

REGIS CORP  
Form 4  
April 28, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GREGORY THOMAS L

(Last) (First) (Middle)  
7201 METRO BOULEVARD  
(Street)  
MINNEAPOLIS, MN 55439  
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
REGIS CORP [RGS]

3. Date of Earliest Transaction  
(Month/Day/Year)  
04/24/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	04/24/2008		A	2,000 A	\$ 0 8,600	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
Stock Appreciation Right <sup>(1)</sup>	\$ 28.57	04/24/2008		A	2,000	04/24/2009 04/24/2018	Common Stock 2,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GREGORY THOMAS L 7201 METRO BOULEVARD MINNEAPOLIS, MN 55439		X		

## Signatures

Eric A. Bakken, by power of attorney  
Date: 04/28/2008

Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) SARs vest ratably over a five year period.

### Remarks:

Form 1 of 2

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

\$ 265 Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.60%, 4/1/24 \$ 258,648 2,735 Orange County, FL, Health Facilities Authority, (Westminster Community Care), 6.75%, 4/1/34 2,592,096 **\$ 2,850,744** Other Revenue 13.4% \$ 785 Brooklyn, NY, Arena Local Development Corp., (Barclays Center), 6.00%, 7/15/30 \$ 805,441 880 Brooklyn, NY, Arena Local Development Corp., (Barclays Center), 6.25%, 7/15/40 912,094 480 Brooklyn, NY, Arena Local Development Corp., (Barclays Center), 6.375%, 7/15/43 498,960 58,690 Buckeye Tobacco Settlement Financing Authority, OH, 0.00%, 6/1/47 1,449,643 1,955 Central Falls, RI, Detention Facility Revenue, 7.25%, 7/15/35 1,660,245 7,600 Michigan Tobacco Settlement Finance Authority, 6.00%, 6/1/48 5,456,800 2,350 Michigan Tobacco Settlement Finance Authority, 6.875%, 6/1/42 2,348,496 1,500

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Mohegan Tribe Indians Gaming Authority, CT, (Public Improvements), 6.25%, 1/1/21 <sup>(3)</sup>	1,317,180	2,370
New Jersey Economic Development Authority, (Duke Farms Foundation), 5.00%, 7/1/48 <sup>(1)</sup>	2,430,601	2,300
Northern Tobacco Securitization Corp., AK, 0.00%, 6/1/46	72,956	125
Otero County, NM, Jail Project Revenue, 5.50%, 4/1/13	122,974	360
Otero County, NM, Jail Project Revenue, 5.75%, 4/1/18	332,539	
100 Otero County, NM, Jail Project Revenue, 6.00%, 4/1/23	89,160	110
Otero County, NM, Jail Project Revenue, 6.00%, 4/1/28	90,247	8,000
Salt Verde Financial Corp., AZ, Senior Gas Revenue, 5.00%, 12/1/37	7,102,400	4,000
Seminole Tribe, FL, 5.25%, 10/1/27 <sup>(3)</sup>	3,731,440	1,365
Seminole Tribe, FL, 5.50%, 10/1/24 <sup>(3)</sup>	1,326,411	6,905
Tobacco Settlement Financing Corp., VA, 0.00%, 6/1/47	176,561	4,180
Tobacco Settlement Financing Corp., VA, 5.00%, 6/1/47	2,635,573	1,415
White Earth Band of Chippewa Indians, MN, 6.375%, 12/1/26 <sup>(3)</sup>	1,020,371	
		<b>\$ 33,580,092</b>

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## PORTFOLIO OF INVESTMENTS CONT D

<b>Principal Amount (000 s omitted)</b>	<b>Security</b>	<b>Value</b>
Senior Living / Life Care 2.3%		
\$ 3,210	Cliff House Trust, PA, (AMT), 6.625%, 6/1/27	\$ 1,691,927
535	Douglas County, NE, Hospital Authority No. 2, (Immanuel Obligated Group), 5.50%, 1/1/30	541,842
1,075	Douglas County, NE, Hospital Authority No. 2, (Immanuel Obligated Group), 5.625%, 1/1/40	1,078,354
3,240	Logan County, CO, Industrial Development, (TLC Care Choices, Inc.), 4.469%, 12/1/23 <sup>(8)</sup>	2,398,637
		<b>\$ 5,710,760</b>
Special Tax Revenue 2.7%		
\$ 500	Covington Park, FL, Community Development District, (Capital Improvements), 5.00%, 5/1/31	\$ 453,580
60	Dupree Lakes, FL, Community Development District, 5.00%, 5/1/12	55,900
345	Dupree Lakes, FL, Community Development District, 5.375%, 5/1/37	274,772
255	Dupree Lakes, FL, Community Development District, 6.83%, 11/1/15	247,702
300	Heritage Harbor South, FL, Community Development District, (Capital Improvements), 6.20%, 5/1/35	286,221
210	Heritage Springs, FL, Community Development District, 5.25%, 5/1/26	184,107
100		80,251

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	New River, FL, Community Development District, (Capital Improvements), Series 2010B-1, 5.00% (0.00% to 11/1/12), 5/1/15	
130	New River, FL, Community Development District, (Capital Improvements), Series 2010B-2, 5.00% (0.00% to 11/1/13), 5/1/18	49,959
65	New River, FL, Community Development District, (Capital Improvements), Series 2010A-1, 5.75% (0.00% to 11/1/12), 5/1/38	40,333
165	New River, FL, Community Development District, (Capital Improvements), Series 2010A-2, 5.75% (0.00% to 11/1/14), 5/1/38	63,569
90	New River, FL, Community Development District, (Capital Improvements), 5.00%, 5/1/13 <sup>(7)</sup>	0
35	New River, FL, Community Development District, (Capital Improvements), 5.35%, 5/1/38 <sup>(7)</sup>	0
320	North Springs, FL, Improvement District, (Heron Bay), 5.20%, 5/1/27	228,746
520	North Springs, FL, Improvement District, (Heron Bay), 7.00%, 5/1/19	520,291
960	River Hall, FL, Community Development District, (Capital Improvements), 5.45%, 5/1/36	451,920
470	Southern Hills Plantation I, FL, Community Development District, 5.80%, 5/1/35	234,093
600	Sterling Hill, FL, Community Development District, 6.20%, 5/1/35	534,576
635	University Square, FL, Community Development District, 6.75%, 5/1/20	635,921
1,780	Virgin Islands Public Finance Authority, 6.75%, 10/1/37	1,870,709
655	Waterlefe, FL, Community Development District, 6.95%, 5/1/31	646,518
		<b>\$ 6,859,168</b>

Student Loan 3.4%

\$	8,500	New Jersey Higher Education Student Assistance Authority, (AMT), Variable	\$	8,418,230
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Rate,  
1.247%, 6/1/36<sup>(1)(4)(5)</sup>

**\$ 8,418,230**

Transportation 14.8%

\$	1,000	Augusta, GA, (AMT), 5.35%, 1/1/28	\$	945,560
	915	Branson, MO, Regional Airport Transportation Development District, (Branson Airport, LLC), (AMT), 6.00%, 7/1/25		491,721
	1,800	Branson, MO, Regional Airport Transportation Development District, (Branson Airport, LLC), (AMT), 6.00%, 7/1/37		963,306
	1,000	Los Angeles Department of Airports, CA, (Los Angeles International Airport), (AMT), 5.375%, 5/15/33		1,018,410
	400	Memphis-Shelby County, TN, Airport Authority, (AMT), 5.75%, 7/1/24		418,728
	2,500	Metropolitan Transportation Authority, NY, 5.25%, 11/15/40 <sup>(2)</sup>		2,490,575
	1,500	Miami-Dade County, FL, (Miami International Airport), 5.00%, 10/1/41		1,442,250
	4,000	Miami-Dade County, FL, (Miami International Airport), 5.50%, 10/1/36		4,082,440
	1,515	North Texas Tollway Authority, 5.75%, 1/1/38		1,517,530
	2,500	Pennsylvania Turnpike Commission, 6.375%, (0.00% until 12/1/17), 12/1/38		1,795,250
	1,000	Pennsylvania Turnpike Commission, 5.50%, 12/1/41		1,027,140
	7,290	Port Authority of New York and New Jersey, (AMT), 5.75%, 3/15/35 <sup>(1)</sup>		7,592,899
	1,885	Texas Private Activity Bond Surface Transportation Corp., (LBJ Express Managed Lanes Project), 7.00%, 6/30/34		1,964,943
	1,725	Texas Private Activity Bond Surface Transportation Corp., (North Tarrant Express Managed Lanes Project), 6.875%, 12/31/39		1,777,061
	9,300	Triborough Bridge & Tunnel Authority, NY, 5.00%, 11/15/37 <sup>(1)</sup>		9,464,796
			<b>\$</b>	<b>36,992,609</b>

See notes to financial statements

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Eaton Vance Municipal Income Trust as of November 30, 2010

PORTFOLIO OF INVESTMENTS CONT D

<b>Principal Amount (000 s omitted)</b>	<b>Security</b>	<b>Value</b>
Water and Sewer	3.1%	
\$ 3,405	Massachusetts Water Resources Authority, 4.00%, 8/1/46	\$ 3,001,337
4,500	New York, NY, Municipal Water Finance Authority, (Water and Sewer System), 5.25%, 6/15/40 <sup>(1)</sup>	4,690,080
		<b>\$ 7,691,417</b>
Total Tax-Exempt Investments (identified cost \$501,147,776)	192.4%	<b>\$ 482,334,766</b>
Auction Preferred Shares Plus Cumulative Unpaid Dividends	(47.9)%	<b>\$ (120,158,492)</b>
Other Assets, Less Liabilities	(44.5)%	<b>\$ (111,445,440)</b>
Net Assets Applicable to Common Shares	100.0%	<b>\$ 250,730,834</b>

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

AGC - Assured Guaranty Corp.

