Bell Mountain Ranch, CO, Metropolitan District, 6.625%, 11/15/25	\$ 3,211,153
3,600	Black Hawk, CO, Business Improvement District, 6.50%, 12/1/11	3,524,076
1,230	Longleaf, FL, Community Development District, 6.20%, 5/1/09	1,140,764
1,855	Longleaf, FL, Community Development	

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

	District, 6.65%, 5/1/20	1,656,496
		-----
		\$ 9,532,489
		-----
Transportation -- 1.6%		
-----		
\$ 3,750	Kent County, MI, Airport Facility, (AMT), Variable Rate, 1/1/25(1)(3)	\$ 3,393,788
		-----
		\$ 3,393,788
		-----
Water and Sewer -- 4.0%		
-----		
\$ 1,500	Metropolitan Water District, CA, (Southern California Waterworks), Variable Rate, 1/1/18(1)(3)	\$ 1,290,825
6,500	Sacramento County, CA, Sanitation District Financing Authority Revenue, 5.875%, 12/1/27	7,178,535
		-----
		\$ 8,469,360
		-----
Total Tax-Exempt Investments -- 159.5%		
(identified cost \$342,755,791)		\$ 336,047,705
		-----
Other Assets, Less Liabilities -- 2.7%		\$ 5,766,044
		-----
Auction Preferred Shares Plus Cumulative Unpaid Dividends -- (62.2)%		\$ (131,155,652)
		-----
Net Assets Applicable to Common Shares -- 100.0%		\$ 210,658,097
		-----

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

At May 31, 2002, the concentration of the Trust's investments in the various states, determined as a percentage of net assets, is as follows:

-----	
Texas	23.6%
Illinois	17.0%
California	10.9%
Colorado	10.4%
Others, representing less than 10% individually	97.6%

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, 2002, 34.0% 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 financial institutions ranged from 1.8% to 16.9% of total investments.

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.
- (2) Security has been issued as a leveraged inverse floater bond.
- (3) Security has been issued as an inverse floater bond.
- (4) Non-income producing security.

SEE NOTES TO FINANCIAL STATEMENTS

7

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF ASSETS AND LIABILITIES

AS OF MAY 31, 2002

### Assets

-----	
Investments, at value (identified cost, \$342,755,791)	\$336,047,705
Receivable for investments sold	80,000
Interest receivable	6,487,654
Prepaid expenses	60,223
-----	
TOTAL ASSETS	\$342,675,582
-----	

### Liabilities

-----	
Due to bank	\$ 784,053
Payable to affiliate for Trustees' fees	1,826
Accrued expenses	75,954
-----	
TOTAL LIABILITIES	\$ 861,833
-----	

AUCTION PREFERRED SHARES (5,240 SHARES OUTSTANDING) AT LIQUIDATION VALUE PLUS CUMULATIVE UNPAID DIVIDENDS	\$131,155,652
-----	

NET ASSETS APPLICABLE TO COMMON SHARES	\$210,658,097
-----	

### Sources of Net Assets

-----	
Common Shares, \$0.01 par value; unlimited number of shares authorized, 16,513,582 shares issued and outstanding	\$ 165,136
Additional paid-in capital	244,641,825
Accumulated net realized loss (computed on the basis of identified cost)	(30,883,120)
Accumulated undistributed net investment income	3,442,342
Net unrealized depreciation (computed on the basis of identified cost)	(6,708,086)
-----	
NET ASSETS APPLICABLE TO COMMON SHARES	\$210,658,097
-----	

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

Net Asset Value Per Common Share

-----  
 (\$210,658,097 DIVIDED BY 16,513,582  
 COMMON SHARES ISSUED AND OUTSTANDING) \$ 12.76  
 -----

### STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED MAY 31, 2002

#### Investment Income

-----  
 Interest \$12,283,121  
 -----  
 TOTAL INVESTMENT INCOME \$12,283,121  
 -----

#### Expenses

-----  
 Investment adviser fee \$ 1,184,890  
 Administration fee 338,654  
 Trustees' fees and expenses 8,569  
 Transfer and dividend disbursing agent  
   fees 93,065  
 Preferred shares remarketing agent fee 163,303  
 Custodian fee 61,868  
 Legal and accounting services 53,141  
 Printing and postage 51,354  
 Miscellaneous 34,790  
 -----  
 TOTAL EXPENSES \$ 1,989,634  
 -----

