

SJW GROUP
Form S-4
April 25, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SJW GROUP
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

4941
(Primary Standard Industrial
Classification Code Number)

77-0066628
(I.R.S. Employer
Identification Number)

110 West Taylor Street

San Jose, California 95110

(408) 279-7800

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Suzy Papazian

General Counsel and Corporate Secretary

SJW Group

110 West Taylor Street

San Jose, California 95110

(408) 279-7800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Leif B. King

David C. Benoit

Joseph B. Frumkin

Kenton J. King

**President and Chief Executive
Officer**

Tia. S. Barancik

Pankaj K. Sinha

Connecticut Water Service, Inc.

Sullivan & Cromwell LLP

**Skadden, Arps, Slate, Meagher &
Flom LLP**

93 West Main Street

125 Broad Street

525 University Avenue, Suite 1400

Clinton, Connecticut 06413

New York, New York 10004

Palo Alto, California 94301

Tel: (860) 669-8636

Tel: (212) 558-4000

Tel: (650) 470-4500

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act .

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1 (d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price	Proposed maximum aggregate	Amount of registration fee(3)
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		per share	offering price(2)	
Common stock, \$.001 par value per share	14,194,354	N/A	\$803,494,028	\$100,035.01

(1) Represents the estimated maximum number of shares of the Registrant's common stock, par value \$0.001 per share, to be issued upon completion of the merger described herein. This number is based on 12,478,553 shares of Connecticut Water Service, Inc. (CTWS) common stock, without par value, the estimated maximum number of shares of CTWS common stock outstanding or reserved for issuance under various equity plans or otherwise, immediately prior to the merger, and the exchange of each such share of CTWS common stock for 1.1375 shares of SJW Group (SJW) common stock, pursuant to the terms of the Agreement and Plan of Merger dated as of March 14, 2018, among SJW, Hydro Sub, Inc. and CTWS, which is attached to the joint proxy statement/prospectus included in this Registration Statement on Form S-4 as Annex A.

(2) The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of CTWS common stock in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: the product of (A) \$64.39, the average of the high and low prices per share of CTWS common stock as reported on the New York Stock Exchange on April 20, 2018 and (B) 12,478,553, the estimated maximum number of shares of CTWS common shares that may be canceled and exchanged in the offer, including shares reserved for issuance under various equity plans or otherwise.

(3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(c) and 457(f) under the Securities Act, based on a rate of \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 25, 2018

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

The boards of directors of SJW Group (SJW) and Connecticut Water Service, Inc. (CTWS) have unanimously approved, and SJW and CTWS have entered into, an Agreement and Plan of Merger, dated as of March 14, 2018 (the merger agreement), with respect to a merger of equals strategic business combination (the merger) between SJW and CTWS. Pursuant to the terms of the merger agreement, Hydro Sub, Inc., a wholly owned subsidiary of SJW and a party to the merger agreement (Merger Sub), will merge with and into CTWS, with CTWS surviving the merger as a wholly owned subsidiary of SJW. Upon completion of the merger, SJW and CTWS, and their respective subsidiaries, will operate as a combined company initially under the name SJW Group , which name will be changed within two years following the merger to a new name representing the combined company.

Upon completion of the merger, each issued and outstanding share of CTWS common stock (other than those owned directly or indirectly by CTWS, SJW or any of their respective subsidiaries that are not held on behalf of third parties) will be converted into the right to receive 1.1375 shares of SJW common stock (the exchange ratio). This exchange ratio will not be adjusted for changes in the market price of either SJW common stock or CTWS common stock between the date of signing of the merger agreement and completion of the merger.

Based on the estimated number of shares of SJW common stock and CTWS common stock that will be outstanding immediately prior to the closing of the merger, upon such closing, SJW stockholders immediately prior to the effective time of the merger will own approximately 60% of the combined company and CTWS shareholders immediately prior to the effective time of the merger will own approximately 40% of the combined company. The combined company will be listed on the New York Stock Exchange (the NYSE) initially under SJW 's current symbol, SJW.

SJW and CTWS will each hold a special meeting of its respective shareholders to consider the proposed merger. At the special meeting of SJW stockholders, SJW stockholders will be asked to vote on the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, the proposal to adopt the amendment to the SJW certificate of incorporation (the SJW certificate of incorporation amendment) and the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment. At the special meeting of CTWS shareholders, CTWS shareholders will be asked to vote on the proposal to approve the merger agreement, the proposal to approve, on a

non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the adoption of the SJW certificate of incorporation amendment by SJW stockholders and approval of the merger agreement by CTWS shareholders. Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend either special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the SJW or CTWS special meeting, as applicable.

The SJW board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of SJW and its stockholders. The SJW board of directors unanimously recommends that SJW stockholders vote FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, FOR the proposal to adopt the SJW certificate of incorporation amendment and FOR the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

The CTWS board of directors unanimously (i) determined that the merger agreement and the consummation of the transactions contemplated thereby, including the merger, are in the best interests of CTWS and its shareholders, (ii) declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and (iii) approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. The CTWS board of directors unanimously recommends that CTWS shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and FOR the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The obligations of SJW and CTWS to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. The accompanying joint proxy statement/prospectus contains detailed information about SJW, CTWS, the special meetings, the merger agreement and the merger. **SJW and CTWS encourage you to read the joint proxy statement/prospectus carefully and in its entirety, including the section entitled Risk Factors beginning on page 27 of this joint proxy statement/prospectus.**

We look forward to the successful combination of SJW and CTWS.

Sincerely,
Eric W. Thornburg
Chairman of the Board, Chief Executive Officer and
President
SJW Group

Sincerely,
David C. Benoit
President and Chief Executive Officer

Connecticut Water Service, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger and other transactions described in the joint proxy statement/prospectus, nor have they approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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This joint proxy statement/prospectus is dated [], 2018 and is first being mailed to SJW stockholders and CTWS shareholders on or about [], 2018.

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Connecticut Water Service, Inc.

93 West Main Street

Clinton, Connecticut 06413

(860) 664-6056

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On [], 2018

To the Shareholders of Connecticut Water Service, Inc.:

We are pleased to invite you to attend the special meeting of shareholders of Connecticut Water Service, Inc., a Connecticut corporation (CTWS), which will be held at [] on [], 2018 at [], local time, for the following purposes:

to consider and vote on the proposal to approve the Agreement and Plan of Merger, dated as of March 14, 2018, among SJW Group, a Delaware corporation (SJW), Hydro Sub, Inc., a Connecticut corporation and a direct wholly owned subsidiary of SJW (Merger Sub), and CTWS (the merger agreement), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice forms a part;

to consider and vote on the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger, as described in the accompanying joint proxy statement/prospectus of which this notice forms a part; and

to consider and vote upon the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

CTWS will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournments or postponements thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the CTWS special meeting.

Completion of the merger is conditioned on, among other things, approval of the merger agreement by CTWS shareholders.

The CTWS board of directors unanimously (i) determined that the merger agreement and the consummation of the transactions contemplated thereby, including the merger, are in the best interests of CTWS and its shareholders, (ii) declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and (iii) approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. The CTWS board of directors unanimously recommends that CTWS shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and FOR the proposal to adjourn the CTWS special meeting, if necessary or

appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The CTWS board of directors has fixed the close of business on [], 2018 as the record date (the CTWS record date) for determination of holders of CTWS common stock entitled to receive notice of, and to vote at, the CTWS special meeting or any adjournments or postponements thereof. As of the CTWS record date, CTWS issued and outstanding capital stock consists solely of outstanding shares of CTWS common stock. Accordingly, only holders of record of CTWS common stock at the close of business on the CTWS record date are entitled to receive notice of, and to vote at, the CTWS special meeting or at any adjournments or postponements thereof. Approval of the merger agreement requires the affirmative vote of holders of two-thirds (66 2/3 %) of the outstanding shares of CTWS common stock entitled to vote thereon. Approval, on a non-binding advisory basis, of specific compensatory arrangements between CTWS and its named executive officers relating to the merger

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requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon, although such vote will not be binding on CTWS or the CTWS board of directors or any of its committees. Approval of the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon. A list of the names of CTWS shareholders of record will be available for 10 days prior to the CTWS special meeting for any purpose germane to the special meeting between the hours of 8:30 a.m. and 4:30 p.m., local time, at CTWS's headquarters, 93 West Main Street, Clinton, Connecticut 06413. The CTWS shareholder list will also be available at the CTWS special meeting for examination by any shareholder present at such meeting.

Your vote is very important. Whether or not you expect to attend the CTWS special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either:

- (1) logging onto www.proxyvote.com and following the instructions on your proxy card;**
- (2) dialing (800) 454-8683 and listening for further directions; or**
- (3) signing, dating and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the CTWS special meeting.**

If your shares are held in a CTWS plan or in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction card furnished by the record holder, as appropriate. If you do not follow these instructions, your shares cannot be voted.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of CTWS common stock, please contact CTWS's proxy solicitor:

Morrow Sodali LLC

470 West Avenue

Stamford, Connecticut 06902

Shareholders May Call Toll-Free: (800) 662-5200

Banks and Brokers May Call: (203) 658-9400

By Order of the Board of Directors of
Connecticut

Water Service, Inc.,

Kristen A. Johnson
Vice President, Human Resources and
Corporate Secretary
Clinton, Connecticut
[], 2018

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SJW Group

110 West Taylor Street

San Jose, California 95110

(408) 279-7800

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2018

To the Stockholders of SJW Group:

We are pleased to invite you to attend the special meeting of stockholders of SJW Group (SJW), a Delaware corporation, which will be held at 110 West Taylor Street, San Jose, California 95110, on [], 2018, at [], local time, for the following purposes:

to consider and vote on the proposal to approve the issuance of shares of SJW common stock to Connecticut Water Service, Inc. (CTWS) shareholders pursuant to the merger as contemplated by the Agreement and Plan of Merger, dated as of March 14, 2018 (the merger agreement), by and among SJW, CTWS and Hydro Sub, Inc., a wholly owned subsidiary of SJW (Merger Sub), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice forms a part;

to consider and vote on the proposal to adopt the amendment to the SJW certificate of incorporation (the SJW certificate of incorporation amendment) in connection with the closing of the merger, a copy of the form of which is included as Annex D to the joint proxy statement/prospectus of which this notice forms a part; and

to consider and vote upon the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

SJW will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournments or postponements thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the SJW special meeting.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the adoption of the SJW certificate of incorporation amendment by SJW stockholders.