AGM - Assured Guaranty Municipal Corp.



AMBAC - AMBAC Financial Group, Inc.

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

BHAC - Berkshire Hathaway Assurance Corp.

CIFG - CIFG Assurance North America, Inc.  
FGIC - Financial Guaranty Insurance Company

FNMA - Federal National Mortgage Association

GNMA - Government National Mortgage Association

MFMR - Multi-Family Mortgage Revenue

NPFG - National Public Finance Guaranty Corp.

PSF - Permanent School Fund

SFMR - Single Family Mortgage Revenue

At November 30, 2010, the concentration of the Trust's investments in the various states, determined as a percentage of total investments is as follows:

New York	16.2%
California	11.6%
Others, representing less than 10% individually	72.2%

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 November 30, 2010, 34.9% of total 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 0.5% to 12.0% of total investments.

- (1) Security represents the underlying municipal bond of an inverse floater (see Note 1H).
- (2) When-issued security.
- (3) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At November 30, 2010, the aggregate value of these securities is \$16,135,194 or 6.4% of the Trust's net assets applicable to common shares.
- (4) Security (or a portion thereof) has been pledged as collateral for inverse floating-rate security transactions. The aggregate value of such collateral is \$7,287,712.
- (5) Variable rate security. The stated interest rate represents the rate in effect at November 30, 2010.

- (6) Security (or a portion thereof) has been segregated to cover payable for when-issued securities.
- (7) Defaulted bond.
- (8) Security is in default and is making only partial interest payments.

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## FINANCIAL STATEMENTS

## Statement of Assets and Liabilities

**As of November 30, 2010**

## Assets

Investments, at value (identified cost, \$501,147,776)	\$ 482,334,766
Cash	6,585,724
Interest receivable	7,325,617
Receivable for investments sold	2,707,188
Deferred debt issuance costs	80,396

**Total assets** **\$ 499,033,691**

## Liabilities

Payable for floating rate notes issued	\$ 117,660,000
Payable for when-issued securities	9,691,235
Payable to affiliates:	
Investment adviser fee	239,442
Administration fee	69,910
Trustees fees	2,606
Interest expense and fees payable	286,447
Accrued expenses	194,725

**Total liabilities** **\$ 128,144,365**

**Auction preferred shares at liquidation value plus  
cumulative unpaid dividends** **\$ 120,158,492**

**Net assets applicable to common shares** **\$ 250,730,834**

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Sources of Net Assets

Common shares, \$0.01 par value, unlimited number of shares authorized	\$ 226,355
Additional paid-in capital	303,471,883
Accumulated net realized loss	(38,930,687)
Accumulated undistributed net investment income	4,776,293
Net unrealized depreciation	(18,813,010)
<b>Net assets applicable to common shares</b>	<b>\$ 250,730,834</b>

Auction Preferred Shares Issued and Outstanding (Liquidation preference of \$25,000 per share)

**4,806**

Common Shares Outstanding

**22,635,535**

Net Asset Value Per Common Share

**Net assets applicable to common shares , common shares issued and outstanding** \$ **11.08**

Statement of Operations

**For the Year Ended  
November 30, 2010**

Investment Income

Interest \$ 28,738,186

<b>Total investment income</b>	<b>\$ 28,738,186</b>
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## Expenses

Investment adviser fee	\$ 2,944,296
Administration fee	852,033
Trustees' fees and expenses	15,482
Custodian fee	169,802
Transfer and dividend disbursing agent fees	30,101
Legal and accounting services	107,895
Printing and postage	71,129
Interest expense and fees	880,072
Preferred shares service fee	174,298
Miscellaneous	129,782

<b>Total expenses</b>	<b>\$ 5,374,890</b>
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## Deduct

Reduction of custodian fee	\$ 273
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<b>Total expense reductions</b>	<b>\$ 273</b>
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<b>Net expenses</b>	<b>\$ 5,374,617</b>
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<b>Net investment income</b>	<b>\$ 23,363,569</b>
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## Realized and Unrealized Gain (Loss)

Net realized gain (loss)	
Investment transactions	\$ 3,381,395
Extinguishment of debt	(444)
Financial futures contracts	(6,422,699)
Swap contracts	2,951,514

<b>Net realized loss</b>	\$ (90,234)
Change in unrealized appreciation (depreciation) Investments	\$ 3,686,555
<b>Net change in unrealized appreciation (depreciation)</b>	<b>\$ 3,686,555</b>
<b>Net realized and unrealized gain</b>	<b>\$ 3,596,321</b>
Distributions to preferred shareholders From net investment income	\$ (486,126)
<b>Net increase in net assets from operations</b>	<b>\$ 26,473,764</b>

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## FINANCIAL STATEMENTS CONT D

## Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	<b>Year Ended November 30, 2010</b>	<b>Year Ended November 30, 2009</b>
From operations		
Net investment income	\$ 23,363,569	\$ 19,582,420
Net realized loss from investment transactions, extinguishment of debt, financial futures contracts and swap contracts	(90,234)	(21,027,307)
Net change in unrealized appreciation (depreciation) from investments, financial futures contracts and swap contracts	3,686,555	72,547,936
Distributions to preferred shareholders From net investment income	(486,126)	(726,603)
<b>Net increase in net assets from operations</b>	<b>\$ 26,473,764</b>	<b>\$ 70,376,446</b>
Distributions to common shareholders		
From net investment income	\$ (21,280,833)	\$ (16,875,356)
<b>Total distributions to common shareholders</b>	<b>\$ (21,280,833)</b>	<b>\$ (16,875,356)</b>
Capital share transactions		
Reinvestment of distributions to common shareholders	\$ 1,692,126	\$ 1,731,349
Issued in connection with tax-free reorganization (see Note 10)		48,359,695
<b>Net increase in net assets from capital share transactions</b>	<b>\$ 1,692,126</b>	<b>\$ 50,091,044</b>

<b>Net increase in net assets</b>	<b>\$</b>	<b>6,885,057</b>	<b>\$</b>	<b>103,592,134</b>
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Net Assets Applicable to  
Common Shares

At beginning of year	\$	243,845,777	\$	140,253,643
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<b>At end of year</b>	<b>\$</b>	<b>250,730,834</b>	<b>\$</b>	<b>243,845,777</b>
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Accumulated undistributed net  
investment income included  
in net assets applicable  
to common shares

<b>At end of year</b>	<b>\$</b>	<b>4,776,293</b>	<b>\$</b>	<b>3,668,193</b>
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Statement of Cash Flows

	<b>For the Year Ended November 30, 2010</b>
Cash Flows From Operating Activities	
Net increase in net assets from operations	\$ 26,473,764
Distributions to preferred shareholders	486,126
Net increase in net assets from operations excluding distributions to preferred shareholders	\$ 26,959,890
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:	
Investments purchased	(110,335,953)
Investments sold	78,898,565
Net amortization/accretion of premium (discount)	(4,025,016)
Amortization of deferred debt issuance costs	9,323
Increase in interest receivable	(103,157)
Increase in receivable for investments sold	(2,602,188)



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Increase in payable for when-issued securities	8,091,235
Increase in payable to affiliate for investment adviser fee	3,467
Increase in payable to affiliate for administration fee	2,489
Increase in payable to affiliate for Trustees fees	489
Increase in interest expense and fees payable	67,366
Increase in accrued expenses	54,364
Net change in unrealized (appreciation) depreciation from investments	(3,686,555)
Net realized gain from investments	(3,381,395)
Net realized loss on extinguishment of debt	444

**Net cash used in operating activities** \$ (10,046,632)

Cash Flows From Financing Activities

Distributions paid to common shareholders, net of reinvestments	\$ (19,588,707)
Cash distributions paid to preferred shareholders	(484,913)
Proceeds from secured borrowings	36,500,000
Repayment of secured borrowings	(355,000)

**Net cash provided by financing activities** \$ **16,071,380**

**Net increase in cash** \$ **6,024,748**

**Cash at beginning of year** \$ **560,976**

**Cash at end of year** \$ **6,585,724**

Supplemental disclosure of cash flow information:

Noncash financing activities not included herein consist of:

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Reinvestment of dividends and distributions	\$	1,692,126
Cash paid for interest and fees		803,383

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## FINANCIAL STATEMENTS CONT D

## Financial Highlights

**Selected data for a common share outstanding during the periods stated**

	<b>Year Ended November 30,</b>				
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Net asset value Beginning of year (Common shares)	\$ 10.840	\$ 8.110	\$ 14.370	\$ 15.880	\$ 14.470
 <b>Income (Loss) From Operations</b>					
Net investment income <sup>(1)</sup>	\$ 1.036	\$ 0.981	\$ 1.067	\$ 1.076	\$ 1.100
Net realized and unrealized gain (loss)	0.169	2.648	(6.262)	(1.518)	1.444
Distributions to preferred shareholders					
From net investment income <sup>(1)</sup>	(0.022)	(0.036)	(0.258)	(0.278)	(0.252)
<b>Total income (loss) from operations</b>	<b>\$ 1.183</b>	<b>\$ 3.593</b>	<b>\$ (5.453)</b>	<b>\$ (0.720)</b>	<b>\$ 2.292</b>
 <b>Less Distributions to Common Shareholders</b>					
From net investment income	\$ (0.943)	\$ (0.863)	\$ (0.807)	\$ (0.790)	\$ (0.882)
<b>Total distributions to common shareholders</b>	<b>\$ (0.943)</b>	<b>\$ (0.863)</b>	<b>\$ (0.807)</b>	<b>\$ (0.790)</b>	<b>\$ (0.882)</b>