NET INVESTMENT INCOME \$10,293,487  
 -----

#### Realized and Unrealized Gain (Loss)

-----  
 Net realized gain (loss) --  
   Investment transactions (identified  
     cost basis) \$ 161,260  
   Interest rate swap contracts (51,063)  
 -----  
 NET REALIZED GAIN \$ 110,197  
 -----

Change in unrealized appreciation  
 (depreciation) --  
   Investments (identified cost basis) \$ (3,980,218)  
   Interest rate swap contracts 90,770  
 -----  
 NET CHANGE IN UNREALIZED APPRECIATION  
 (DEPRECIATION) \$ (3,889,448)  
 -----

NET REALIZED AND UNREALIZED LOSS \$ (3,779,251)  
 -----

DISTRIBUTIONS TO PREFERRED SHAREHOLDERS \$ (1,387,730)  
 -----

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

NET INCREASE IN NET ASSETS FROM  
OPERATIONS \$ 5,126,506

SEE NOTES TO FINANCIAL STATEMENTS

8

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

FINANCIAL STATEMENTS CONT'D

STATEMENTS OF CHANGES IN NET ASSETS

INCREASE (DECREASE) IN NET ASSETS	SIX MONTHS ENDED	
	MAY 31, 2002 (UNAUDITED)	YEAR ENDED NOVEMBER 30, 2001
From operations --		
Net investment income	\$ 10,293,487	\$ 18,368,683
Net realized gain (loss)	110,197	(5,499,488)
Net change in unrealized appreciation (depreciation)	(3,889,448)	19,844,258
Distributions to preferred shareholders	(1,387,730)	(4,064,981)
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$ 5,126,506	\$ 28,648,472
Distributions to common shareholders --		
From net investment income	\$ (8,080,219)	\$ (12,687,380)
TOTAL DISTRIBUTIONS TO SHAREHOLDERS	\$ (8,080,219)	\$ (12,687,380)
Capital share transactions --		
Reinvestment of distributions to shareholders	\$ 1,296,333	\$ 1,678,324
NET INCREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS	\$ 1,296,333	\$ 1,678,324
NET INCREASE (DECREASE) IN NET ASSETS	\$ (1,657,380)	\$ 17,639,416
Net Assets Applicable to Common Shares		
At beginning of period	\$ 212,315,477	\$ 194,676,061
AT END OF PERIOD	\$ 210,658,097	\$ 212,315,477
Accumulated undistributed net investment income included in net assets applicable to common shares		
AT END OF PERIOD	\$ 3,442,342	\$ 2,434,569

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

SEE NOTES TO FINANCIAL STATEMENTS

9

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

FINANCIAL STATEMENTS CONT'D

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A COMMON SHARE OUTSTANDING DURING PERIODS STATED

	SIX MONTHS ENDED MAY 31, 2002 (UNAUDITED) (1) (2)	YEAR ENDED NOVEMBER 30,		
		2001 (2)	2000 (2)	1999 (2) (3)
Net asset value -- Beginning of period (Common shares)	\$12.930	\$11.950	\$11.720	\$15.000
Income (loss) from operations				
Net investment income	\$ 0.626	\$ 1.124	\$ 1.083	\$ 0.837
Net realized and unrealized gain (loss)	(0.221)	0.873	0.260	(3.246)
Distributions to preferred shareholders	(0.084)	(0.240)	(0.328)	(0.197)
TOTAL INCOME (LOSS) FROM OPERATIONS	\$ 0.321	\$ 1.757	\$ 1.015	\$ (2.606)
Less distributions to common shareholders				
From net investment income	\$ (0.491)	\$ (0.777)	\$ (0.785)	\$ (0.550)
TOTAL DISTRIBUTIONS	\$ (0.491)	\$ (0.777)	\$ (0.785)	\$ (0.550)
PREFERRED AND COMMON SHARES OFFERING COSTS CHARGED TO PAID-IN CAPITAL	\$ --	\$ --	\$ --	\$ (0.042)
PREFERRED SHARES UNDERWRITING DISCOUNTS	\$ --	\$ --	\$ --	\$ (0.082)
NET ASSET VALUE -- END OF PERIOD (COMMON SHARES)	\$12.760	\$12.930	\$11.950	\$11.720
MARKET VALUE -- END OF PERIOD (COMMON SHARES)	\$14.240	\$13.500	\$11.125	\$11.688
TOTAL RETURN (4)	9.46%	28.95%	2.05%	(18.74%)



Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

SEE NOTES TO FINANCIAL STATEMENTS

10

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

FINANCIAL STATEMENTS CONT'D

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A COMMON SHARE OUTSTANDING DURING PERIODS STATED

Ratios/Supplemental Data+ ++

Net assets applicable to common shares, end of period (000's omitted)	\$210,658	\$212,315	\$194,676	\$190,200
Ratios (As a percentage of average net assets applicable to common shares):				
Net expenses(5)	1.91%(6)	1.88%	1.95%	1.76%
Net expenses after custodian fee reduction(5)	1.91%(6)	1.88%	1.91%	1.70%
Net investment income(5)	9.86%(6)	8.79%	9.47%	7.38%
Portfolio Turnover	10%	60%	66%	151%

+ The expenses of the Trust may reflect a reduction of the investment adviser fee. Had such action been taken, the ratios and net investment income per share would have been as follows:

Ratios (As a percentage of average net assets applicable to common shares):				
Expenses(5)				1.76%
Expenses after custodian fee reduction(5)				1.70%
Net investment income(5)				7.38%
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	1.17%(6)	1.15%	1.15%	1.14%
Net expenses after custodian fee reduction	1.17%(6)	1.15%	1.12%	1.10%
Net investment income	6.06%(6)	5.40%	5.56%	4.77%

+ The expenses of the Trust may reflect a reduction of the investment adviser fee. Had such action been taken, the ratios would have been as follows:

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

Senior Securities:

Total preferred shares

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

outstanding	5,240	5,240	5,240	5,240
Asset coverage per				
preferred share (7)	\$65,232	\$65,548	\$62,155	\$61,308
Involuntary liquidation				
preference per preferred				
share (8)	\$25,000	\$25,000	\$25,000	\$25,000
Approximate market value				
per preferred share (8)	\$25,000	\$25,000	\$25,000	\$25,000

---

- (1) The Trust has adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies and began using the interest method to amortize premiums on fixed-income securities. The effect of this change for the six months ended May 31, 2002 was to increase net investment income per share by \$0.005, increase net realized and unrealized losses per share by \$0.005, increase the ratio of net investment income to average net assets applicable to common shares from 9.77% to 9.86% and increase the ratio of net investment income to average total net assets from 6.01% to 6.06%. Per share data and ratios for the periods prior to December 1, 2001 have not been restated to reflect this change in presentation.
- (2) Computed using average common shares outstanding.
- (3) For the period from the start of business, January 29, 1999, to November 30, 1999.
- (4) Total return is calculated assuming a purchase at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed reinvested at the net asset value on the reinvestment date. Total return is not computed on an annualized basis.
- (5) Ratios do not reflect the effect of dividend payments to preferred shareholders. Ratios to average net assets attributable to common shares reflect the Trust's leveraged capital structure.
- (6) Annualized.
- (7) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing this by the number of preferred shares outstanding.
- (8) Plus accumulated and unpaid dividends.

SEE NOTES TO FINANCIAL STATEMENTS

11

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

### 1 Significant Accounting Policies

---

Eaton Vance Municipal Income Trust (the Trust) is an entity commonly known as a Massachusetts business trust and is registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The Trust was organized under the laws of the Commonwealth of Massachusetts by an Agreement and Declaration of Trust dated December 10, 1998. The Trust's investment objective is to achieve current income exempt from regular federal income tax by investing primarily in investment grade municipal obligations.

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

- A Investment Valuation -- Municipal bonds are normally valued on the basis of valuations furnished by a pricing service. Taxable obligations, if any, for which price quotations are readily available are normally valued at the mean between the latest bid and asked prices. Futures contracts listed on the commodity exchanges are valued at closing settlement prices. 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 unavailable 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. Effective December 1, 2001, the Trust adopted the provisions of the revised AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums on fixed-income securities using the interest method of amortization. Prior to December 1, 2001, the Trust amortized market premiums on fixed-income securities using the proportional method of amortization. The cumulative effect of this accounting change had no impact on the Trust's net assets, but resulted in a \$182,235 increase in cost of securities and a corresponding \$182,235 decrease in net unrealized appreciation, based on securities held on May 31, 2002.
- The effect of this change for the six months ended May 31, 2002 was to increase net investment income by \$89,797, increase net realized loss by \$5,111, and increase net unrealized depreciation by \$84,686.
- The statement of changes in net assets and financial highlights for prior periods have not been restated to reflect these changes.
- 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, 2001, the Trust, for federal income tax purposes, had a capital loss carryover of \$30,838,841 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 (\$10,949,210) November 30, 2008 (\$14,623,294) and November 30, 2009 (\$5,266,337). 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 Organization and Offering Costs -- Costs incurred by the Trust in connection with its organization have been expensed. Costs incurred by the Trust in connection with the offerings of the common shares and preferred shares were recorded as a reduction of capital paid in excess of par applicable to common