The SJW board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best

interests of SJW and its stockholders. The SJW board of directors unanimously recommends that SJW stockholders vote FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, FOR the proposal to adopt the SJW certificate of incorporation amendment and FOR the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

The SJW board of directors has fixed the close of business on [] as the record date for determination of SJW stockholders entitled to receive notice of, and to vote at, the SJW special meeting or any adjournments or postponements thereof. SJW issued and outstanding capital stock consists solely of outstanding shares of SJW common stock. Accordingly, only holders of record of SJW common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the SJW special meeting or at any adjournments or postponements thereof. The issuance of shares of SJW common stock requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW

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special meeting and entitled to vote on the proposal. Adoption of the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock entitled to vote on the proposal. Adjournment of the SJW special meeting requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW special meeting and entitled to vote on the proposal. A list of the names of SJW stockholders of record will be available for 10 days prior to the SJW special meeting for any purpose germane to the special meeting between the hours of 8:30 a.m. and 4:30 p.m., local time, at the office of SJW's Corporate Secretary, 110 West Taylor Street, San Jose, California 95110. The SJW stockholder list will also be available at the SJW special meeting for examination by any stockholder present at such meeting.

Your vote is very important. Whether or not you expect to attend the SJW special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either:

- (1) logging onto www.proxyvote.com and following the instructions on your proxy card;**
- (2) dialing (866) 357-4029 and listening for further directions; or**
- (3) signing, dating and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the SJW special meeting.**

If your shares are held in the name of a bank, broker or other nominee, including an employee benefit plan trustee, please follow the instructions on the voting instruction card furnished by the record holder, as appropriate. If you do not follow these instructions, your shares cannot be voted.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement as well as a description of the proposed issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and a description of the SJW certificate of incorporation amendment. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of SJW common stock, please contact SJW's proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

Stockholders, Banks and Brokers May Call Toll-Free: (866) 357-4029

By Order of the Board of Directors of SJW
Group,

Suzy Papazian
General Counsel and Corporate Secretary
San Jose, California
[], 2018

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about SJW and CTWS from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company's proxy solicitor at the following addresses and telephone numbers:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

Stockholders, Banks and Brokers May Call

Toll-Free: (866) 357-4029

Morrow Sodali LLC

470 West Avenue

Stamford, Connecticut 06902

Shareholders May Call Toll-Free: (800) 662-5200

Banks and Brokers May Call: (203) 658-9400

You may also obtain any of the documents incorporated by reference into this joint proxy statement/prospectus without charge through the U.S. Securities and Exchange Commission (the SEC) website at www.sec.gov. In addition, you may obtain copies of documents filed by SJW with the SEC by accessing SJW's website at www.sjwgroup.com under the heading Investor Relations and then under the heading SEC Filings. You may also obtain copies of documents filed by CTWS with the SEC by accessing CTWS's website at www.ctwater.com under the tab Investors and then under the tab SEC Filings.

We are not incorporating the contents of the websites of the SEC, SJW, CTWS or any other entity into this joint proxy statement/prospectus. We are providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites only for your convenience.

If you would like to request any documents, please do so by [], 2018 in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see the section entitled Where You Can Find More Information beginning on page 181 of this joint proxy statement/prospectus.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by SJW, constitutes a prospectus of SJW under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the shares of SJW common stock to be issued to CTWS shareholders pursuant to the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both SJW and CTWS under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act). It also constitutes a notice of meeting with respect to the special meeting of SJW stockholders and a notice of meeting with respect to the special meeting of CTWS shareholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [], 2018. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to SJW stockholders or CTWS shareholders nor the issuance by SJW of shares of common stock pursuant to the merger will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy or offer to sell or buy securities in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding SJW has been provided by SJW and information contained in this joint proxy statement/prospectus regarding CTWS has been provided by CTWS.

All references in this joint proxy statement/prospectus to SJW refer to SJW Group, a Delaware corporation; all references in this joint proxy statement/prospectus to CTWS refer to Connecticut Water Service, Inc., a Connecticut corporation; and all references to Merger Sub refer to Hydro Sub, Inc., a Connecticut corporation and wholly owned subsidiary of SJW formed for the sole purpose of effecting the merger. Unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to we, our and us refer to SJW and CTWS collectively and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of March 14, 2018, by and among SJW, CTWS and Merger Sub, a copy of which is included as Annex A to this joint proxy statement/prospectus. SJW, following completion of the merger, is sometimes referred to in this joint proxy statement/prospectus as the combined company or Combined SJW. CTWS, following completion of the merger, is sometimes referred to in this joint proxy statement/prospectus as the New England Region.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a stockholder of SJW Group (SJW) or a shareholder of Connecticut Water Service, Inc. (CTWS), may have regarding the merger and the other matters being considered at the special meetings and the answers to those questions. SJW and CTWS urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meetings. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: SJW and CTWS have agreed to a merger of equals strategic business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

In order to complete the merger, among other things:

SJW stockholders must approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger;

SJW stockholders must approve the adoption of the amendment to the SJW certificate of incorporation (the SJW certificate of incorporation amendment); and

CTWS shareholders must approve the merger agreement.

SJW and CTWS will hold separate special meetings of their respective shareholders to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about SJW, CTWS, the special meetings, the merger agreement and the merger. You should read all the available information carefully and in its entirety.

Q: What will stockholders receive in the merger?

A: *SJW Stockholders:* If the merger is completed, SJW stockholders will not receive any merger consideration and will continue to hold their existing shares of SJW common stock.

CTWS Shareholders: If the merger is completed, holders of CTWS common stock will receive 1.1375 shares of SJW common stock for each share of CTWS common stock they hold immediately prior to the effective time of the merger. CTWS shareholders will not receive any fractional shares of SJW common stock in the merger. Instead, CTWS shareholders will receive cash in lieu of any fractional shares of SJW common stock that CTWS shareholders would otherwise have been entitled to receive.

Q: What is the value of the merger consideration?

A: Because SJW will issue 1.1375 shares of SJW common stock in exchange for each share of CTWS common stock, the market value of the merger consideration that CTWS shareholders will receive will depend on the price per share of SJW common stock at the effective time of the merger. That price will not be known at the time of the CTWS special meeting or the SJW special meeting and may be less or more than the current market price or the market price at the time of the special meetings. We urge you to obtain current market quotations of SJW common stock and CTWS common stock. See also *Comparative Stock Price Data and Dividends* beginning on page 156 of this joint proxy statement/prospectus.

Q: What percentage of the combined company will SJW stockholders and CTWS shareholders, respectively, own following the merger?

A: Upon completion of the merger, SJW stockholders immediately prior to the effective time of the merger will own approximately 60% of the combined company and CTWS shareholders immediately prior to the

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effective time of the merger will own approximately 40% of the combined company, in each case, calculated on a fully diluted basis.

Q: When and where will the special meetings be held?

A: *SJW Stockholders:* The special meeting of SJW stockholders will be held at 110 West Taylor Street, San Jose, California 95110, on [], 2018, at [], local time.

CTWS Shareholders: The special meeting of CTWS shareholders will be held at [], on [], 2018, at [], local time.

If you wish to attend your respective company's special meeting, you must bring photo identification. If you hold your shares through a bank, broker or other nominee, including an employee benefit plan trustee, you must also bring proof of ownership such as the voting instruction form from your broker or other nominee or an account statement.

For information on voting in advance of your respective company's special meeting, see *The SJW Special Meeting Voting at the Special Meeting By Proxy* and *The CTWS Special Meeting Voting at the Special Meeting By Proxy* beginning, respectively, on page 21 and page 22 of this joint proxy statement/prospectus.

Q: Who is entitled to vote on the proposals?

A: *SJW Stockholders:* The record date for the SJW special meeting is [], 2018. Only holders of record of outstanding shares of SJW common stock as of the close of business on the SJW record date are entitled to notice of, and to vote at, the SJW special meeting or any adjournments or postponements of the SJW special meeting.

CTWS Shareholders: The record date for the CTWS special meeting is [], 2018. Only holders of record of outstanding shares of CTWS common stock as of the close of business on the CTWS record date are entitled to notice of, and to vote at, the CTWS special meeting or any adjournments or postponements of the CTWS special meeting.

Q: What am I being asked to vote on and why is this approval necessary?

A: SJW stockholders are being asked to vote on the following proposals:

(1) to approve the issuance of SJW common stock to CTWS shareholders pursuant to the merger;

(2) to approve the adoption of the SJW certificate of incorporation amendment in connection with the merger, which increases the number of authorized shares of SJW stock to 73 million, including 72 million shares of common stock; and

(3) to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

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Approval by SJW stockholders of the share issuance proposal and the proposal concerning adoption of the SJW certificate of incorporation amendment is required to complete the merger.

CTWS shareholders are being asked to vote on the following proposals:

- (1) to approve the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus;
- (2) to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger; and

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(3) to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Approval by CTWS shareholders of the proposal to approve the merger agreement is required to complete the merger. The SEC has adopted rules that require CTWS to seek an advisory (non-binding) vote on compensation that is tied to or based on completion of the merger and that will or may be paid or provided by CTWS to its named executive officers in connection with the merger.

Q: What vote is required to approve each proposal at the SJW special meeting?

A: The issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW special meeting and entitled to vote on the proposal. Failures to vote and broker non-votes, which are described below, will have no effect on the proposal, assuming a quorum is present.

Abstentions are treated the same as votes against this proposal.

Adoption of the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock entitled to vote on the proposal. Failures to vote, broker non-votes and abstentions will have the effect of a vote against this proposal.

Approval of the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW special meeting and entitled to vote on the proposal. Failures to vote and broker non-votes will have no effect on the proposal, assuming a quorum is present. Abstentions will have the effect of a vote against this proposal.

Q: Have any SJW stockholders agreed to vote their shares in favor of any of the proposals to be considered at the SJW special meeting?

A: Yes. In connection with the merger agreement, on March 14, 2018, SJW entered into voting and support agreements (collectively, the SJW voting and support agreements) with certain of its stockholders, pursuant to which, subject to certain conditions, such SJW stockholders have agreed to vote shares controlled by them in favor of the matters to be submitted to SJW stockholders at the SJW special meeting. As of the record date for the SJW special meeting, such parties collectively owned approximately []% of the outstanding shares of SJW common stock. For more information on the merger agreement, see the section entitled The Merger SJW Voting and Support Agreements beginning on page 117 of this joint proxy statement/prospectus.

Q: What vote is required to approve each proposal at the CTWS special meeting?

A:

Approval of the merger agreement requires the affirmative vote of holders of two-thirds (66 2/3 %) of the issued and outstanding shares of CTWS common stock entitled to vote thereon. Abstentions, failures to vote and broker non-votes will have the effect of a vote against the proposal, assuming a quorum is present.

Approval, on a non-binding advisory basis, of specific compensatory arrangements between CTWS and its named executive officers relating to the merger requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon. Abstentions, failures to vote and broker non-votes will have no effect on the proposal, assuming a quorum is present. Because the vote regarding these specific merger-related compensatory arrangements between CTWS and its named executive officers is advisory only, it will not be binding on CTWS or, following completion of the merger, the combined company. Accordingly, if the merger is approved and completed, the CTWS named executive officers will be eligible to receive the various merger-

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related compensation that may become payable in connection with the completion of the merger, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of CTWS shareholders.

Approval of the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon. Abstentions, failures to vote and broker non-votes will have no effect on the proposal, assuming a quorum is present.

Q: What constitutes a quorum at the special meetings?