<b>Net asset value</b>	<b>End of year</b>					
<b>(Common shares)</b>		<b>\$ 11.080</b>	<b>\$ 10.840</b>	<b>\$ 8.110</b>	<b>\$ 14.370</b>	<b>\$ 15.880</b>
<b>Market value</b>	<b>End of year</b>					
<b>(Common shares)</b>		<b>\$ 11.980</b>	<b>\$ 11.480</b>	<b>\$ 8.450</b>	<b>\$ 13.300</b>	<b>\$ 16.010</b>
<b>Total Investment Return on</b>						
<b>Net Asset Value<sup>(2)</sup></b>		<b>10.74%</b>	<b>46.43%</b>	<b>(39.72)%</b>	<b>(4.62)%</b>	<b>16.33%</b>
<b>Total Investment Return on</b>						
<b>Market Value<sup>(2)</sup></b>		<b>13.06%</b>	<b>48.84%</b>	<b>(32.13)%</b>	<b>(12.44)%</b>	<b>13.43%</b>

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## FINANCIAL STATEMENTS CONT D

## Financial Highlights

## Selected data for a common share outstanding during the periods stated

	Year Ended November 30,				
	2010	2009	2008	2007	2006
Ratios/Supplemental Data					
Net assets applicable to common shares, end of year (000 s omitted)	\$ 250,731	\$ 243,846	\$ 140,254	\$ 246,974	\$ 272,274
Ratios (as a percentage of average daily net assets applicable to common shares):(3)					
Expenses excluding interest and fees	1.73%	2.00%	1.84%	1.71%(4)	1.76%
Interest and fee expense(5)	0.34%	0.47%	0.73%	1.35%	1.46%
Total expenses before custodian fee reduction	2.07%	2.47%	2.57%	3.06%(4)	3.22%
Expenses after custodian fee reduction excluding interest and fees	1.73%	2.00%	1.82%	1.70%(4)	1.75%
Net investment income	9.00%	10.44%	8.45%	7.02%	7.27%
Portfolio Turnover	16%	44%	53%	37%	41%

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

Ratios (as a percentage of average daily net assets applicable to common shares and preferred shares):(3)					
Expenses excluding interest and fees	1.19%	1.26%	1.17%	1.14%(4)	1.17%
Interest and fee expense(5)	0.23%	0.29%	0.47%	0.90%	0.97%
Total expenses before custodian fee reduction	1.42%	1.55%	1.64%	2.04%(4)	2.14%

Expenses after custodian fee reduction excluding interest and fees	1.19%	1.26%	1.16%	1.14% <sup>(4)</sup>	1.17%
Net investment income	6.15%	6.56%	5.40%	4.69%	4.83%

## Senior Securities:

Total preferred shares outstanding	4,806	4,806	4,394	5,240	5,240
Asset coverage per preferred share <sup>(6)</sup>	\$ 77,172	\$ 75,739	\$ 56,919	\$ 72,138	\$ 76,963
Involuntary liquidation preference per preferred share <sup>(7)</sup>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Approximate market value per preferred share <sup>(7)</sup>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

- (1) Computed using average common shares outstanding.
- (2) Returns are historical and are calculated by determining the percentage change in net asset value or market value with all distributions reinvested.
- (3) Ratios do not reflect the effect of dividend payments to preferred shareholders.
- (4) The investment adviser was allocated a portion of the Trust's operating expenses (equal to less than 0.005% of average daily net assets for the year ended November 30, 2007). Absent this allocation, total return would be lower.
- (5) Interest and fee expense relates to the liability for floating rate notes issued in conjunction with inverse floater securities transactions (see Note 1H).
- (6) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets, and dividing the result by the number of preferred shares outstanding.
- (7) Plus accumulated and unpaid dividends.

See notes to financial statements

Eaton Vance Municipal Income Trust as of November 30, 2010

## NOTES TO FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

Eaton Vance Municipal Income Trust (the Trust) is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. The Trust seeks to provide current income exempt from regular federal income tax.

The following is a summary of significant accounting policies of the Trust. The policies are in conformity with accounting principles generally accepted in the United States of America.

**A Investment Valuation** Debt obligations (including short-term obligations with a remaining maturity of more than sixty days) are generally valued on the basis of valuations provided by third party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer quotations, prices or yields of securities with similar characteristics, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security. Short-term obligations purchased with a remaining maturity of sixty days or less are generally valued at amortized cost, which approximates market value. Financial futures contracts are valued at the closing settlement price established by the board of trade or exchange on which they are traded. Interest rate swaps are normally valued using valuations provided by a third party pricing service. Such pricing service valuations are based on the present value of fixed and projected floating rate cash flows over the term of the swap contract. Future cash flows are discounted to their present value using swap rates provided by electronic data services or by broker/dealers. Investments for which valuations or market quotations are not readily available or are deemed unreliable are valued at fair value using methods determined in good faith by or at the direction of the Trustees of the Trust in a manner that most fairly reflects the security's value, or the amount that the Trust might reasonably expect to receive for the security upon its current sale in the ordinary course. Each such determination is based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. These factors may include, but are not limited to, the type of security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issuer or of comparable entities, quotations or relevant information obtained from broker-dealers or other market participants, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the entity's financial condition, and an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold.

**B Investment Transactions and Related Income** Investment transactions for financial statement purposes are accounted for on a trade date basis. Realized gains and losses on investments sold are determined on the basis of identified cost. Interest income is recorded on the basis of interest accrued, adjusted for amortization of premium or accretion of discount.

**C Federal 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 substantially all of its taxable, if any, and tax-exempt net investment income, and all or substantially all of its net realized capital gains. Accordingly, no provision for federal income or excise tax is necessary. 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 tax 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 to shareholders.

At November 30, 2010, the Trust, for federal income tax purposes, had a capital loss carryforward of \$39,872,312 which will reduce its taxable income arising from future net realized gains on investment transactions, 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 carryforward will expire on November 30, 2011 (\$4,036,249), November 30, 2012 (\$2,812,831), November 30, 2015 (\$1,728,781), November 30, 2016 (\$11,985,328), November 30, 2017 (\$19,113,316) and November 30, 2018 (\$195,807).

As of November 30, 2010, the Trust had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each of the Trust's federal tax returns filed in the 3-year period ended November 30, 2010 remains subject to examination by the Internal Revenue Service.

D Expense Reduction State Street Bank and Trust Company (SSBT) serves as custodian of the Trust. Pursuant to the custodian agreement, SSBT receives a fee reduced by credits, which are determined based on the average daily cash balance the Trust maintains with SSBT. All credit balances, if any, used to reduce the Trust's custodian fees are reported as a reduction of expenses in the Statement of Operations.



Eaton Vance Municipal Income Trust as of November 30, 2010

NOTES TO FINANCIAL STATEMENTS CONT D

**E Legal Fees** Legal fees and other related expenses incurred as part of negotiations of the terms and requirement of capital infusions, or that are expected to result in the restructuring of, or a plan of reorganization for, an investment are recorded as realized losses. Ongoing expenditures to protect or enhance an investment are treated as operating expenses.

**F Use of Estimates** The preparation of the 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.

**G Indemnifications** Under the Trust's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Trust. Under Massachusetts law, if certain conditions prevail, shareholders of a Massachusetts business trust (such as the Trust) could be deemed to have personal liability for the obligations of the Trust. However, the Trust's Declaration of Trust contains an express disclaimer of liability on the part of Trust shareholders and the By-laws provide that the Trust shall assume the defense on behalf of any Trust shareholders. Moreover, the By-laws also provide for indemnification out of Trust property of any shareholder held personally liable solely by reason of being or having been a shareholder for all loss or expense arising from such liability. Additionally, in the normal course of business, the Trust enters into agreements with service providers that may contain indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred.