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

shares.

F Financial Futures Contracts -- Upon the entering of a financial futures contract, the Trust is

12

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) CONT'D

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.

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

H Interest Rate Swaps -- The Trust has entered 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. In exchange, the Trust receives payments based on the 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.

I 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.

J 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.

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

K Interim Financial Statements -- The interim financial statements relating to May 31, 2002 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 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 10, 2001, a special dividend period of 364 days was set on the Series A shares. The dividend rate, which matures on July 9, 2002, is 2.80%. Dividend rates ranged from 1.10% to 1.85% for Series B Shares, during the six months ended May 31, 2002. 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 dividends, if the Trust is in default 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

13

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

### NOTES TO FINANCIAL STATEMENTS (UNAUDITED) CONT'D

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. The Trust pays annual fees equivalent to 0.25% of the preferred shares' liquidation value for the remarketing efforts associated with the preferred auctions.

In accordance with the provisions of EITF D-98, "Classification and Measurement of Redeemable Securities", effective for the current period, the Trust has reclassified its APS Shares outside of permanent equity in the net assets section of the statement of assets and liabilities. In addition, distributions to APS shareholders are now classified as a component of the "Net increase in net assets from operations" on the statements of operations and statement of changes in net assets, and as a component of the "Total income (loss) from operations" in the financial highlights. Prior year amounts presented have been restated to conform to this period's presentation. This change has no impact on the net assets applicable to common shares of the Trust.

### 3 Distributions to Shareholders

---

The Trust intends to make monthly distributions of net investment income, after payment of any dividends on any outstanding preferred shares. Distributions are recorded on the ex-dividend date. Distributions to

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

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 10, 2001, the Series A shares set a special dividend period of 364 days. The applicable dividend rate for the Auction Preferred Shares on May 31, 2002 was 2.80% and 1.50%, for Series A and Series B Shares, respectively. For the six months ended May 31, 2002, the Trust paid dividends to Auction Preferred shareholders amounting to \$922,778 and \$465,317 for Series A and Series B Shares, respectively, representing an average APS dividend rate for such period of 2.80% and 1.41%, respectively.

#### 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, 2002, the fee was equivalent to 0.70% of the Trust's average weekly gross assets and amounted to \$1,184,890. EVM also serves as the administrator of the Trust. An administration fee, computed at the annual rate of 0.20% 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, 2002, the administrative fee amounted to \$338,654.

Trustees of the Trust that are not affiliated with the Investment Adviser may elect to defer receipt of all or a percentage of their annual fees in accordance with the terms of the Trustees Deferred Compensation Plan. For the six months ended May 31, 2002, no significant amounts have been deferred.

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

#### 5 Investments

---

Purchases and sales of investments, other than U.S. Government securities and short-term obligations, aggregated \$31,891,175 and \$32,037,820, respectively, for the six months ended May 31, 2002.

#### 6 Federal Income Tax Basis of Unrealized Appreciation (Depreciation)

---

The cost and unrealized appreciation (depreciation) in value of the investment owned by the Trust at May 31, 2002, as computed for Federal income tax purposes, are as follows:

AGGREGATE COST	\$342,488,870
<hr/>	
Gross unrealized appreciation	\$ 9,661,335
Gross unrealized depreciation	(16,102,500)
<hr/>	
NET UNREALIZED DEPRECIATION	\$ (6,441,165)
<hr/>	

## Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

### 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 MAY 31, 2002 (UNAUDITED)	YEAR ENDED NOVEMBER 30, 2001
Shares issued pursuant to the Trust's dividend reinvestment plan	98,002	130,619
NET INCREASE	98,002	130,619