A: *SJW Stockholders:* Stockholders who hold shares representing at least a majority of the outstanding shares of common stock entitled to vote at the SJW special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the SJW special meeting. Any adjournment of the special meeting may be made from time to time, if a quorum does not exist, by approval holders of SJW stock representing a majority of the voting power of all shares present in person or represented by proxy at the special meeting, or by the chairman of the special meeting, without further notice other than by an announcement made at the special meeting. In addition, the chairman of the special meeting may adjourn such meeting after the special meeting has been duly organized. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Abstentions will be included in the calculation of the number of shares of SJW common stock represented at the special meeting for purposes of determining whether a quorum has been achieved. However, broker non-votes, which are described below, will not be included.

CTWS Shareholders: Shareholders who hold shares representing at least a majority of the shares of CTWS common stock issued and outstanding as of the close of business on the CTWS record date and entitled to vote at the CTWS special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the CTWS special meeting. If a quorum is not present at such meeting, the shareholders present in person or by proxy may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be given to the shareholders not present or represented at the meeting. Abstentions and broker non-votes will be included in the calculation of the number of shares of CTWS common stock represented at the special meeting for purposes of determining whether a quorum has been achieved.

Q: How does the SJW board of directors recommend that SJW stockholders vote?

A: The SJW board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of SJW and its stockholders. The SJW board of directors unanimously recommends that SJW stockholders vote:

- (1) FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger;
- (2) FOR the proposal to adopt the SJW certificate of incorporation amendment; and
- (3) FOR the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

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Q: How does the CTWS board of directors recommend that CTWS shareholders vote?

A: The CTWS board of directors unanimously (i) determined that the merger agreement and the consummation of the transactions contemplated thereby, including the merger, are in the best interests of CTWS and its shareholders, (ii) declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and (iii) approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. The CTWS board of directors unanimously recommends that CTWS shareholders vote:

- (1) FOR the proposal to approve the merger agreement;
- (2) FOR the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger; and
- (3) FOR the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Q: How many votes do I have?

A: *SJW Stockholders:* Holders of SJW common stock are entitled to one vote for each share owned as of the close of business on the SJW record date. As of the close of business on the SJW record date, there were [] shares of SJW common stock outstanding and entitled to vote at the SJW special meeting.

CTWS Shareholders: Holders of CTWS common stock are entitled to three votes for each share owned as of the close of business on the CTWS record date. As of the close of business on the CTWS record date, there were [] shares of CTWS common stock outstanding and entitled to vote at the CTWS special meeting.

Q: How do I vote if I am a stockholder of record?

A: If you are a stockholder of record of SJW as of [], 2018, which is referred to as the SJW record date, or a stockholder of record of CTWS as of [], 2018, which is referred to as the CTWS record date, you may submit your proxy before your respective company's special meeting in one of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

If you are a stockholder of record, you may also cast your vote in person at your respective company's special meeting.

If your shares are held in street name, through a broker, trustee or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name stockholders who wish to vote at the meeting will need to obtain a legal proxy form from their broker, trustee or other nominee.

Q: My shares are held in street name by my broker, bank, employee benefit plan trustee or other nominee. How do I vote? Will my broker, bank or other nominee automatically vote my shares for me?

A: No. If your shares are held in the name of a broker, bank, employee benefit plan trustee or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your broker, bank, employee benefit plan trustee or other nominee. As the beneficial holder, unless your broker, bank, employee benefit plan trustee or other nominee has discretionary authority over your shares, you generally have the right to direct your broker, bank, employee benefit plan trustee or

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other nominee as to how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal, as your broker, bank, employee benefit plan trustee or other nominee will not have discretionary voting authority with respect to any of the proposals described in this joint proxy statement/prospectus. This is often called a broker non-vote.

In connection with the SJW special meeting:

Broker non-votes, if any, will have no effect on the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger (assuming a quorum is present);

Broker non-votes, if any, will have the same effect as a vote against the proposal to adopt the SJW certificate of incorporation amendment (assuming a quorum is present); and

Broker non-votes, if any, will have no effect on the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies (assuming a quorum is present).

In connection with the CTWS special meeting:

Broker non-votes, if any, will have the same effect as a vote against the proposal to approve the merger agreement (assuming a quorum is present); and

Broker non-votes, if any, will have no effect on the non-binding, advisory, CTWS merger-related compensation proposal or the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies (in each case assuming a quorum is present).

You should therefore provide your broker, bank, employee benefit plan trustee or other nominee with instructions as to how to vote your shares of SJW common stock or CTWS common stock.

Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to SJW or CTWS or by voting in person at your special meeting unless you first obtain a proxy from your broker, bank or other nominee.

Q: What will happen if I abstain from voting or I fail to vote?

A: For purposes of each of the SJW special meeting and the CTWS special meeting, an abstention occurs when a respective shareholder attends the applicable special meeting in person and does not vote or returns a proxy with an abstain vote and a failure to vote occurs when a holder of SJW common stock or CTWS common stock fails to vote in person or by proxy and fails to instruct his or her bank, broker, trust or other nominee to vote shares beneficially owned by such holder.

SJW

SJW share issuance proposal: If an SJW stockholder present in person at the SJW special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote against the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger. If an SJW stockholder is not present in person at the SJW special meeting and does not respond by proxy, it will have no effect on the vote count for this proposal (assuming a quorum is present).

SJW certificate of incorporation amendment proposal: An abstention or failure to vote will have the same effect as a vote against the proposal to approve the adoption of the SJW certificate of incorporation amendment (assuming a quorum is present).

SJW adjournment of special meeting proposal: If an SJW stockholder present in person at the SJW special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote against the motion to adjourn the SJW special meeting, if necessary or

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appropriate, to solicit additional proxies. If an SJW stockholder is not present in person at the SJW special meeting and does not respond by proxy, it will have no effect on the vote count for such proposal to approve any motion to adjourn the SJW special meeting (assuming a quorum is present).

CTWS

Merger agreement proposal: If a CTWS shareholder present in person at the CTWS special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote against the proposal to approve the merger agreement, assuming a quorum is present. If a CTWS shareholder is not present in person at the CTWS special meeting and does not respond by proxy, it will also have the same effect as a vote against the proposal to approve the merger agreement (assuming a quorum is present).

Non-binding, advisory, CTWS merger-related compensation proposal: If a CTWS shareholder present in person at the CTWS special meeting abstains from voting, or responds by proxy with an abstain vote, it will have no effect on the non-binding, advisory, CTWS merger-related compensation proposal, assuming a quorum is present. If a CTWS shareholder is not present in person at the CTWS special meeting and does not respond by proxy, it will also have no effect on the vote count for this proposal (assuming a quorum is present).

CTWS adjournment of special meeting proposal: If a CTWS shareholder present in person at the CTWS special meeting abstains from voting, or responds by proxy with an abstain vote, it will have no effect on the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies, assuming a quorum is present. If a CTWS shareholder is not present in person at the CTWS special meeting and does not respond by proxy, it will also have no effect on the vote count for such proposal to adjourn the CTWS special meeting (assuming a quorum is present).

Q: What will happen if I return my proxy card without indicating how to vote?

A: *SJW Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of SJW common stock should be voted on a matter, the shares of SJW common stock represented by your proxy will be voted as the SJW board of directors recommends and, therefore, **FOR** the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, **FOR** the proposal to adopt the SJW certificate of incorporation amendment and **FOR** the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment (assuming a quorum is present).

CTWS Shareholders: If you properly complete and sign your proxy card but do not indicate how your shares of CTWS common stock should be voted on a matter, the shares of CTWS common stock represented by your proxy will be voted as the CTWS board of directors recommends and, therefore, **FOR** the proposal to approve the merger agreement, **FOR** the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and **FOR** the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement, assuming a quorum is present.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: Yes.

If you are a holder of record of either SJW or CTWS shares: If you are a holder of record of either SJW common stock or CTWS common stock, as applicable, you can change your vote or revoke your proxy at

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any time before your proxy is voted at your respective special meeting. You can do this in one of three ways:

timely delivering a signed written notice of revocation to the Corporate Secretary of SJW or the Secretary of CTWS, as applicable;

timely delivering a new, valid proxy for SJW or CTWS, as applicable, bearing a later date by submitting instructions through the Internet, by telephone or by mail as described on the applicable proxy card; or

attending your special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the SJW special meeting or the CTWS special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by SJW or CTWS, as applicable, no later than the beginning of the applicable special meeting. If you have submitted a proxy for your shares by telephone or via the Internet, you may revoke your prior telephone or Internet proxy by any manner described above.

If you hold shares of either SJW or CTWS in street name : If your shares are held in street name , you must contact your broker, bank or other nominee to change your vote.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of CTWS common stock?

A: Assuming that the merger is completed as currently contemplated, SJW and CTWS intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). It is a condition to the obligation of SJW to complete the merger that SJW receive the written opinion of Skadden, Arps, Slate, Meagher & Flom LLP (or such other nationally recognized tax counsel reasonably satisfactory to CTWS), dated as of the closing date, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to the obligation of CTWS to complete the merger that CTWS receive the written opinion of Sullivan & Cromwell LLP (or such other nationally recognized tax counsel reasonably satisfactory to SJW), dated as of the closing date, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Provided that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences) of CTWS common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of CTWS common stock for shares of SJW common stock in the merger (other than gain or loss with respect to any cash received in lieu of a fractional share of SJW common stock).

The particular consequences of the merger to each CTWS shareholder depend on such shareholder's particular facts and circumstances. CTWS shareholders should consult their tax advisors to understand fully the consequences to them of the merger given their specific circumstances. For more information, see the section entitled Material U.S. Federal Income Tax Consequences beginning on page 142 of this joint proxy statement/prospectus.

Q: When do you expect the merger to be completed?

A: SJW and CTWS are working to complete the merger as soon as practicable and expect the closing of the merger to occur during the fourth quarter of 2018. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of SJW and CTWS could result in the merger being completed at an earlier time, at a later time or not at all. There may be a substantial amount of time between the SJW and CTWS special meetings and the completion of the merger.

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Q: Do I need to do anything with my shares of common stock other than voting for the proposals at the special meeting?

A: *SJW Stockholders:* If you are an SJW stockholder, after the merger is completed, you are not required to take any action with respect to your shares of SJW common stock.

CTWS Shareholders: If you are a CTWS shareholder, after the merger is completed, each share of CTWS common stock you hold will be converted automatically into the right to receive 1.1375 shares of SJW common stock together with cash in lieu of any fractional shares, as applicable. You will receive instructions at that time regarding exchanging your shares of CTWS common stock for shares of SJW common stock. You do not need to take any action at this time. **Please do not send your CTWS share certificates with your proxy card.**

Q: Are stockholders entitled to appraisal rights?

A: No. Under Delaware and Connecticut laws, neither SJW stockholders nor CTWS shareholders will be entitled to exercise any appraisal rights in connection with the merger or the other transactions contemplated by the merger agreement.

Q: What happens if I sell my shares of CTWS common stock before the CTWS special meeting?