**H Floating Rate Notes Issued in Conjunction with Securities Held** The Trust may invest in inverse floating rate securities, also referred to as residual interest bonds, whereby the Trust may sell a variable or fixed rate bond to a broker for cash. At the same time, the Trust buys a residual interest in the assets and cash flows of a Special-Purpose Vehicle (the SPV), (which is generally organized as a trust), set up by the broker, often referred to as an inverse floating rate obligation (Inverse Floater). The broker deposits a bond into the SPV with the same CUSIP number as the bond sold to the broker by the Trust, and which may have been, but is not required to be, the bond purchased from the Trust (the Bond). The SPV also issues floating rate notes (Floating Rate Notes) which are sold to third-parties. The Inverse Floater held by the Trust gives the Trust the right (1) to cause the holders of the Floating Rate Notes to generally tender their notes at par, and (2) to have the broker transfer the Bond held by the SPV to the Trust, thereby terminating the SPV. Should the Trust exercise such right, it would generally pay the broker the par amount due on the Floating Rate Notes and exchange the Inverse Floater for the underlying Bond. Pursuant to generally accepted accounting principles for transfers and servicing of financial assets and extinguishment of liabilities, the Trust accounts for the transaction described above as a secured borrowing by including the Bond in its Portfolio of Investments and the Floating Rate Notes as a liability under the caption Payable for floating rate notes issued in its Statement of Assets and Liabilities. The Floating Rate Notes have interest rates that generally reset weekly and their holders have the option to tender their notes to the broker for redemption at par at each reset date. Interest expense related to the Trust's liability with respect to Floating Rate Notes is recorded as incurred. The SPV may be terminated by the Trust, as noted above, or by the broker upon the occurrence of certain termination events as defined in the trust agreement, such as a downgrade in the credit quality of the underlying Bond, bankruptcy of or payment failure by the issuer of the underlying Bond, the inability to remarket Floating Rate Notes that have been tendered due to insufficient buyers in the market, or the failure by the SPV to obtain renewal of the liquidity agreement under which liquidity support is provided for the Floating Rate Notes up to one year. Structuring fees paid to the liquidity provider upon the

creation of an SPV have been recorded as debt issuance costs and are being amortized as interest expense to the expected maturity of the related trust. Unamortized structuring fees related to a terminated SPV are recorded as a realized loss on extinguishment of debt. At November 30, 2010, the amount of the Trust's Floating Rate Notes outstanding and the related collateral were \$117,660,000 and \$154,039,616, respectively. The range of interest rates on Floating Rate Notes outstanding at November 30, 2010 was 0.29% to 0.40%. For the year ended November 30, 2010, the Trust's average Floating Rate Notes outstanding and the average interest rate including fees and amortization of deferred debt issuance costs were \$106,147,356 and 0.83%, respectively.

The Trust may enter into shortfall and forbearance agreements with the broker by which the Trust agrees to reimburse the broker, in certain circumstances, for the difference between the liquidation value of the Bond held by the SPV and the liquidation value of the Floating Rate Notes, as well as any shortfalls in interest cash flows. The Trust had no shortfalls as of November 30, 2010.

The Trust may also purchase Inverse Floaters from brokers in a secondary market transaction without first owning the underlying bond. Such transactions are not required to be treated as secured borrowings. Shortfall agreements, if any, related to Inverse Floaters purchased in a secondary market transaction are disclosed in the Portfolio of Investments. The Trust's investment policies and

Eaton Vance Municipal Income Trust as of November 30, 2010

NOTES TO FINANCIAL STATEMENTS CONT D

restrictions expressly permit investments in Inverse Floaters. Inverse floating rate securities typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality and maturity. These securities tend to underperform the market for fixed rate bonds in a rising long-term interest rate environment, but tend to outperform the market for fixed rate bonds when long-term interest rates decline. The value and income of inverse floating rate securities are generally more volatile than that of a fixed rate bond. The Trust's investment policies do not allow the Trust to borrow money except as permitted by the 1940 Act. Management believes that the Trust's restrictions on borrowing money and issuing senior securities (other than as specifically permitted) do not apply to Floating Rate Notes issued by the SPV and included as a liability in the Trust's Statement of Assets and Liabilities. As secured indebtedness issued by an SPV, Floating Rate Notes are distinct from the borrowings and senior securities to which the Trust's restrictions apply. Inverse Floaters held by the Trust are securities exempt from registration under Rule 144A of the Securities Act of 1933.

**I Financial Futures Contracts** The Trust may enter into financial futures contracts. The Trust's investment in financial futures contracts is designed for hedging against changes in interest rates or as a substitute for the purchase of securities. Upon entering into a financial futures contract, the Trust is required to deposit with the broker, either in cash or securities, an amount equal to a certain percentage of the purchase price (initial margin). Subsequent payments, known as variation margin, are made or received by the Trust each business day, depending on the daily fluctuations in the value of the underlying security, and are recorded as unrealized gains or losses by the Trust. Gains (losses) are realized upon the expiration or closing of the financial futures contracts. Should market conditions change unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. Futures contracts have minimal counterparty risk as they are exchange traded and the clearinghouse for the exchange is substituted as the counterparty, guaranteeing counterparty performance.

**J 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 periodic payments at a fixed interest rate and, in exchange, 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 or 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. Risk may also arise from movements in interest rates.

**K When-Issued Securities and Delayed Delivery Transactions** The Trust may purchase or sell securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. At the time the transaction is negotiated, the price of the security that will be delivered is fixed. The Trust maintains security positions for these commitments such that sufficient liquid assets will be available to make payments upon settlement. Securities purchased on a delayed delivery or when-issued basis are marked-to-market daily and begin earning interest on settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

**L Statement of Cash Flows** The cash amount shown in the Statement of Cash Flows of the Trust is the amount included in the Trust's Statement of Assets and Liabilities and represents the cash on hand at its custodian and does not include any short-term investments.

**2 Auction Preferred Shares**

The Trust issued 2,620 Series A and Series B Auction Preferred Shares (APS) on March 1, 1999 in a public offering. The underwriting discount and other offering costs incurred in connection with the offering were recorded as a reduction of the paid-in capital of the common shares. The Trust issued 806 Series C APS on May 28, 2009 in connection with the acquisition of Eaton Vance National Municipal Income Trust (see Note 10). Dividends on the APS, which accrue daily, are cumulative at rates which are reset every seven days by an auction, unless a special dividend period has been set. If the APS auctions do not successfully clear, the dividend payment rate over the next period for the APS holders is set at a specified maximum applicable rate until such time as the APS auctions are successful. The maximum applicable rate on the APS is 110% (150% for taxable distributions) of the greater of the 1) AA Financial Composite Commercial Paper Rate or 2) Taxable Equivalent of the Short-Term Municipal Obligation Rate on the date of the auction. Series of APS are identical in all respects except for the reset dates of the dividend rates.

The number of APS issued and outstanding as of November 30, 2010 is as follows:

	<b>APS Issued and Outstanding</b>
Series A	2,000
Series B	2,000
Series C	806

Eaton Vance Municipal Income Trust as of November 30, 2010

NOTES TO FINANCIAL STATEMENTS CONT D

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 for an extended period on its asset maintenance requirements with respect to the APS. If the dividends on the APS 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 1940 Act. The Trust pays an annual fee up to 0.15% of the liquidation value of the APS to broker-dealers as a service fee if the auctions are unsuccessful; otherwise, the annual fee is 0.25%.

3 Distributions to Shareholders

The Trust intends to make monthly distributions of net investment income to common shareholders, after payment of any dividends on any outstanding APS. In addition, at least annually, the Trust intends to distribute all or substantially all of its net realized capital gains (reduced by available capital loss carryforwards from prior years, if any). Distributions to common shareholders are recorded on the ex-dividend date. Distributions to preferred shareholders are recorded daily and are payable at the end of each dividend period. The dividend rates for APS at November 30, 2010, and the amount of dividends accrued (including capital gains, if any) to APS shareholders, average APS dividend rates, and dividend rate ranges for the year then ended were as follows:

	<b>APS Dividend Rates at November 30, 2010</b>	<b>Dividends Accrued to APS Shareholders</b>	<b>Average APS Dividend Rates</b>	<b>Dividend Rate Ranges (%)</b>
Series A	0.44 %	\$ 203,846	0.41 %	0.26 - 0.58
Series B	0.44	201,065	0.40	0.24 - 0.56
Series C	0.44	81,215	0.40	0.24 - 0.56

Beginning February 14, 2008 and consistent with the patterns in the broader market for auction-rate securities, the Trust's APS auctions were unsuccessful in clearing due to an imbalance of sell orders over bids to buy the APS. As a result, the dividend rates of the APS were reset to the maximum applicable rate. The table above reflects such maximum dividend rates for each series as of November 30, 2010.

The Trust distinguishes between distributions 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. For tax purposes, distributions from short-term capital gains are considered to be from ordinary income.

The tax character of distributions declared for the years ended November 30, 2010 and November 30, 2009 was as follows:

	<b>Year Ended November 30,</b>	
	<b>2010</b>	<b>2009</b>
Distributions declared from:		
Tax-exempt income	\$ 21,665,361	\$ 17,535,841
Ordinary income	\$ 101,598	\$ 66,118

During the year ended November 30, 2010, accumulated net realized loss was decreased by \$488,510 and accumulated undistributed net investment income was decreased by \$488,510 due to differences between book and tax accounting, primarily for accretion of market discount. These reclassifications had no effect on the net assets or net asset value per share of the Trust.

As of November 30, 2010, the components of distributable earnings (accumulated losses) and unrealized appreciation (depreciation) on a tax basis were as follows:

Undistributed tax-exempt income	\$ 4,784,785
Capital loss carryforward	\$ (39,872,312)
Net unrealized depreciation	\$ (17,871,385)
Other temporary differences	\$ (8,492)

The differences between components of distributable earnings (accumulated losses) on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales, accretion of market discount, the timing of recognizing distributions to shareholders, and inverse floaters.