### 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 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.

### 9 Annual Meeting of Shareholders

The Trust held its Annual Meeting of Shareholders on March 22, 2002. The following action was taken by the shareholders:

ITEM 1: The election of Norton H. Reamer, Lynn A. Stout and Jack L. Treynor as Trustees of the Trust for a three-year term expiring in 2005. Mr. Reamer was designated the Nominee to be elected solely by APS shareholders:

	NUMBER OF SHARES	
	FOR	WITHHELD
NOMINEE FOR TRUSTEE ELECTED BY APS SHAREHOLDERS		
Norton H. Reamer	5,003	33

	NUMBER OF SHARES	
	FOR	WITHHELD
NOMINEE FOR TRUSTEE ELECTED BY ALL SHAREHOLDERS		
Lynn A. Stout	16,052,682	168,456

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

Jack L. Treynor

16,024,541 196,597

15

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 nominee does not offer the Plan, you will need to request that your shares be re-registered in your name with the Trust's transfer agent, PFPC, Inc. or you will not be able to participate.

The Plan Agent's service fee for handling distributions will be paid by the Trust. Each participant will be charged their pro rata share of brokerage commissions on all open-market purchases.

Plan participants may withdraw from the Plan at any time by writing to the Plan Agent at the address noted on the following page. If you withdraw, you will receive shares in your name for all Shares credited to your account under the Plan. If a participant elects by written notice to the Plan Agent to have the Plan Agent sell part or all of his or her Shares and remit the proceeds, the Plan Agent is authorized to deduct a \$5.00 fee plus brokerage commissions from the proceeds.

If you wish to participate in the Plan and your shares are held in your own name, you may complete the form on the following page and deliver it to the Plan Agent.

Any inquires regarding the Plan can be directed to the Plan Agent, PFPC, Inc.

16

APPLICATION FOR PARTICIPATION IN DIVIDEND REINVESTMENT PLAN

This form is for shareholders who hold their common shares in their own names. If your common shares are held in the name of a brokerage firm, bank, or other nominee, you should contact your nominee to see if it will participate in the Plan on your behalf. If you wish to participate in the Plan, but your brokerage firm, bank, or nominee is unable to participate on your behalf, you should request that your common shares be re-registered in your own name which will enable your participation in the Plan.

The following authorization and appointment is given with the understanding that I may terminate it at any time by terminating my participation in the Plan as provided in the terms and conditions of the Plan.



Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

Please print exact name on account:

-----  
Shareholder signature \_\_\_\_\_ Dat

-----  
Shareholder signature \_\_\_\_\_ Dat

Please sign exactly as your common shares a  
All persons whose names appear on the share  
must sign.

YOU SHOULD NOT RETURN THIS FORM IF YOU WISH TO RECEIVE YOUR DIVIDENDS AND  
DISTRIBUTIONS IN CASH. THIS IS NOT A PROXY.

THIS AUTHORIZATION FORM, WHEN SIGNED, SHOULD BE MAILED TO THE FOLLOWING ADDRESS:

Eaton Vance Municipal Income Trust  
c/o PFPC, Inc.  
P.O. Box 8030  
Boston, MA 02266-8030  
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, 2002, our records indicate that there are 197 registered  
shareholders and approximately 7,100 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.

17

EATON VANCE MUNICIPAL INCOME TRUST AS OF MAY 31, 2002

INVESTMENT MANAGEMENT

EATON VANCE MUNICIPAL INCOME TRUST

Officers

Thomas J. Fetter  
President

James B. Hawkes

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

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

Jessica M. Bibliowicz  
President and Chief Executive Officer,  
National Financial Partners

Donald R. Dwight  
President, Dwight Partners, Inc.

Samuel L. Hayes, III  
Jacob H. Schiff Professor of Investment  
Banking Emeritus, Harvard University  
Graduate School of Business Administration

Norton H. Reamer  
President, Unicorn Corporation  
Chairman, Hellman, Jordan Management Co., Inc.

Lynn A. Stout  
Professor of Law,  
UCLA School of Law

Jack L. Treynor  
Investment Adviser and Consultant

18

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.  
Attn: Eaton Vance Municipal Income Trust  
P.O. Box 8030  
Boston, MA 02266-8030  
(800) 331-1710

EATON VANCE FUNDS

Edgar Filing: EATON VANCE MUNICIPAL INCOME TRUST - Form N-30D

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

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

151-7/02

CE-NASRC