A: The CTWS record date is earlier than the date of the CTWS special meeting and the date that the merger is expected to be completed. If you transfer your CTWS shares after the CTWS record date but before the CTWS special meeting, you will retain your right to vote at the CTWS special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

Q: What happens if I sell my shares of SJW common stock before the SJW special meeting?

A: The record date for the SJW special meeting is earlier than the date of the SJW special meeting. If you transfer your SJW shares after the SJW record date but before the SJW special meeting, you will retain your right to vote at the SJW special meeting.

Q: What if I hold shares in both SJW and CTWS?

A: If you are a stockholder of both SJW and CTWS, you will receive two separate packages of proxy materials. A vote cast as an SJW stockholder will not count as a vote cast as a CTWS shareholder, and a vote cast as a CTWS shareholder will not count as a vote cast as an SJW stockholder. Therefore, please submit separate proxies for each of your SJW and CTWS shares.

Q: Who can help answer my questions?

A: SJW stockholders or CTWS shareholders who have questions about the merger, the other matters to be voted on at the special meetings, or how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

If you are an SJW stockholder:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

Stockholders, Banks and Brokers May Call Toll-Free: (866)
357-4029

If you are a CTWS shareholder:

Morrow Sodali LLC

470 West Avenue

Stamford, Connecticut 06902

Shareholders May Call Toll-Free: (800) 662-5200
Banks and Brokers May Call: (203) 658-9400

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SUMMARY

*This summary highlights selected information contained in this joint proxy statement/prospectus and does not contain all the information that may be important to you with respect to the merger and the other matters being considered at the SJW special meeting and CTWS special meeting. SJW and CTWS urge you to read carefully this joint proxy statement/prospectus in its entirety, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled *Where You Can Find More Information* beginning on page 181 of this joint proxy statement/prospectus. We have included page references in this summary to direct you to a more complete description of the topics presented below.*

The Companies

SJW Group (see page 43)

SJW was incorporated in California as SJW Corp on February 8, 1985. On November 15, 2016, SJW Corp. changed its state of incorporation to the state of Delaware and changed its name to SJW Group. SJW is a holding company that conducts its business in the United States through three wholly owned subsidiaries, namely, San Jose Water Company, SJWTX, Inc., doing business as Canyon Lake Water Service Company, and SJW Land Company. San Jose Water Company and Canyon Lake Water Service Company are public utilities regulated by the California Public Utilities Commission (the CPUC) and Public Utilities Commission of Texas, respectively, and operate within a service area approved by the regulators.

San Jose Water Company is a public utility that provides water service to approximately 230,000 connections serving a population of approximately one million people in an area comprising approximately 139 square miles in the metropolitan San Jose, California area. SJWTX, Inc. is another public utility that provides water service to approximately 14,000 connections serving approximately 42,000 people in an area comprising more than 244 square miles in western Comal County and southern Blanco County in the growing region between San Antonio and Austin, Texas. In addition, SJWTX, Inc. has a 25% interest in Acequia Water Supply Corporation, which has been consolidated with SJWTX, Inc. within the scope of Financial Accounting Standards Board Accounting Standard Codification (ASC) Topic 810, Consolidation. The principal business of these water utility services consists of the production, purchase, storage, purification, distribution, wholesale, and retail sale of water. San Jose Water Company also provides non-tariffed services under agreements with municipalities and other utilities. These non-tariffed services include water system operations, maintenance agreements and antenna site leases.

SJW Land Company owns an undeveloped real estate property, commercial and warehouse properties in Tennessee. SJW Land Company also has a 70% limited partnership interest in 444 West Santa Clara Street, L.P., which sold all of its interests in the commercial building and land the partnership owned and operated on April 6, 2017.

SJW s common stock is traded on the New York Stock Exchange (the NYSE) under the symbol SJW. The principal executive offices of SJW are located on 110 West Taylor Street, San Jose, California 95110. Its telephone number is (408) 279-7800, and its Internet address is www.sjwgroup.com.

Connecticut Water Service, Inc. (see page 43)

CTWS was incorporated in 1974, with The Connecticut Water Company as its largest subsidiary, which was organized in 1956. CTWS is a non-operating holding company, whose income is derived from the earnings of its six wholly owned subsidiary companies. In 2017, approximately 95% of the company s net income was

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attributable to water operations carried out within its four regulated water companies, The Connecticut Water Company, The Heritage Village Water Company, The Avon Water Company and The Maine Water Company. The Connecticut Water Company, The Heritage Village Water Company and The Avon Water Company are regulated by the Connecticut Public Utilities Regulatory Authority (the PURA) and The Maine Water Company is regulated by the Maine Public Utilities Commission (the MPUC). These regulated companies supplied water to 135,000 connections serving approximately 450,000 people in 80 municipalities in Connecticut and Maine and wastewater to more than 3,000 connections serving approximately 10,000 people in Southbury, Connecticut. They are subject to state regulation regarding financial issues, rates, service and operating issues, and to various other state and federal regulatory agencies concerning water quality and environmental standards.

In addition to its regulated companies, CTWS owns two active unregulated companies. In 2017, these unregulated companies, together with real estate transactions within The Connecticut Water Company, contributed the remaining 5% of CTWS's net income through real estate transactions as well as services and rentals. The two active unregulated companies are Chester Realty, Inc., a real estate company in Connecticut, and New England Water Utility Services, Inc., which provides contract water and sewer operations and other water related services.

CTWS's common stock is traded on the NASDAQ Global Select Market (the NASDAQ) under the symbol CTWS. The principal executive offices of CTWS are located on 93 West Main Street, Clinton, Connecticut 06413. Its telephone number is (860) 669-8636, and its Internet address is www.ctwater.com.

Hydro Sub, Inc. (see page 44)

Hydro Sub, Inc., a wholly owned subsidiary of SJW (Merger Sub), is a Connecticut corporation that was formed on March 9, 2018 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into CTWS, with CTWS surviving as a wholly owned subsidiary of SJW.

The Merger

A copy of the merger agreement is included as Annex A to this joint proxy statement/prospectus. SJW and CTWS encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section entitled The Merger Agreement beginning on page 120 of this joint proxy statement/prospectus.

Terms of the Merger (see page 120)

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub will be merged with and into CTWS. CTWS will survive the merger as a wholly owned subsidiary of SJW. Upon completion of the merger, SJW and CTWS, and their respective subsidiaries, will operate as a combined company initially under the name SJW Group , which name will be changed within two years following the merger to a new name representing the combined company.

Merger Consideration (see page 120)

CTWS shareholders will have the right to receive 1.1375 shares of SJW common stock for each share of CTWS common stock that is issued and outstanding immediately prior to the effective time of the merger (the exchange ratio). This exchange ratio will not be adjusted for changes in the market price of either SJW common stock or CTWS common stock between the date of signing of the merger agreement and completion of the merger. As a result, the implied value of the consideration to CTWS shareholders will fluctuate between the date of this joint proxy

statement/prospectus and the effective date of the merger. No fractional shares of SJW common stock will be issued in connection with the merger. Each CTWS shareholder that otherwise would have

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been entitled to receive a fraction of a share of SJW common stock will be entitled to receive cash in lieu of the fractional share. SJW stockholders will continue to own their existing shares, which ownership will not be affected by the merger.

Assumption of CTWS Stock Plans

At the effective time of the merger, SJW will assume the CTWS 2014 Performance Stock Program, the CTWS 2004 Performance Stock Program and the CTWS 1994 Performance Stock Program, as amended and restated in 2002 (the CTWS 1994 Performance Stock Program), as well as outstanding equity awards as described on page 158. Following the effective time of the merger, SJW may grant equity awards to certain employees covering SJW common stock to the extent permitted by applicable NYSE rules, using the share reserve available under the assumed CTWS 2014 performance stock program immediately prior to the effective time of the merger as converted into SJW common stock based on the exchange ratio. In addition, to the extent permitted by applicable NYSE rules, dividend equivalents credited to assumed CTWS awards may be issued from the reserve available under the assumed stock plan from which the awards were granted. As of April 13, 2018, 370,293, 259,712 and 218,105 shares of CTWS common stock were available for issuance under the 2014 Performance Stock Program, the CTWS 2004 Stock Program and the CTWS 1994 Performance Stock Program, respectively.

Recommendation of the SJW Board of Directors (see page 70)

After careful consideration, the SJW board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of SJW and its stockholders. For more information regarding the factors considered by the SJW board of directors in reaching its decision to approve the merger agreement, to authorize the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and to approve the SJW certificate of incorporation amendment, see the section entitled The Merger SJW s Reasons for the Merger; Recommendation of the SJW Board of Directors.

The SJW board of directors unanimously recommends that SJW stockholders vote FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, FOR the proposal to adopt the SJW certificate of incorporation amendment and FOR the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

Recommendation of the CTWS Board of Directors (see page 82)

After careful consideration, the CTWS board of directors unanimously (i) determined that the merger agreement and the consummation of the transactions contemplated thereby, including the merger, are in the best interests of CTWS and its shareholders, (ii) declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and (iii) approved and adopted the merger agreement and the transactions contemplated thereby, including the merger. For more information regarding the factors considered by the CTWS board of directors in reaching its decision to approve and adopt the merger agreement and the transactions contemplated thereby, including the merger, see the section entitled The Merger CTWS s Reasons for the Merger; Recommendation of the CTWS Board of Directors.

The CTWS board of directors unanimously recommends that CTWS shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve, on a non-binding advisory basis, specific

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compensatory arrangements between CTWS and its named executive officers relating to the merger and FOR the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Opinion of SJW's Financial Advisor (see page 73)

In connection with its consideration of the merger, the SJW board of directors received an oral opinion on March 14, 2018 from SJW's financial advisor, J.P. Morgan Securities LLC (J.P. Morgan), subsequently confirmed by delivery of a written opinion on the same day, to the effect that, as of such date and based upon and subject to the factors, assumptions, limitations and qualifications set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to SJW. The full text of J.P. Morgan's written opinion, dated March 14, 2018, which sets forth, among other things, the assumptions made, matters considered and limitations and qualifications on the review undertaken by J.P. Morgan in connection with rendering its opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. SJW stockholders are urged to read J.P. Morgan's written opinion and the description beginning on page 73 carefully and in their entirety. J.P. Morgan's opinion was addressed to the SJW board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the merger, was directed only to the fairness to SJW, from a financial point of view, of the exchange ratio in the merger and does not address any other matter. J.P. Morgan's opinion expressed no opinion as to the fairness of the exchange ratio to any class of securities, creditors or other constituencies of SJW or CTWS or SJW's or CTWS's underlying decision to effect the merger. J.P. Morgan's opinion does not constitute a recommendation to any stockholder of SJW or CTWS as to how such stockholder should vote with respect to the merger or any other matter.

For a description of the opinion that the SJW board of directors received from J.P. Morgan, see the section entitled Opinion of SJW's Financial Advisor Opinion of J.P. Morgan Securities LLC beginning on page 73 of this joint proxy statement/prospectus.