#### 4 Investment Adviser Fee and Other Transactions with Affiliates

The investment adviser fee is earned by Eaton Vance Management (EVM) as compensation for investment advisory services rendered to the Trust. Prior to May 1, 2010, the fee was computed at an annual rate of 0.70% of the Trust's average weekly gross assets. Pursuant to a fee reduction agreement between the Trust and EVM, commencing May 1, 2010, the annual adviser fee rate was reduced by 0.015% to 0.685% and will be reduced an additional 0.015% every May 1 thereafter for the next nineteen years. The fee reduction cannot be terminated

Eaton Vance Municipal Income Trust as of November 30, 2010

NOTES TO FINANCIAL STATEMENTS CONT D

without the consent of the Trustees and shareholders. Average weekly gross assets include the principal amount of any indebtedness for money borrowed, including debt securities issued by the Trust, and the amount of any outstanding APS issued by the Trust. Pursuant to a fee reduction agreement with EVM, average weekly gross assets are calculated by adding to net assets the liquidation value of the Trust's APS then outstanding and the amount payable by the Trust to floating rate note holders, such adjustment being limited to the value of the APS outstanding prior to any APS redemptions by the Trust. The investment adviser fee is payable monthly. The administration fee is earned by EVM for administering the business affairs of the Trust and is computed at an annual rate of 0.20% of the Trust's average weekly gross assets. For the year ended November 30, 2010, the investment adviser fee and administration fee were \$2,944,296 and \$852,033, respectively.

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 the investment adviser fee. Trustees of the Trust who are not affiliated with EVM 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 year ended November 30, 2010, no significant amounts have been deferred. Certain officers and Trustees of the Trust are officers of EVM.

5 Purchases and Sales of Investments

Purchases and sales of investments, other than short-term obligations, aggregated \$110,335,953 and \$78,898,565, respectively, for the year ended November 30, 2010.

6 Common Shares of Beneficial Interest

Common share transactions for the years ended November 30, 2010 and November 30, 2009 were as follows:

	<b>Year Ended November 30,</b>	
	<b>2010</b>	<b>2009</b>
Issued pursuant to the Trust's dividend reinvestment plan	144,257	171,495
Issued in connection with the acquisition of Eaton Vance National Municipal Income Trust (see Note 10)		5,027,606
<b>Net increase</b>	<b>144,257</b>	<b>5,199,101</b>

7 Federal Income Tax Basis of Investments

The cost and unrealized appreciation (depreciation) of investments of the Trust at November 30, 2010, as determined on a federal income tax basis, were as follows:

<b>Aggregate cost</b>	<b>\$ 382,546,151</b>
Gross unrealized appreciation	\$ 20,753,950
Gross unrealized depreciation	(38,625,335)
<b>Net unrealized depreciation</b>	<b>\$ (17,871,385)</b>

## 8 Financial Instruments

The Trust may trade in financial instruments with off-balance sheet risk in the normal course of its investing activities. These financial instruments may include financial 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 do 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.

The Trust is subject to interest rate risk in the normal course of pursuing its investment objectives. Because the Trust holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To hedge against this risk, the Trust enters into interest rate swap contracts. The Trust also purchases and sells U.S. Treasury futures contracts to hedge against changes in interest rates.

The Trust enters into swap contracts that may contain provisions whereby the counterparty may terminate the contract under certain conditions, including but not limited to a decline in the Trust's net assets below a certain level over a certain period of time, which would trigger a payment by the Trust for those derivatives in a liability position.

At November 30, 2010, there were no obligations outstanding under these financial instruments.

The effect of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) on the Statement of Operations and whose primary underlying risk exposure is interest rate risk for the year ended November 30, 2010 was as follows:



Eaton Vance Municipal Income Trust as of November 30, 2010

## NOTES TO FINANCIAL STATEMENTS CONT D

<b>Derivative</b>	<b>Realized Gain (Loss) on Derivatives Recognized in Income<sup>(1)</sup></b>	<b>Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income</b>
Futures Contracts	\$ (6,422,699)	\$
Interest Rate Swaps	2,951,514	
<b>Total</b>	<b>\$ (3,471,185)</b>	<b>\$</b>

(1) Statement of Operations location: Net realized gain (loss) Financial futures contracts and swap contracts, respectively.

The average notional amounts of futures contracts and swap contracts outstanding during the year ended November 30, 2010, which are indicative of the volume of these derivative types, were approximately \$9,231,000 and \$5,769,000, respectively.

## 9 Fair Value Measurements

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At November 30, 2010, the inputs used in valuing the Trust's investments, which are carried at value, were as follows:

Asset Description	Quoted Prices in Active Significant Markets for Other IdenticalObservable Assets Inputs			Significant Unobservable Inputs	Total
	(Level 1)	(Level 2)	(Level 3)		
Tax-Exempt Investments	\$	\$ 482,334,766	\$	\$ 482,334,766	
<b>Total Investments</b>	<b>\$</b>	<b>\$ 482,334,766</b>	<b>\$</b>	<b>\$ 482,334,766</b>	

The Trust held no investments or other financial instruments as of November 30, 2009 whose fair value was determined using Level 3 inputs.

#### 10 Reorganization

Prior to the opening of business on May 28, 2009, the Trust acquired the net assets of Eaton Vance National Municipal Income Trust (National Trust) pursuant to an agreement and plan of reorganization approved by the shareholders of the Trust and National Trust. The acquisition was accomplished by a tax-free exchange of 5,027,606 common shares of the Trust for the 4,260,513 common shares of National Trust outstanding on May 27, 2009, and 806 newly-issued Series C APS of the Trust with an aggregate liquidation value of \$20,150,000 in exchange for 806 APS of National Trust outstanding on May 27, 2009 and having the same aggregate liquidation value. The aggregate net assets attributable to common shares of the Trust immediately before the acquisition were \$167,134,870. The net assets attributable to common shares of National Trust at that date of \$48,359,695, including \$4,633,627 of accumulated net realized losses and \$8,944,514 of unrealized depreciation, were combined with those of the Trust, resulting in combined net assets attributable to common shares of \$215,494,565.

Eaton Vance Municipal Income Trust as of November 30, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of Eaton Vance Municipal Income Trust:

We have audited the accompanying statement of assets and liabilities of Eaton Vance Municipal Income Trust (the Trust ), including the portfolio of investments, as of November 30, 2010, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust 's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust 's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2010, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Eaton Vance Municipal Income Trust as of November 30, 2010, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

January 18, 2011

Eaton Vance Municipal Income Trust as of November 30, 2010

FEDERAL TAX INFORMATION (Unaudited)

The Form 1099-DIV you receive in January 2011 will show the tax status of all distributions paid to your account in calendar year 2010. Shareholders are advised to consult their own tax adviser with respect to the tax consequences of their investment in the Trust. As required by the Internal Revenue Code and/or regulations, shareholders must be notified within 60 days of the Trust's fiscal year end regarding exempt-interest dividends.

**Exempt-Interest Dividends.** The Trust designates 99.53% of dividends from net investment income as an exempt-interest dividend.

Eaton Vance Municipal Income Trust

DIVIDEND REINVESTMENT PLAN

The Trust offers a dividend reinvestment plan (the Plan) pursuant to which shareholders automatically have 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, American Stock Transfer & Trust Company (AST), who is also the Trust's transfer 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 AST 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 inquiries regarding the Plan can be directed to the Plan Agent at 1-866-439-6787.

Eaton Vance Municipal Income Trust

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.

Please print exact name on account:

Shareholder signature	Date
Shareholder signature	Date

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

**YOU SHOULD NOT RETURN THIS FORM IF YOU WISH TO RECEIVE YOUR 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 American Stock Transfer & Trust Company  
P.O. Box 922  
Wall Street Station  
New York, NY 10269-0560

**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, management investment company and has no employees.

**Number of Shareholders**

As of November 30, 2010, our records indicate that there are 358 registered shareholders and approximately 9,107 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 Trust reports directly, which contain important information about the Trust, please write or call:

Eaton Vance Distributors, Inc.  
Two International Place  
Boston, MA 02110  
1-800-262-1122

**New York Stock Exchange symbol**

The New York Stock Exchange symbol is EVN.

Eaton Vance Municipal Income Trust

BOARD OF TRUSTEES CONTRACT APPROVAL

**Overview of the Contract Review Process**

The Investment Company Act of 1940, as amended (the 1940 Act ), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuance is approved at least annually by the fund's board of trustees, including by a vote of a majority of the trustees who are not interested persons of the fund ( Independent Trustees ), cast in person at a meeting called for the purpose of considering such approval.

At a meeting of the Boards of Trustees (each a Board ) of the Eaton Vance group of mutual funds (the Eaton Vance Funds ) held on April 26, 2010, the Board, including a majority of the Independent Trustees, voted to approve continuation of existing advisory and sub-advisory agreements for the Eaton Vance Funds for an additional one-year period. In voting its approval, the Board relied upon the affirmative recommendation of the Contract Review Committee of the Board, which is a committee comprised exclusively of Independent Trustees. Prior to making its recommendation, the Contract Review Committee reviewed information furnished for a series of meetings of the Contract Review Committee held between February and April 2010. Such information included, among other things, the following:

*Information about Fees, Performance and Expenses*

An independent report comparing the advisory and related fees paid by each fund with fees paid by comparable funds;

An independent report comparing each fund's total expense ratio and its components to comparable funds;

An independent report comparing the investment performance of each fund (including yield where relevant) to the investment performance of comparable funds over various time periods;

Data regarding investment performance in comparison to relevant peer groups of similarly managed funds and appropriate indices;

For each fund, comparative information concerning the fees charged and the services provided by each adviser in managing other mutual funds and institutional accounts using investment strategies and techniques similar to those used in managing such fund;

Profitability analyses for each adviser with respect to each fund;

*Information about Portfolio Management*

Descriptions of the investment management services provided to each fund, including the investment strategies and processes employed, and any changes in portfolio management processes and personnel;

Information concerning the allocation of brokerage and the benefits received by each adviser as a result of brokerage allocation, including information concerning the acquisition of research through soft dollar benefits received in connection with the funds' brokerage, and the implementation of a soft dollar reimbursement program established with respect to the funds;