Opinion of CTWS's Financial Advisor (see page 88)

CTWS retained Wells Fargo Securities, LLC (Wells Fargo Securities) as the financial advisor to the CTWS board of directors in connection with a review of potential strategic alternatives, including a potential transaction with SJW. At the meeting of the CTWS board of directors on March 14, 2018, Wells Fargo Securities rendered its oral opinion to the CTWS board of directors that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Wells Fargo Securities in preparing its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of CTWS common stock, other than the excluded shares. Wells Fargo Securities subsequently confirmed this oral opinion by delivering its written opinion to the CTWS board of directors, dated March 14, 2018. For purposes of Wells Fargo Securities' opinion, the term excluded shares means any shares of CTWS common stock owned by CTWS, SJW, Merger Sub or any of their respective subsidiaries (in each case, other than shares of CTWS common stock held on behalf of third parties).

The full text of the written opinion of Wells Fargo Securities dated March 14, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Wells Fargo Securities in preparing its opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. CTWS shareholders are urged to read the opinion in its entirety. Wells Fargo Securities' written opinion was addressed to the CTWS board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed merger, was directed only to the fairness, from a financial point of view, to the holders of CTWS common stock, other than the excluded shares, of the exchange ratio in the proposed merger and did not address any other aspect of the

proposed merger. The opinion does not constitute a recommendation to

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any CTWS shareholder as to how such shareholder should vote with respect to the proposed merger or any other matter. For a description of the opinion that the CTWS board of directors received from Wells Fargo Securities, see the section entitled **Opinion of CTWS's Financial Advisor - Opinion of Wells Fargo Securities, LLC** beginning on page 88 of this joint proxy statement/prospectus.

Interests of SJW Directors and Executive Officers in the Merger (see page 100)

Executive officers of SJW and members of the SJW board of directors have certain interests in the merger that may be different from, or in addition to, the interests of SJW stockholders generally. These interests are described, and certain of them are quantified, in the section entitled **Interests of SJW Directors and Executive Officers in the Merger** beginning on page 100 of this joint proxy statement/prospectus.

Moreover, as detailed below under **Board of Directors and Management Following the Merger** beginning on page 112 and **Governance Matters After the Merger** beginning on page 130 of this joint proxy statement/prospectus, certain of SJW's executive officers and members of the SJW board of directors will continue to serve as officers and/or directors of the combined company upon completion of the merger. Specifically, Eric W. Thornburg will serve as the chairman, chief executive officer and president of the combined company, as described in further detail below under **Board of Directors and Management Following the Merger** beginning on page 112 of this joint proxy statement/prospectus. Mr. Thornburg, who was the chairman, chief executive officer and president of CTWS until September 28, 2017 and an employee of CTWS until October 15, 2017, continues to hold 25,749 shares of CTWS common stock and 126,662 CTWS DSUs (as defined below in the summary of the section entitled **Treatment of CTWS Restricted Share Units, Deferred Share Units, Performance Share Units and Performance Cash Units** beginning on page 16 of this joint proxy statement/prospectus which will be settled in shares of CTWS common stock on June 15, 2018, subject to the terms of the CTWS 2014 Performance Stock Program) as of April 13, 2018.

The SJW board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement and in recommending that you vote **FOR** the proposal to issue shares of SJW common stock to CTWS shareholders pursuant to the merger and **FOR** the proposal to adopt the SJW certificate of incorporation amendment.

Interests of CTWS Directors and Executive Officers in the Merger (see page 101)

Executive officers of CTWS and members of the CTWS board of directors have interests in the merger that may be different from, or in addition to, the interests of CTWS shareholders generally. These interests include, for example, the continued employment of certain executive officers of CTWS by the combined company or its subsidiaries, the continued service of certain members of the CTWS board of directors on the board of directors of the combined company and its subsidiaries, severance benefits of executive officers under employment agreements and other arrangements payable upon certain qualifying terminations of employment, benefits pursuant to equity awards held by executive officers and directors and the fact that Mr. Thornburg, who was the chairman, chief executive officer and president of CTWS until September 28, 2017 and an employee of CTWS until October 15, 2017, continues to hold 25,749 shares of CTWS common stock and 126,662 CTWS DSUs (which will be settled in shares of CTWS common stock on June 15, 2018, subject to the terms of the CTWS 2014 Performance Stock Program), as of April 13, 2018. These interests are described and quantified in further detail below in the sections entitled **Board of Directors and Management Following the Merger** beginning on page 112, **The Merger Agreement - Governance Matters After the Merger** beginning on page 130, **Interests of CTWS Directors and Executive Officers in the Merger** beginning on page 101, and certain of them are described and quantified in the narrative and table disclosure included under **CTWS Shareholder Advisory Vote On Merger-Related Compensation for CTWS's Named Executive Officers Proposal**, beginning on page 108.

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The CTWS board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated thereby and in recommending that you vote FOR the proposal to approve the merger agreement.

Board of Directors and Management Following the Merger (see page 112)

Immediately following the effective time of the merger, the board of directors of Combined SJW will consist of twelve members, comprised of: (i) seven of the directors of SJW immediately prior to the effective time of the merger, to be selected by the SJW board of directors (together with their replacement directors as provided in the Combined SJW bylaws, the SJW continuing directors) and (ii) five of the directors of CTWS immediately prior to the effective time of the merger, to be selected by the CTWS board of directors (together with their replacement directors as provided in the Combined SJW bylaws, the CTWS continuing directors). Unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of Combined SJW, such board composition will continue until the termination of the term of office that commences upon the close of the annual stockholders meeting at which directors of Combined SJW are elected during the calendar year ended December 31, 2020.

One of the SJW continuing directors will be Eric W. Thornburg, who will serve as the chairman, chief executive officer and president of Combined SJW; in the event that Eric W. Thornburg is not the chairman, chief executive officer and president of SJW immediately prior to the effective time of the merger, the SJW board of directors shall determine his replacement after consulting in good faith with the CTWS board of directors. From and after the effective time of the merger until December 31, 2020, the CTWS continuing directors will be authorized to select a CTWS continuing director (who qualifies as independent under the applicable standards of the NYSE and the policies of Combined SJW) to serve as the lead independent director of Combined SJW, unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of Combined SJW. As of the date of this joint proxy statement/prospectus, other than Mr. Thornburg, in the case of SJW, neither SJW nor CTWS has made a determination as to which directors will be appointed to the board of directors of the combined company.

All of SJW's and its subsidiaries' current officers are expected to continue to serve as officers of Combined SJW or its subsidiaries following the completion of the merger. In addition, pursuant to the terms of the merger agreement, at the effective time of the merger, the following CTWS officers will be appointed to serve as officers of Combined SJW or its subsidiaries, as applicable: (i) David C. Benoit will serve as president of Combined SJW's New England Region (CTWS following completion of the merger) and The Connecticut Water Company, an indirect subsidiary of Combined SJW; (ii) Richard L. Knowlton will serve as president of The Maine Water Company, an indirect subsidiary of Combined SJW; (iii) Kristen A. Johnson will serve as chief human resource officer of Combined SJW and its subsidiaries; (iv) Maureen P. Westbrook will serve as senior vice president of external affairs of Combined SJW and its subsidiaries; (v) Craig J. Patla will serve as vice president, operations of Combined SJW's New England Region; and (vi) Robert J. Doffek will serve as vice president, controller of Combined SJW's New England Region.

From and after the effective time of the merger until December 31, 2020, David C. Benoit (or such other chief executive officer of CTWS as of the effective time of the merger) shall continue as president of Combined SJW's New England Region and of The Connecticut Water Company, unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of Combined SJW. Other officers of CTWS and its subsidiaries, effective as of the effective time of the merger, will include the existing officers of CTWS and its respective subsidiaries as of immediately prior to the effective time of the merger.

For additional information regarding the board directors and officers of the combined company following the effectiveness of the merger, see the section entitled Governance Matters After the Merger beginning on page 130 of this joint proxy statement/prospectus.

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Amendment to Bylaws of SJW (see page 100)

The merger agreement provides that SJW and CTWS will take all actions necessary to effect the governance matters described in the section entitled "Governance Matters After the Merger" beginning on page 130 of this joint proxy statement/prospectus. Among other things, SJW will amend and restate its bylaws as of the effective time of the merger to include the amendment that is attached as Exhibit C to the merger agreement, which is included as Annex A to this joint proxy statement/prospectus.

Treatment of SJW Equity Incentive Awards (see page 113)

The merger will not result in a change in control for purposes of any SJW equity incentive awards and accordingly no accelerated vesting of any such awards will be triggered by the merger. All such awards will remain subject to the same terms and conditions that are applicable to the awards prior to the merger.

Treatment of CTWS Restricted Share Units, Deferred Share Units, Performance Share Units and Performance Cash Units (see page 113)

CTWS Restricted Share Units and CTWS Deferred Share Units. Upon completion of the merger, (i) all outstanding and unvested CTWS restricted share unit awards (CTWS RSUs) and (ii) all outstanding CTWS deferred share unit awards (CTWS DSUs) will be automatically converted pursuant to the merger agreement into, respectively, restricted stock units of SJW and deferred stock units of SJW based on the exchange ratio with any fractional units rounded down to the nearest whole unit and will continue to be subject to the same terms and conditions (including any deferral elections) as were in effect for such awards immediately prior to the completion of the merger. CTWS RSUs are awards that are subject to service-based vesting and are not or are no longer subject to performance-based vesting and entitle the holder to receive shares of CTWS upon vesting, and include awards granted as CTWS PSUs for which performance has been determined prior to the effective date of the merger and which are still subject to service vesting. CTWS DSUs are awards previously granted as CTWS PSUs that are fully vested (based on performance and completion of service vesting) with the underlying shares of CTWS common stock to be issued on a specified date or event, as elected by the participant.

CTWS Performance Share Units. Upon completion of the merger, (i) all outstanding and unvested CTWS performance-based restricted stock unit awards (CTWS PSUs) that were granted prior to the date of the merger agreement, and for which the level of attainment of the performance goals applicable to the award has not been determined by the CTWS board of directors prior to the effective date of the merger, will become performance vested as to a number of shares of CTWS common stock determined by calculating the actual level of attainment of the performance goals applicable to the award up to the effective time of the merger (as may be adjusted to eliminate the impact of any non-recurring costs and expenses incurred in connection with the merger) and the service-based vesting for each such performance vested CTWS PSU shall be accelerated and each such vested share of CTWS common stock will be cancelled and converted into the right to receive a number of shares of SJW common stock based on the exchange ratio, and will continue to be subject to the same dividend equivalents and deferral elections as in effect for such award prior to the completion of the merger, if any, and (ii) all outstanding and unvested CTWS PSUs that were granted on or after the date of the merger agreement will be assumed by SJW and automatically converted into time-based vesting awards covering a number of restricted stock units of SJW equal to the product of (x) the target number of outstanding and unvested share units that was subject to each applicable CTWS PSU immediately prior to closing of the merger and (y) the exchange ratio, with any fractional share units rounded down to the nearest whole share unit. CTWS PSUs are equity awards that are subject to attainment of performance goals and service vesting.

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CTWS Performance Cash Units. Upon completion of the merger, (i) all outstanding and unvested CTWS performance-based cash unit awards (CTWS PCUs) that were granted prior to the date of the merger agreement, and for which the amount payable based on the level of attainment of the performance goals applicable to the award has been determined by the CTWS board of directors prior to the effective date of the merger but are subject to service vesting, will be accelerated and will be paid out in cash in such amount at the effective time, (ii) all outstanding and unvested CTWS PCUs that were granted prior to the date of the merger agreement and for which the level of attainment of the performance goals applicable to the award has not been determined by the CTWS board of directors prior to the effective date of the merger, will become performance vested for an amount based on the actual performance of the performance goals applicable to the award up to the effective time of the merger (as may be adjusted to eliminate the impact of any non-recurring costs and expenses incurred in connection with the merger) and the service vesting will be accelerated and the award shall be paid out in cash in such amount at the effective time, and (iii) all outstanding and unvested CTWS PCUs that were granted on or after the date of the merger agreement will be assumed by SJW and automatically converted into time-based vesting cash awards based on target. CTWS PCUs are awards that are denominated in dollars and subject to attainment of performance goals and service vesting.

Under certain employment agreements with certain named executive officers as discussed under Employment Agreements , if the named executive officer s employment is terminated without cause or if the executive voluntarily terminates employment for good reason following the completion of the merger, then all of such executive s outstanding equity awards will vest in full, except that, pursuant to the merger agreement, any CTWS PSUs or CTWS PCUs granted on or after the date of the merger agreement will not be subjected to any such accelerated vesting.

Regulatory Clearances Required for the Merger (see page 115)

SJW and CTWS have each agreed to take certain actions in order to obtain the regulatory clearances required to complete the merger. Required regulatory clearances include expiration or termination of the required waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder (the HSR Act), following required notifications to and review by either the Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice. On April 18, 2018, each of SJW and CTWS filed its notification under the HSR Act. The waiting period under the HSR Act will expire as of 11:59 p.m., Eastern time, on May 18, 2018, unless terminated earlier.

Required regulatory clearances also include clearance under applicable laws of the Federal Communications Commission (the FCC), the PURA and the MPUC. CTWS and SJW will file the required submissions, filings or applications, as applicable, with the FCC, the PURA and the MPUC.

While SJW and CTWS expect to obtain all required regulatory clearances, we cannot assure you that these regulatory clearances will be obtained or that the granting of these regulatory clearances will not involve the imposition of additional conditions on the completion of the merger, including the requirement to divest assets, or require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the merger not being satisfied.

Amendment to Certificate of Incorporation of SJW (see page 100)

The SJW board of directors has approved, subject to stockholder approval, the SJW certificate of incorporation amendment increasing the number of authorized shares of SJW common stock, par value \$0.001 per share, from 36 million to 72 million and increasing the total authorized SJW capital stock from 37 million shares to 73 million shares. A form of the SJW certificate of incorporation amendment is included in this joint

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proxy statement/prospectus as Annex D. The adoption of the SJW certificate of incorporation amendment by SJW stockholders is a condition to the completion of the merger. The SJW certificate of incorporation amendment will become effective immediately prior to the effective time of the merger. In the event this proposal is approved by SJW stockholders, but the merger is not expected to be completed, the SJW certificate of incorporation amendment may not be filed with the Secretary of State of the State of Delaware and may not become effective.

Expected Timing of the Merger

SJW and CTWS are working to complete the merger as soon as practicable and expect the closing of the merger to occur during the fourth quarter of 2018. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of SJW and CTWS could result in the merger being completed at an earlier time, at a later time or not at all. There may be a substantial amount of time between the SJW and CTWS special meetings and the completion of the merger.

Conditions to Completion of the Merger (see page 134)

Each party's obligation to consummate the merger is conditioned upon the satisfaction (or waiver by such party) at or prior to the closing of the merger of each of the following:

approval of the merger agreement by CTWS shareholders;

approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger by SJW stockholders;

approval of the SJW certificate of incorporation amendment by SJW stockholders;

filing with and acceptance by the Secretary of State of the State of Delaware of the SJW certificate of incorporation amendment;

approval of the listing on the NYSE of the shares of SJW common stock to be issued to CTWS shareholders pursuant to the merger, subject to official notice of issuance;

any required approvals (as listed below) having been obtained and having become final orders (as to which all conditions, not within the control of SJW or CTWS, to the consummation of such transactions prescribed by applicable law or order have been satisfied) and any waiting period having expired or been terminated, and that do not impose terms or conditions that are materially adverse to CTWS, SJW, or Combined SJW, in each case, taken as a whole (and in the case of SJW and Combined SJW, the materiality assessed for an equivalent entity of the size and scale of CTWS);

the expiration or earlier termination of the waiting period applicable to the completion of the merger and the other transactions contemplated by the merger agreement under the HSR Act;

any pre-approvals of license transfers by the FCC;

consents required by the PURA; and

consents required by the MPUC;

absence of any statute, law, ordinance, rule, regulation, binding legal requirement, judgment, order or decree by any court, tribunal or other governmental entity of appropriate jurisdiction that seeks to make illegal or prohibit the consummation of the merger, the SJW certificate of incorporation amendment or the other transactions contemplated by the merger agreement; and

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings initiated and not subsequently withdrawn by the SEC for that purpose.

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In addition, the obligations of each of SJW and Merger Sub, on the one hand, and CTWS, on the other hand, to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the other party (other than the representations and warranties related to (i) the shares of capital stock issued and outstanding or reserved for issuance, (ii) the absence of any outstanding voting debt interests, (iii) the authority with respect to the execution, delivery, and performance of the merger agreement and the due and valid authorization and enforceability of the merger agreement, (iv) the fees payable to a financial advisor, broker or finder in connection with the transactions under the merger agreement and (v) solely in the case of SJW and Merger Sub, the sole purpose of and lack of business engagement by Merger Sub) will be true and correct (without giving effect to any materiality or material adverse effect qualifications contained in such representations and warranties) as of the closing date of the merger (except to the extent such representations or warranties are expressly made as of an earlier date, which need only be true and correct as of such earlier date), except to the extent that any failures of such representations and warranties to be so true and correct, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect;

the representations and warranties of the other party relating to (i) the absence of any outstanding voting debt interests, (ii) the authority with respect to the execution, delivery, and performance of the merger agreement and the due and valid authorization and enforceability of the merger agreement and (iii) the fees payable to a financial advisor, broker or finder in connection with the transactions under the merger agreement will be true and correct in all material respects as of the closing date of the merger (except to the extent such representations or warranties address matters only as of an earlier date, which need only be true and correct as of such earlier date);

the representations and warranties of the other party relating to (i) the shares of capital stock issued and outstanding or reserved for issuance and (ii) solely in the case of SJW and Merger Sub, the sole purpose of and lack of business engagement by Merger Sub, will be true and correct in all respects (except *de minimis* errors) as of the closing date of the merger (except to the extent such representations or warranties are expressly made as of an earlier date, which need only be true and correct as of such earlier date);

the other party having performed in all material respects all of its obligations under the merger agreement at or prior to the closing of the merger;

receipt of a certificate executed by an executive officer of the other party certifying as to the satisfaction of the conditions described in the preceding four bullet points;

no fact, circumstance, effect, change, event or development will have occurred that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the other party that has not been ameliorated or cured; and

receipt of a legal opinion of such party's counsel (or such other nationally recognized tax counsel), dated as of the closing date of the merger, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

No Solicitation of Alternative Proposals (see page 127)

The merger agreement prohibits SJW and CTWS from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for a competing transaction, including the acquisition of a significant interest in SJW or CTWS common stock or assets. However, if, prior to obtaining approval from its stockholders, SJW or CTWS, as the case may be, receives an unsolicited bona fide written takeover proposal for a competing transaction that the SJW board of directors or the CTWS board of directors, as applicable, among other things,

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determines in good faith (after consultation with its outside legal counsel and financial advisor) constitutes or is reasonably likely to lead to a proposal that is superior to the merger, SJW or CTWS may, as applicable, subject to procedures included in the merger agreement, furnish non-public information to and participate in discussions with, and only with, that third party (and its representatives) regarding such competing transaction.

Termination of the Merger Agreement (see page 136)

SJW and CTWS may mutually agree to terminate the merger agreement at any time. Either company may also terminate the merger agreement if the merger is not completed by March 14, 2019 (regardless of whether such date is before or after the stockholders of the party approve the transactions), subject to automatic extension to June 14, 2019 in certain circumstances in order to obtain certain regulatory clearances have not yet been obtained. See the section entitled *The Merger Agreement Termination of the Merger Agreement* for a discussion of these and other rights of each of SJW and CTWS to terminate the merger agreement.

Expenses and Termination Fees (see page 138)

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus where (i) SJW may be required to pay a termination fee of \$42.5 million to CTWS and CTWS may be required to pay a termination fee of \$28.1 million to SJW and (ii) either company may be required to reimburse the other company for merger-related expenses of up to \$5 million under certain circumstances. See the section entitled *The Merger Agreement Expenses and Termination Fees; Liability for Breach* for a discussion of the circumstances under which such termination fee will be required to be paid.

Material U.S. Federal Income Tax Consequences (see page 142)

Assuming that the merger is completed as currently contemplated, SJW and CTWS intend for the merger to qualify as a *reorganization* within the meaning of Section 368(a) of the Code. It is a condition to the obligation of SJW to complete the merger that SJW receive the written opinion of Skadden, Arps, Slate, Meagher & Flom LLP (or such other nationally recognized tax counsel reasonably satisfactory to CTWS), dated as of the closing date, to the effect that the merger will qualify as a *reorganization* within the meaning of Section 368(a) of the Code, and it is a condition to the obligation of CTWS to complete the merger that CTWS receive the written opinion of Sullivan & Cromwell LLP (or such other nationally recognized tax counsel reasonably satisfactory to SJW), dated as of the closing date, to the effect that the merger will qualify as a *reorganization* within the meaning of Section 368(a) of the Code. Provided that the merger qualifies as a *reorganization* within the meaning of Section 368(a) of the Code, a U.S. holder (as defined under *Material U.S. Federal Income Tax Consequences*) of CTWS common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of CTWS common stock for shares of SJW common stock in the merger (other than gain or loss with respect to any cash received in lieu of a fractional share of SJW common stock).

You should read *Material U.S. Federal Income Tax Consequences* beginning on page 142 of this joint proxy statement/prospectus for a more complete discussion of the material U.S. federal income tax consequences of the merger. The discussion of the material U.S. federal income tax consequences contained in this joint proxy statement/prospectus is intended to provide only a general discussion and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger that may vary with, or are dependent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws. **You should consult your tax advisor to determine the particular tax consequences of the merger to you.**

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Accounting Treatment (see page 145)

SJW prepares its financial statements in accordance with accounting principles generally accepted in the United States, which is referred to as U.S. GAAP. The merger of SJW and CTWS will be accounted for as an acquisition of CTWS common stock by SJW and will follow the acquisition method of accounting for business combinations.