Data relating to portfolio turnover rates of each fund;

The procedures and processes used to determine the fair value of fund assets and actions taken to monitor and test the effectiveness of such procedures and processes;

*Information about each Adviser*



Reports detailing the financial results and condition of each adviser;  
Descriptions of the qualifications, education and experience of the individual investment professionals whose responsibilities include portfolio management and investment research for the funds, and information relating to their compensation and responsibilities with respect to managing other mutual funds and investment accounts;  
Copies of the Codes of Ethics of each adviser and its affiliates, together with information relating to compliance with and the administration of such codes;  
Copies of or descriptions of each adviser's policies and procedures relating to proxy voting, the handling of corporate actions and class actions;  
Information concerning the resources devoted to compliance efforts undertaken by each adviser and its affiliates on behalf of the funds (including descriptions of various compliance programs) and their record of compliance with investment policies and restrictions, including policies with respect to market-timing, late trading and selective portfolio disclosure, and with policies on personal securities transactions;  
Descriptions of the business continuity and disaster recovery plans of each adviser and its affiliates;  
A description of Eaton Vance Management's procedures for overseeing third party advisers and sub-advisers;

*Other Relevant Information*

Information concerning the nature, cost and character of the administrative and other non-investment management services provided by Eaton Vance Management and its affiliates;  
Information concerning management of the relationship with the custodian, subcustodians and fund accountants by each adviser or the funds' administrator; and  
The terms of each advisory agreement.

Eaton Vance Municipal Income Trust

## BOARD OF TRUSTEES CONTRACT APPROVAL CONT D

In addition to the information identified above, the Contract Review Committee considered information provided from time to time by each adviser throughout the year at meetings of the Board and its committees. Over the course of the twelve-month period ended April 30, 2010, with respect to one or more Funds, the Board met ten times and the Contract Review Committee, the Audit Committee, the Governance Committee, the Portfolio Management Committee and the Compliance Reports and Regulatory Matters Committee, each of which is a Committee comprised solely of Independent Trustees, met nine, thirteen, three, eight and fifteen times, respectively. At such meetings, the Trustees received, among other things, presentations by the portfolio managers and other investment professionals of each adviser relating to the investment performance of each fund and the investment strategies used in pursuing the fund's investment objective including, where relevant, the use of derivative instruments, as well as trading policies and procedures and risk management techniques.

For funds that invest through one or more underlying portfolios, the Board considered similar information about the portfolio(s) when considering the approval of advisory agreements. In addition, in cases where the fund's investment adviser has engaged a sub-adviser, the Board considered similar information about the sub-adviser when considering the approval of any sub-advisory agreement.

The Contract Review Committee was assisted throughout the contract review process by Goodwin Procter LLP, legal counsel for the Independent Trustees. The members of the Contract Review Committee relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating each advisory and sub-advisory agreement and the weight to be given to each such factor. The conclusions reached with respect to each advisory and sub-advisory agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each member of the Contract Review Committee may have placed varying emphasis on particular factors in reaching conclusions with respect to each advisory and sub-advisory agreement.

### **Results of the Process**

Based on its consideration of the foregoing, and such other information as it deemed relevant, including the factors and conclusions described below, the Contract Review Committee concluded that the continuance of the investment advisory agreement of Eaton Vance Municipal Income Trust (the Fund) with Eaton Vance Management (the Adviser), including its fee structure, is in the interests of shareholders and, therefore, the Contract Review Committee recommended to the Board approval of the agreement. The Board accepted the recommendation of the Contract Review Committee as well as the factors considered and conclusions reached by the Contract Review Committee with respect to the agreement. Accordingly, the Board, including a majority of the Independent Trustees, voted to approve continuation of the investment advisory agreement for the Fund.

### **Nature, Extent and Quality of Services**

In considering whether to approve the investment advisory agreement of the Fund, the Board evaluated the nature, extent and quality of services provided to the Fund by the Adviser.

The Board considered the Adviser's management capabilities and investment process with respect to the types of investments held by the Fund, including the education, experience and number of its investment professionals and

other personnel who provide portfolio management, investment research, and similar services to the Fund. In particular, the Board evaluated, where relevant, the abilities and experience of such investment personnel in analyzing factors such as credit risk, tax efficiency, and special considerations relevant to investing in municipal bonds. The Board considered the Adviser's large municipal bond team, which includes portfolio managers and credit specialists who provide services to the Fund. The Board also took into account the resources dedicated to portfolio management and other services, including the compensation methods of the Adviser to recruit and retain investment personnel, and the time and attention devoted to the Fund by senior management.

The Board also reviewed the compliance programs of the Adviser and relevant affiliates thereof. Among other matters, the Board considered compliance and reporting matters relating to personal trading by investment personnel, selective disclosure of portfolio holdings, late trading, frequent trading, portfolio valuation, business continuity and the allocation of investment opportunities. The Board also evaluated the responses of the Adviser and its affiliates to requests in recent years from regulatory authorities such as the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Board considered shareholder and other administrative services provided or managed by Eaton Vance Management and its affiliates, including transfer agency and accounting services. The Board evaluated the benefits to shareholders of investing in a fund that is a part of a large family of funds.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the investment advisory agreement.

Eaton Vance Municipal Income Trust

BOARD OF TRUSTEES CONTRACT APPROVAL CONT'D

### **Fund Performance**

The Board compared the Fund's investment performance to a relevant universe of similarly managed funds identified by an independent data provider and appropriate benchmark indices. The Board reviewed comparative performance data for the one-, three-, five- and ten-year periods ended September 30, 2009 for the Fund. The Board considered the impact of extraordinary market conditions during 2008 and 2009 on the Fund's performance relative to its peer universe in light of, among other things, the Adviser's long-standing strategy of generating current income through investments in higher quality (including insured) municipal bonds with longer maturities. The Board noted that the Adviser had restructured management of the municipal bond team and had implemented additional processes and tools designed to manage credit and interest rate risk. The Board concluded that appropriate actions are being taken by the Adviser to improve Fund performance and that additional time is required to evaluate the effectiveness of such actions.

### **Management Fees and Expenses**

The Board reviewed contractual investment advisory fee rates, including any administrative fee rates, payable by the Fund (referred to collectively as "management fees"). The Board considered the financial resources committed by the Adviser in structuring the Fund at the time of its initial public offering. As part of its review, the Board considered the management fees and the Fund's total expense ratio for the year ended September 30, 2009, as compared to a group of similarly managed funds selected by an independent data provider. The Board considered that, in response to inquiries by the Contract Review Committee, the Adviser had agreed to implement a series of permanent reductions in management fees and that the first such reduction would be effective as of May 1, 2010. The Board also considered factors that had an impact on Fund expense ratios, as identified by management in response to inquiries from the Contract Review Committee, as well as actions being taken to reduce expenses at the Eaton Vance fund complex level.

After reviewing the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the management fees charged for advisory and related services are reasonable.

### **Profitability**

The Board reviewed the level of profits realized by the Adviser and relevant affiliates thereof in providing investment advisory and administrative services to the Fund and to all Eaton Vance Funds as a group. The Board considered the level of profits realized with and without regard to revenue sharing or other payments by the Adviser and its affiliates to third parties in respect of distribution services. The Board also considered other direct or indirect benefits received by the Adviser and its affiliates in connection with its relationship with the Fund, including the benefits of research services that may be available to the Adviser as a result of securities transactions effected for the Fund and other investment advisory clients.

The Board concluded that, in light of the foregoing factors and the nature, extent and quality of the services rendered, the profits realized by the Adviser and its affiliates are reasonable.

### **Economies of Scale**

In reviewing management fees and profitability, the Board also considered the extent to which the Adviser and its affiliates, on the one hand, and the Fund, on the other hand, can expect to realize benefits from economies of scale as the assets of the Fund increase. The Board acknowledged the difficulty in accurately measuring the benefits resulting from the economies of scale with respect to the management of any specific fund or group of funds. The Board also considered the fact that the Fund is not continuously offered and concluded that, in light of the level of the adviser's profits with respect to the Fund, the implementation of breakpoints in the advisory fee schedule is not appropriate at this time. Based upon the foregoing, the Board concluded that the benefits from economies of scale are currently being shared equitably by the Adviser and its affiliates and the Fund.

Eaton Vance Municipal Income Trust

MANAGEMENT AND ORGANIZATION

**Trust Management.** The Trustees of Eaton Vance Municipal Income Trust (the Trust) are responsible for the overall management and supervision of the Trust's affairs. The Trustees and officers of the Trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. The Noninterested Trustees consist of those Trustees who are not interested persons of the Trust, as that term is defined under the 1940 Act. The business address of each Trustee and officer is Two International Place, Boston, Massachusetts 02110. As used below, EVC refers to Eaton Vance Corp., EV refers to Eaton Vance, Inc., EVM refers to Eaton Vance Management, BMR refers to Boston Management and Research, and EVD refers to Eaton Vance Distributors, Inc. EVC and EV are the corporate parent and trustee, respectively, of EVM and BMR. EVD is the Trust's principal underwriter and a wholly-owned subsidiary of EVC. Each officer affiliated with Eaton Vance may hold a position with other Eaton Vance affiliates that is comparable to his or her position with EVM listed below.