No Appraisal Rights (see page 117)

Under Delaware and Connecticut law, as applicable, neither the holders of shares of SJW common stock nor the holders of shares of CTWS common stock are entitled to exercise any appraisal rights in connection with the merger or the other transactions contemplated by the merger agreement.

Comparison of Rights of CTWS Shareholders and Combined SJW Stockholders (see page 164)

CTWS shareholders who receive shares of SJW common stock in the merger will become stockholders of the combined company and their rights as stockholders will be governed by Delaware law, the combined company's certificate of incorporation and the combined company's bylaws, rather than Connecticut law, CTWS's amended and restated certificate of incorporation (CTWS's certificate of incorporation) and CTWS's amended and restated bylaws (CTWS's bylaws). Therefore, CTWS shareholders receiving merger consideration will have different rights once they become stockholders of Combined SJW due to differences between the governing corporate documents of CTWS, the proposed governing corporate documents of Combined SJW and the provisions of applicable law governing CTWS and Combined SJW. See the section entitled "Comparison of Rights of CTWS Shareholders and Combined SJW Stockholders" for a discussion of these differences.

Listing of SJW Common Stock; De-listing and Deregistration of CTWS Stock (see page 117)

It is a condition to the completion of the merger that the shares of SJW common stock to be issued to CTWS shareholders pursuant to the merger be authorized for listing, and SJW and CTWS have agreed to cooperate to cause such shares to be listed, on the NYSE, subject to official notice of issuance. Upon completion of the merger, shares of CTWS common stock currently listed on the NASDAQ will cease to be listed on the NASDAQ and will be deregistered under the Exchange Act as soon as reasonably practicable thereafter.

The Meetings

The SJW Special Meeting (see page 45)

The special meeting of SJW stockholders is scheduled to be held at 110 West Taylor Street, San Jose, California 95110, on [], 2018, at [], local time, subject to any adjournments or postponements thereof. The special meeting of SJW stockholders is being held to consider and vote on:

the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger;

the proposal to adopt the SJW certificate of incorporation amendment, in connection with the merger; and

the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

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Completion of the merger is conditioned on, among other things, approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the adoption of the SJW certificate of incorporation amendment by SJW stockholders.

Only holders of record of SJW common stock at the close of business on [], 2018, the record date for the SJW special meeting, are entitled to receive notice of, and to vote at, the SJW special meeting or any adjournments or postponements thereof. At the close of business on the record date, [] shares of SJW common stock were outstanding, approximately []% of which were owned and entitled to be voted by SJW directors and executive officers and their affiliates. We currently expect that SJW's directors (including those who are party to the SJW voting and support agreements) and executive officers will vote their shares in favor of each proposal being submitted to a vote of SJW stockholders at the SJW special meeting.

You may cast one vote for each share of SJW common stock you own. The proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy and entitled to vote on the proposal. The proposal to adopt the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock entitled to vote on the proposal. If necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the proposal for the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the proposal to adopt the SJW certificate of incorporation amendment, the holders of a majority of the outstanding shares entitled to vote on the proposal and present in person or represented by proxy may adjourn the meeting to another time or place without further notice unless the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

The CTWS Special Meeting (see page 50)

The special meeting of CTWS shareholders is scheduled to be held at [], on [], 2018, at [], local time, subject to any adjournments or postponements thereof. The special meeting of CTWS shareholders is being held to consider and vote on:

the proposal to approve the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus, and which is further described in the sections entitled "The Merger" and "The Merger Agreement" beginning on pages 55 and 120, respectively;

the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger; and

the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Only holders of record of CTWS common stock at the close of business on [], 2018, the CTWS record date, are entitled to receive notice of and to vote at the CTWS special meeting or any adjournments or postponements thereof. At the close of business on the CTWS record date, [] shares of CTWS common stock were issued and outstanding, approximately []% of which were owned and entitled to be voted by CTWS directors and executive officers and their

affiliates. We currently expect that CTWS's directors and executive officers will vote their shares in favor of each proposal being submitted to a vote of CTWS shareholders at the CTWS special meeting, although no director or executive officer has entered into any agreement obligating him or her to do so.

You may cast three votes for each share of CTWS common stock you own. The proposal to approve the merger agreement requires the affirmative vote of holders of two-thirds ($66 \frac{2}{3} \%$) of the outstanding shares of

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CTWS common stock entitled to vote thereon; abstentions, failures to vote and broker non-votes will have the effect of a vote against this proposal, assuming a quorum is present. The proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon; abstentions, failures to vote and broker non-votes will have no effect on this proposal, assuming a quorum is present. The proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon; abstentions, failures to vote and broker non-votes will have no effect on this proposal, assuming a quorum is present.

If a quorum is not present at the CTWS special meeting, the shareholders present in person or by proxy may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be given to the shareholders not present or represented at the meeting. If a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement, then CTWS shareholders may be asked to vote on the proposal to adjourn the special meeting so as to permit the further solicitation of proxies. Abstentions and broker non-votes will be included in the calculation of the number of shares of CTWS common stock represented at the special meeting for purposes of determining whether a quorum has been achieved.

Recent Developments

Unsolicited Offer from Company X

On April 4, 2018, SJW received an unsolicited non-binding indication of interest from a third-party strategic acquiror (Company X) with respect to a potential proposal to acquire all of the issued and outstanding shares of SJW in an all-cash transaction for \$68.25 per share. On April 13, 2018, the SJW board of directors, following a careful and thorough review consistent with its fiduciary duties, in consultation with SJW's management and legal and financial advisors, voted unanimously to reject Company X's non-binding indication of interest. The SJW board of directors determined that Company X's non-binding indication of interest neither constituted nor was reasonably likely to lead to a superior proposal as defined in the merger agreement with CTWS.

In reaching this determination, the SJW board of directors concluded that Company X's all-cash transaction described in the non-binding indication of interest would not permit SJW stockholders the opportunity to share in the benefits expected from being shareholders of the combined company with CTWS. The SJW board of directors believes that the merger of equals with CTWS will result in SJW stockholders having the ability to realize greater long-term value than in Company X's proposed transaction. The opportunity presented by the merger of equals with CTWS includes the long-term benefits of increased scale, enhanced financial strength and geographic diversity; expected continued payment of dividends over time; anticipated higher future growth profile and associated share price appreciation; the tax-free nature of the merger of equals with CTWS; and significant earnings accretion—all of which the SJW board of directors believes are unique to the proposed merger of equals with CTWS. Moreover, the SJW board of directors determined that there is a significant risk that Company X's proposed transaction would not close in a reasonable period of time, if at all, due to the potentially protracted regulatory review, which could be as long as 18 months, the risks presented by the substantial amount of financing that the proposed all-cash transaction would require and the uncommitted nature of Company X's sources of financing. In addition, the SJW board of directors determined that the non-binding nature of Company X's indication of interest means it is subject to significant contingencies, including, among other things, performance of due diligence by Company X and negotiation of binding documentation. The SJW board of directors' unanimous decision to reject Company X's non-binding indication of interest was made after

careful consideration thereof in consultation with SJW's management, legal advisors and financial advisors.

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The SJW board of directors also unanimously reaffirmed its recommendation that SJW stockholders vote FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, for the reasons that it initially approved such recommendation, including, among others, that: the transaction with CTWS is expected to result in mid- to-high single-digit percentage accretion on an earnings per share basis to both companies by the second full year following completion of the transaction; SJW stockholders are expected to continue to own approximately 60% of the combined company; the transaction is expected to offer greater financial flexibility to grow the business through increased investments and to compete more effectively across a national footprint and in a fragmented industry; the belief that the combined company will be able to continue and further SJW's historic practice of paying robust and stable quarterly dividends to stockholders; the expectation that the combined company would maintain SJW's strong credit profile, which would enable a share repurchase program of up to \$100 million; and the belief that all required regulatory approvals are capable of being obtained during the fourth quarter of 2018. See the section entitled SJW's Reasons for the Merger; Recommendation of the SJW Board of Directors beginning on page 70 of this proxy statement/prospectus.

Table of Contents**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain, in addition to historical information, forward-looking statements (as defined in the Securities Litigation Reform Act of 1995) regarding, among other things, future events or the future financial performance of SJW and CTWS. Words such as anticipate, expect, project, intend, believe, and words and terms of similar substance used in connection with any discussion of future plans, actions or events identify forward-looking statements. Forward-looking statements relating to the proposed transaction include, but are not limited to: statements about the benefits of the proposed transaction between SJW and CTWS, including future financial and operating results; SJW's and CTWS's plans, objectives, expectations and intentions; the expected timing of completion of the proposed transaction; and other statements relating to the merger that are not historical facts. Forward-looking statements are based on information currently available to SJW and CTWS and involve estimates, expectations and projections. Investors are cautioned that all such forward-looking statements are subject to risks and uncertainties, and important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements. With respect to the proposed transaction between SJW and CTWS, these factors, in addition to those set forth under Risk Factors, beginning on page 27 of this joint proxy statement/prospectus, could include, but are not limited to: the risk that SJW or CTWS may be unable to obtain governmental and regulatory approvals required for the transaction, or that required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could reduce the anticipated benefits from the proposed transaction or cause the parties to abandon the proposed transaction; the risk that a condition to closing of the transaction may not be satisfied; the length of time necessary to consummate the proposed transaction, which may be longer than anticipated for various reasons; the risk that the businesses will not be integrated successfully; the risk that some or all of the benefits expected to result from the elimination of duplicative public company and other related costs expected from the transaction may not be fully realized or may take longer to realize than expected; the diversion of management time on transaction-related issues; the effect of future regulatory or legislative actions on the companies or the industries in which they operate; the risk that the credit ratings of SJW and CTWS may be different from SJW's expectations; general economic conditions; changes in the general economic environment or social or political conditions that could affect the businesses; the effect of current or future water, utility, environmental and other governmental policies and regulations on SJW and CTWS or the industries in which they operate; SJW's ability to achieve forecasted sales; changes in actual or projected cash flows; competitive pressures; reliance on and integration of information technology systems; the outcomes of any litigation; changes in tax laws; the risk that the anticipated tax treatment of the transaction is not obtained; unexpected costs, charges or expenses resulting from the transaction; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; the ability to attract new customers and retain existing customers in the manner anticipated; the ability to hire and retain key personnel; the risks associated with assumptions the parties make in connection with the parties' critical accounting estimates and legal proceedings; and the potential of international unrest, economic downturn or effects of currencies, tax assessments, tax adjustments, anticipated tax rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs.

Additional information concerning these and other risk factors is also contained in SJW's and CTWS's most recently filed Annual Reports on Form 10-K, Current Reports on Form 8-K, and other SEC filings.