<b>Name and Year of Birth</b>	<b>Position(s) with the Trust</b>	<b>Term of Office and Length of Service</b>	<b>Principal Occupation(s) During Past Five Years and Other Relevant Experience</b>	<b>Number of Portfolios in Fund Complex Overseen By Trustee<sup>(1)</sup></b>	<b>Other Directorships Held During the Last Five Years<sup>(2)</sup></b>
<b>Interested Trustee</b>					
Thomas E. Faust Jr. 1958	Class II Trustee	Until 2013. 3 years. Trustee since 2007.	Chairman, Chief Executive Officer and President of EVC, Director and President of EV, Chief Executive Officer and President of EVM and BMR, and Director of EVD. Trustee and/or officer of 177 registered investment companies and 1 private investment company managed by EVM or BMR. Mr. Faust is an interested person because of his positions with EVM, BMR, EVD, EVC and EV, which are affiliates of the Trust.	177	Director of EVC.

Noninterested Trustees

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Benjamin C. Esty <sup>(A)</sup> 1963	Class I Trustee	Until 2012. 3 years. Trustee since 2006.	Roy and Elizabeth Simmons Professor of Business Administration and Finance Unit Head, Harvard University Graduate School of Business Administration.	177	None
Allen R. Freedman 1940	Class II Trustee	Until 2013. 3 years. Trustee since 2007.	Private Investor and Consultant. Former Chairman (2002-2004) and a Director (1983-2004) of Systems & Computer Technology Corp. (provider of software to higher education). Formerly, a Director of Loring Ward International (fund distributor) (2005-2007). Formerly, Chairman and a Director of Indus International, Inc. (provider of enterprise management software to the power generating industry) (2005-2007).	177	Director of Assurant, Inc. (insurance provider) and Stonemor Partners, L.P. (owner and operator of cemeteries).
William H. Park 1947	Class III Trustee	Until 2011. 3 years. Trustee since 2003.	Chief Financial Officer, Aveon Group L.P. (an investment management firm) (since 2010). Formerly, Vice Chairman, Commercial Industrial Finance Corp. (specialty finance company) (2006-2010). Formerly, President and Chief Executive Officer, Prizm Capital Management, LLC (investment management firm) (2002-2005). Formerly, Executive Vice President and Chief Financial Officer, United Asset Management Corporation (an institutional investment management firm) (1982-2001). Formerly, Senior Manager, Price Waterhouse (now PricewaterhouseCoopers) (an independent registered public accounting firm) (1972-1981).	177	None
Ronald A. Pearlman	Class I Trustee	Until 2012. 3 years.	Professor of Law, Georgetown University Law Center.	177	None

1940

Trustee since 2003. Formerly, Deputy Assistant Secretary (Tax Policy) and Assistant Secretary (Tax Policy), U.S. Department of the Treasury (1983-1985). Formerly, Chief of Staff, Joint Committee on Taxation, U.S. Congress (1988-1990).

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Eaton Vance Municipal Income Trust

## MANAGEMENT AND ORGANIZATION CONT D

<b>Name and Year of Birth</b>	<b>Position(s) with the Trust</b>	<b>Term of Office and Length of Service</b>	<b>Principal Occupation(s) During Past Five Years and Other Relevant Experience</b>	<b>Number of Portfolios in Fund Complex Overseen By Trustee<sup>(1)</sup></b>	<b>Other Directorships Held During the Last Five Years<sup>(2)</sup></b>
Noninterested Trustees (continued)					
Helen Frame Peters 1948	Class III Trustee	Until 2011. 3 years. Trustee since 2008.	Professor of Finance, Carroll School of Management, Boston College. Formerly, Dean, Carroll School of Management, Boston College (2000-2002). Formerly, Chief Investment Officer, Fixed Income, Scudder Kemper Investments (investment management firm) (1998-1999). Formerly, Chief Investment Officer, Equity and Fixed Income, Colonial Management Associates (investment management firm) (1991-1998).	177	Director of BJ's Wholesale Club, Inc. (wholesale club retailer). Formerly, Trustee of SPDR Index Shares Funds and SPDR Series Trust (exchange traded funds) (2000-2009). Formerly, Director of Federal Home Loan Bank of Boston (a bank for banks) (2007-2009).
Lynn A. Stout 1957	Class I Trustee	Until 2012. 3 years. Trustee since 1998.	Paul Hastings Professor of Corporate and Securities Law (since 2006) and Professor of Law (2001-2006), University of California at Los Angeles School of Law. Professor Stout teaches classes in corporate law and securities regulation and is the author of numerous academic and professional papers on these areas.	177	None
				177	None

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Ralph F. Verni <sup>(A)</sup> 1943	Chairman of the Board and Class II Trustee	Until 2013. 3 years. Chairman of the Board since 2007 and Trustee since 2006.	Consultant and private investor. Formerly, Chief Investment Officer (1982-1992), Chief Financial Officer (1988-1990) and Director (1982-1992), New England Life. Formerly, Chairperson, New England Mutual Funds (1982-1992). Formerly, President and Chief Executive Officer, State Street Management & Research (1992-2000). Formerly, Chairperson, State Street Research Mutual Funds (1992-2000). Formerly, Director, W.P. Carey, LLC (1998-2004) and First Pioneer Farm Credit Corp. (2002-2006).
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Principal Officers who are not Trustees

<b>Name and Year of Birth</b>	<b>Position(s) with the Trust</b>	<b>Term of Office and Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>
Thomas M. Metzold 1958	President	Since 2010	Vice President of EVM and BMR. Officer of 52 registered investment companies managed by EVM or BMR.
William H. Ahern, Jr. 1959	Vice President	Since 2004	Vice President of EVM and BMR. Officer of 74 registered investment companies managed by EVM or BMR.
Cynthia J. Clemson 1963	Vice President	Since 2004	Vice President of EVM and BMR. Officer of 90 registered investment companies managed by EVM or BMR.
Barbara E. Campbell 1957	Treasurer	Since 2005	Vice President of EVM and BMR. Officer of 177 registered investment companies managed by EVM or BMR.
Maureen A. Gemma 1960	Secretary and Chief Legal Officer	Secretary since 2007 and Chief Legal Officer	Vice President of EVM and BMR. Officer of 177 registered investment companies managed by EVM or BMR.

since 2008

Paul M. O Neil  
1953

Chief  
Compliance  
Officer

Since 2004

Vice President of EVM and BMR. Officer of  
177 registered investment companies managed  
by EVM or BMR.

- (1) Includes both master and feeder funds in a master-feeder structure.
- (2) During their respective tenures, the Trustees also served as trustees of one or more of the following Eaton Vance funds (which operated in the years noted): Eaton Vance Credit Opportunities Fund (launched in 2005 and terminated in 2010); Eaton Vance Insured Florida Plus Municipal Bond Fund (launched in 2002 and terminated in 2009); and Eaton Vance National Municipal Income Fund (launched in 1998 and terminated in 2009).
- (A) APS Trustee.

**Investment Adviser and Administrator of Eaton Vance Municipal Income Trust**  
**Eaton Vance Management**  
Two International Place  
Boston, MA 02110

**Custodian**  
**State Street Bank and Trust Company**  
200 Clarendon Street  
Boston, MA 02116

**Transfer Agent**  
**American Stock Transfer & Trust Company**  
59 Maiden Lane  
Plaza Level  
New York, NY 10038

**Independent Registered Public Accounting Firm**  
**Deloitte & Touche LLP**  
200 Berkeley Street  
Boston, MA 02116-5022

**Eaton Vance Municipal Income Trust**  
**Two International Place**  
**Boston, MA 02110**

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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, an independent trustee, as its audit committee financial expert. Mr. Park is a certified public accountant who is the Chief Financial Officer of Aveon Group, L.P. (an investment management firm). Previously, he served as the Vice Chairman of Commercial Industrial Finance Corp. (specialty finance company), as President and Chief Executive Officer of Prizm Capital Management, LLC (investment management firm), as Executive Vice President and Chief Financial Officer of United Asset Management Corporation (an institutional investment management firm) and as a Senior Manager at Price Waterhouse (now PricewaterhouseCoopers) (an independent registered public accounting firm).

**Item 4. Principal Accountant Fees and Services**

The following table presents the aggregate fees billed to the registrant for the registrant's fiscal years ended November 30, 2009 and November 30, 2010 by the Fund's principal accountant, Deloitte & Touche LLP ( "D&T" ), for professional services rendered for the audit of the registrant's annual financial statements and fees billed for other services rendered by D&T during such periods.

<b>Fiscal Years Ended</b>	<b>11/30/09</b>	<b>11/30/10</b>
Audit Fees	\$ 61,883	\$ 62,160
Audit-Related Fees <sup>(1)</sup>	\$ 3,915	\$ 3,915
Tax Fees <sup>(2)</sup>	\$ 13,967	\$ 14,126
All Other Fees <sup>(3)</sup>	\$ 0	\$ 500
<b>Total</b>	<b>\$ 79,765</b>	<b>\$ 80,701</b>

(1) Audit-related fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit of financial statements and are not reported under the category of audit fees and specifically include fees for the performance of certain agreed-upon procedures relating to the registrant's auction preferred shares.

(2) Tax fees consist of the aggregate fees billed for professional services rendered by the principal accountant relating to tax compliance, tax advice, and tax planning and specifically include fees for tax return preparation and other related tax compliance/planning matters.

(3) All other fees consist of the aggregate fees billed for products and services provided by the principal accountant other than audit, audit-related, and tax services.

(e)(1) The registrant's audit committee has adopted policies and procedures relating to the pre-approval of services provided by the registrant's principal accountant (the "Pre-Approval Policies"). The Pre-Approval Policies establish a framework intended to assist the audit committee in the proper discharge of its pre-approval responsibilities. As a general matter, the Pre-Approval Policies (i) specify certain types of audit, audit-related, tax, and other services determined to be pre-approved by the audit committee; and (ii) delineate specific procedures governing the mechanics of the pre-approval process, including the approval and monitoring of audit and non-audit service fees. Unless a

service is specifically pre-approved under the Pre-Approval Policies, it must be separately pre-approved by the audit committee.

The Pre-Approval Policies and the types of audit and non-audit services pre-approved therein must be reviewed and ratified by the registrant's audit committee at least annually. The registrant's audit committee maintains full responsibility for the appointment, compensation, and oversight of the work of the registrant's principal accountant.

(e)(2) No services described in paragraphs (b)-(d) above were approved by the registrant's audit committee pursuant to the de minimis exception set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(f) Not applicable.

(g) The following table presents (i) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed to the registrant by D&T for the registrant's fiscal years ended November 30, 2009

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and November 30, 2010; and (ii) the aggregate non-audit fees (i.e., fees for audit-related, tax, and other services) billed to the Eaton Vance organization by D&T for the same time periods.

<b>Fiscal Years Ended</b>	<b>11/30/09</b>	<b>11/30/10</b>
<b>Registrant</b>	\$ 17,882	\$ 18,541
<b>Eaton Vance<sup>(1)</sup></b>	\$ 260,717	\$ 278,901

(1) Eaton Vance Management, a subsidiary of Eaton Vance Corp., acts as the registrant's investment adviser and administrator.

(h) The registrant's audit committee has considered whether the provision by the registrant's principal accountant of non-audit services to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant that were not pre-approved pursuant to Rule 2-01(c)(7)(ii) of Regulation S-X is compatible with maintaining the principal accountant's independence.

#### **Item 5. Audit Committee of Listed Registrants**

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities and Exchange Act of 1934, as amended. William H. Park (Chair), Helen Frame Peters, Lynn A. Stout and Ralph F. Verni are the members of the registrant's audit committee.

#### **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's Special Committee 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. An independent proxy voting service (Agent), currently Institutional Shareholder Services, Inc., has been retained to assist in the voting of proxies through the provision of vote analysis, implementation and recordkeeping and disclosure services. The investment adviser will generally vote proxies through the Agent. The Agent is required to vote all proxies and/or refer them back to the investment adviser pursuant to the Policies. It is generally the policy of the investment adviser to vote in accordance with the recommendation of the



Agent. The Agent shall refer to the investment adviser proxies relating to mergers and restructurings, and the disposition of assets, termination, liquidation and mergers contained in mutual fund proxies. The investment adviser will normally vote against anti-takeover measures and other proposals designed to limit the ability of shareholders to act on possible transactions, except in the case of closed-end management investment companies. The investment adviser generally supports management on social and environmental proposals. The investment adviser may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweighs the benefits derived from exercising the right to vote or the economic effect on shareholders interests or the value of the portfolio holding is indeterminable or insignificant.

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 personnel of the investment adviser identified in the Policies. If such personnel expects to instruct the Agent to vote such proxies in a manner inconsistent with the guidelines of the Policies or the recommendation of the Agent, the personnel will consult with members of senior management of the investment adviser to determine if a material conflict of interests exists. If it is determined that a material conflict does exist, the investment adviser will seek instruction on how to vote from the Special Committee.

Information on how the Fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is 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. Portfolio Managers of Closed-End Management Investment Companies**

##### **Portfolio Management**

Thomas M. Metzold is responsible for the overall and day-to-day management of the Trust's investments. Mr. Metzold has been an Eaton Vance portfolio manager since 1991, is a co-Director of Municipal Investments and is a Vice President of Eaton Vance Management ( EVM ) and Boston Management and Research ( BMR ), an Eaton Vance subsidiary. This information is provided as of the date of filing of this report.

The following table shows, as of the Fund's most recent fiscal year end, the number of accounts the portfolio manager managed in each of the listed categories and the total assets (in millions of dollars) in the accounts managed within each category. The table also shows the number of accounts with respect to which the advisory fee is based on the performance of the account, if any, and the total assets (in millions of dollars) in those accounts.

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	Number of All Accounts	Total Assets of All Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
Registered Investment Companies	8	\$7,315.5	0	\$ 0
Other Pooled Investment Vehicles	0	\$ 0	0	\$ 0
Other Accounts	0	\$ 0	0	\$ 0

The following table shows the dollar range of Fund shares beneficially owned by the portfolio manager as of the Fund's most recent fiscal year end.

Portfolio Manager	Dollar Range of Equity Securities Owned in the Fund
Thomas M. Metzold	None

*Potential for Conflicts of Interest.* It is possible that conflicts of interest may arise in connection with a portfolio manager's management of the Fund's investments on the one hand and investments of other accounts for which a portfolio manager is responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among the Fund and other accounts he or she advises. In addition, due to differences in the investment strategies or restrictions between the Fund and the other accounts, a portfolio manager may take action with respect to another account that differs from the action taken with respect to the Fund. In some cases, another account managed by a portfolio manager may compensate the investment adviser or sub-adviser based on the performance of the securities held by that account. The existence of such a performance based fee may create additional conflicts of interest for a portfolio manager in the allocation of management time, resources and investment opportunities. Whenever conflicts of interest arise, a portfolio manager will endeavor to exercise his or her discretion in a manner that he or she believes is equitable to all interested persons. EVM has adopted several policies and procedures designed to address these potential conflicts including: a code of ethics; and policies which govern the investment adviser's trading practices, including among other things the aggregation and allocation of trades among clients, brokerage allocation, cross trades and best execution.

#### **Compensation Structure for EVM**

Compensation of EVM's portfolio managers and other investment professionals has three primary components: (1) a base salary, (2) an annual cash bonus, and (3) annual stock-based compensation consisting of options to purchase shares of EVC's nonvoting common stock and/or restricted shares of EVC's nonvoting common stock. EVM's investment professionals also receive certain retirement, insurance and other benefits that are broadly available to EVM's employees. Compensation of EVM's investment professionals is reviewed primarily on an annual basis. Cash bonuses, stock-based compensation awards, and adjustments in base salary are typically paid or put into effect at or shortly after the October 31st fiscal year end of EVC.

*Method to Determine Compensation.* EVM compensates its portfolio managers based primarily on the scale and complexity of their portfolio responsibilities and the total return performance of managed funds and accounts versus appropriate peer groups or benchmarks. In addition to rankings within peer groups of funds on the basis of absolute performance, consideration may also be given to relative risk-

adjusted performance. Risk-adjusted performance measures include, but are not limited to, the Sharpe Ratio. Performance is normally based on periods ending on the September 30th preceding fiscal year end. Fund performance is normally evaluated primarily versus peer groups of funds as determined by Lipper Inc. and/or Morningstar, Inc. When a fund's peer group as determined by Lipper or Morningstar is deemed by EVM's management not to provide a fair comparison, performance may instead be evaluated primarily against a custom peer group. In evaluating the performance of a fund and its manager, primary emphasis is normally placed on three-year performance, with secondary consideration of performance over longer and shorter periods. For funds that are tax-managed or otherwise have an objective of after-tax returns, performance is measured net of taxes. For other funds, performance is evaluated on a pre-tax basis. For funds with an investment objective other than total return (such as current income), consideration will also be given to the fund's success in achieving its objective. For managers responsible for multiple funds and accounts, investment performance is evaluated on an aggregate basis, based on averages or weighted averages among managed funds and accounts. Funds and accounts that have performance-based advisory fees are not accorded disproportionate weightings in measuring aggregate portfolio manager performance.

The compensation of portfolio managers with other job responsibilities (such as heading an investment group or providing analytical support to other portfolios) will include consideration of the scope of such responsibilities and the managers' performance in meeting them.

EVM seeks to compensate portfolio managers commensurate with their responsibilities and performance, and competitive with other firms within the investment management industry. EVM participates in investment-industry compensation surveys and utilizes survey data as a factor in determining salary, bonus and stock-based compensation levels for portfolio managers and other investment professionals. Salaries, bonuses and stock-based compensation are also influenced by the operating performance of EVM and its parent company. The overall annual cash bonus pool is based on a substantially fixed percentage of pre-bonus operating income. While the salaries of EVM's portfolio managers are comparatively fixed, cash bonuses and stock-based compensation may fluctuate significantly from year to year, based on changes in manager performance and other factors as described herein. For a high performing portfolio manager, cash bonuses and stock-based compensation may represent a substantial portion of total compensation.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

No such purchases this period.

**Item 10. Submission of Matters to a Vote of Security Holders**

No Material Changes.

**Item 11. Controls and Procedures**

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(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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits**

(a)(1) Registrant's Code of Ethics Not applicable (please see Item 2).

(a)(2)(i) Treasurer's Section 302 certification.

(a)(2)(ii) President's Section 302 certification.

(b) Combined Section 906 certification.

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**Signatures**

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

Eaton Vance Municipal Income Trust

By: /s/ Thomas M. Metzold

Thomas M. Metzold  
President

Date: January 14, 2011

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/ Barbara E. Campbell

Barbara E. Campbell  
Treasurer

Date: January 14, 2011

By: /s/ Thomas M. Metzold

Thomas M. Metzold  
President

Date: January 14, 2011