Many of these risks, uncertainties and assumptions are beyond SJW's or CTWS's ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the information currently available to the parties on the date they are made, and neither SJW nor CTWS undertakes any obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this communication. Nothing in this communication is intended, or is to be construed, as a profit forecast or to be interpreted to mean that

earnings per SJW share or CTWS share for the current or any future financial years or those of the combined company, will necessarily match or exceed the historical published earnings per SJW share or CTWS share, as applicable. Neither SJW nor CTWS gives any assurance (1) that

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either SJW or CTWS will achieve its expectations, or (2) concerning any result or the timing thereof, in each case, with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results. All subsequent written and oral forward-looking statements concerning SJW, CTWS, the proposed transaction, the combined company or other matters and attributable to SJW or CTWS or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

Table of Contents**RISK FACTORS**

*In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, including the matters addressed in the section entitled **Special Note Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding how to vote. In addition, you should read and consider the risks associated with each of the businesses of SJW and CTWS because these risks will also affect the combined company. These risks can be found in SJW's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and CTWS's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as such risks may be updated or supplemented in each company's subsequently filed Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference in this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 181 of this joint proxy statement/prospectus.*

Risk Factors Relating to the Merger

The exchange ratio is fixed and will not be adjusted in the event of any change in either SJW's or CTWS's stock price, which can affect the market value of the merger consideration at the date of the completion of the merger.

Upon closing of the merger, each share of CTWS common stock will be converted into the right to receive 1.1375 shares of SJW common stock. This exchange ratio will not be adjusted for changes in the market price of either SJW common stock or CTWS common stock between the date of signing the merger agreement and completion of the merger. Changes in the price of SJW common stock prior to the merger will affect the value of SJW common stock that CTWS shareholders will receive on the date of the merger. The exchange ratio will be adjusted appropriately to fully reflect the effect of any stock dividend, recapitalization, split, reverse split, combination, consolidation, subdivision, reclassification or exchange of shares or other similar transaction with respect to the shares of either SJW common stock or CTWS common stock prior to the closing of the merger.

The prices of SJW common stock and CTWS common stock at the closing of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of each stockholders meeting. As a result, the value represented by the exchange ratio will also vary. For example, based on the range of closing prices of SJW common stock during the period from March 14, 2018, the last trading day before public announcement of the merger, through April 23, 2018, the latest practicable trading date before the date of this joint proxy statement/prospectus, the exchange ratio represented a value ranging from a high of \$64.62 to a low of \$58.79 for each share of CTWS common stock.

These variations could result from market assessment of the likelihood that the merger will be completed, changes in the business, operations or prospects of SJW or CTWS prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of SJW and CTWS. We may complete the merger a considerable period after the dates of both the SJW special meeting and the CTWS special meeting. Therefore, at the time of the CTWS special meeting, CTWS shareholders will not know with certainty the value of the shares of SJW common stock that they will receive upon completion of the merger. Similarly, at the time of the SJW special meeting, SJW stockholders will not know with certainty the value of the shares of SJW common stock that will be issued to holders of shares of CTWS common stock upon completion of the merger.

The merger is subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on SJW, CTWS or the combined company or, if not obtained, could

prevent completion of the merger.

Completion of the merger is contingent upon, among other things, the receipt of all required regulatory approvals, which consist of filings with the SEC, compliance with and filings under the HSR Act, filing and

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acceptance of the certificate of merger with the Secretary of the State of Connecticut and appropriate documents with the states having jurisdictions over SJW and CTWS, filings and approvals under the securities or blue sky laws of various states, filing and acceptance of the SJW certificate of incorporation amendment with the Secretary of State of the State of Delaware, authorization from the NYSE for the listing of the shares of SJW common stock to be issued as merger consideration, pre-approvals of license transfers by the FCC, compliance with the Delaware General Corporation Law (the DGCL) and the Connecticut Business Corporation Act (the CBCA), and consents required by the PURA and the MPUC.

The terms and conditions of the approvals that are granted by such governmental entities and regulatory authorities may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. The merger agreement may require SJW and/or CTWS to comply with conditions imposed by regulatory entities and, in certain circumstances, either company may refuse to close the merger on the basis of regulatory conditions imposed. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions or that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the merger or imposing additional material costs on or materially limiting the revenues of the combined company following the merger. Additionally, neither SJW nor CTWS can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger, or the consummation of the merger on terms different than those contemplated by the merger agreement.

Before the merger may be completed, applicable waiting periods must expire or terminate under antitrust and competition laws. The special meetings of SJW stockholders and CTWS shareholders at which the merger-related proposals will be considered may take place before all of the required regulatory approvals have been obtained and before all conditions to such approvals, if any, are known. In this event, if the merger-related proposals are approved, SJW and CTWS may subsequently agree to conditions without further seeking stockholder approval and/or shareholder approval, as the case may be, even if such conditions could have an adverse effect on SJW, CTWS or the combined company. For a more detailed description of the regulatory review process, see the section entitled "The Merger - Regulatory Clearances Required for the Merger" beginning on page 115 of this joint proxy statement/prospectus.

Any delay in completing the merger may reduce or eliminate the benefits expected to be achieved thereunder.

In addition to the required regulatory clearances, the merger is subject to a number of other conditions beyond SJW's and CTWS's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits expected to result from elimination of duplicative public company and other related costs that we expect to achieve if the merger is successfully completed within its expected time frame. See the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 134 of this joint proxy statement/prospectus.

If the merger is not consummated by the end date, SJW or CTWS may terminate the merger agreement in certain circumstances.

Either SJW or CTWS may terminate the merger agreement under certain circumstances, including, if the merger has not been consummated by March 14, 2019 (unless such date is extended automatically to June 14, 2019 pursuant to the terms of the merger agreement). However, this termination right will not be available to a party if such failure of the merger to occur on or before such date is the result of a material breach of any representation, warranty, covenant

or agreement of the merger agreement by such party.

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Uncertainties associated with the merger may cause a loss of management personnel and other key employees which could adversely affect the future business and operations of the combined company.

SJW and CTWS are dependent on the experience and industry knowledge of their respective officers and other key employees to execute their business plans. The combined company's success after the merger will depend in part upon the ability of SJW and CTWS to retain key management personnel and other key employees. Current and prospective employees of SJW and CTWS may experience uncertainty about their roles within the combined company following the merger, which may have an adverse effect on the ability of each of SJW and CTWS to attract or retain key management and other key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key management personnel and other key employees of SJW and CTWS to the same extent that SJW and CTWS have previously been able to attract or retain their own employees. A failure by SJW, CTWS or, following the completion of the merger, the combined company to attract, retain and motivate executives and other key employees during the period prior to or after the completion of the merger could have a negative impact on their respective businesses.

An adverse judgment in any litigation challenging the merger may prevent the merger from becoming effective or from becoming effective within the expected timeframe.

It is possible that SJW stockholders or CTWS shareholders may file lawsuits challenging the merger or the other transactions contemplated by the merger agreement, which may name SJW, the SJW board of directors, CTWS and/or the CTWS board of directors as defendants. The outcome of such lawsuits cannot be assured, including the amount of costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation of these claims. Whether or not any plaintiff's claim is successful, this type of litigation may result in significant costs and divert management's attention and resources, which could adversely affect the operation of SJW's and CTWS's business.

One of the conditions to the closing of the merger is the absence of any law or order, decree, or judgment by a court, arbitrator or other governmental entity that makes illegal or prohibits the consummation of the merger or the other transactions contemplated by the merger agreement. Consequently, if a settlement or other resolution is not reached in the lawsuits referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting the parties' ability to complete the merger, then such injunctive or other relief may prevent the merger from becoming effective within the expected time frame or at all.

Failure to complete the merger as currently contemplated or at all could negatively impact the stock prices and the future business and financial results of SJW and CTWS.

Completion of the merger is not assured and is subject to risks, including the risks that approval of the transactions by shareholders of SJW and CTWS or by governmental entities will not be obtained or that certain other closing conditions will not be satisfied. If the merger is not completed, or is completed on different terms than as contemplated by the merger agreement, the ongoing businesses and financial results of SJW and/or CTWS may be adversely affected and SJW and/or CTWS will be subject to several risks, including the following:

having to pay certain significant costs relating to the merger without receiving the benefits of the merger, including, in certain circumstances, a termination fee of \$42.5 million, in the case of SJW, a termination fee of \$28.1 million, in the case of CTWS, or an expense reimbursement of up to \$5 million, in the case of each of SJW and CTWS;

the potential loss of key personnel during the pendency of the merger as employees may experience uncertainty about their future roles with the combined company;

reputational harm due to the adverse public perception of any failure to successfully complete the merger;

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having been subject to certain restrictions on the conduct of their businesses, in the case of each of the companies, which may have prevented them from making certain acquisitions or dispositions or pursuing certain business opportunities while the merger was pending; and

each company's management having focused on the merger instead of on conducting their day-to-day business and operational matters and pursuing other opportunities that could have been beneficial to the companies.

Any delay in the completion of the merger, any uncertainty about the completion of the merger on terms other than those contemplated by the merger agreement and any failure to complete the merger could adversely affect the business, financial results and stock price of SJW and/or CTWS.

The merger agreement contains provisions that could discourage a potential competing acquiror of either SJW or CTWS, or could result in any competing proposal being at a lower price than it might otherwise be. However, potential competing acquirors could negatively impact the completion and timing of the proposed transaction and result in disruption and expense for both SJW and CTWS.

The merger agreement contains no shop provisions that, subject to limited exceptions, restrict each of SJW's and CTWS's ability to solicit, initiate, knowingly encourage or knowingly facilitate any takeover proposal (which includes among other things any proposal or offer made by a third party relating to any merger, amalgamation, consolidation, share exchange, other business combination, recapitalization, liquidation, dissolution or similar transaction involving SJW or CTWS, or any of their respective subsidiaries, or any sale, lease, contribution or other disposition, directly or indirectly, of any business or assets of SJW or CTWS, or any of their respective subsidiaries, representing 15% or more of the consolidated revenues, net income or assets of SJW or CTWS, or any of their respective subsidiaries, taken as a whole). In addition, the other party has an opportunity to offer to modify the terms of the merger in response to any competing acquisition proposals before the board of directors of the company that has received a third-party proposal may withdraw or qualify its recommendation with respect to the merger. See the sections entitled "The Merger Agreement - No Solicitation of Alternative Proposals", "The Merger Agreement - Termination of the Merger Agreement" and "The Merger Agreement - Expenses and Termination Fees; Liability for Breach" beginning on pages 127, 136 and 138 of this joint proxy statement/prospectus, respectively.

These provisions could discourage a potential third-party acquiror that might have an interest in acquiring all or a significant portion of SJW or CTWS from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger or might result in a potential third-party acquiror proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the \$42.5 million or \$28.1 million termination fee, as applicable, that may become payable in certain circumstances.

On April 4, 2018, SJW received an unsolicited proposal from a third party strategic acquiror regarding the acquisition of all of the outstanding shares of SJW common stock for \$68.25 per share. See "Summary - Recent Developments." On April 5, 2018, CTWS received an unsolicited proposal from Eversource Energy regarding the acquisition of all of the outstanding shares of CTWS common stock for \$63.50 per share in cash and/or stock at the election of holders of CTWS common stock. See "The Merger - Background of the Merger." While each of SJW and CTWS has determined that the unsolicited proposal that it had received was neither a superior proposal nor reasonably likely to lead to a superior proposal, it is unclear what additional actions these third parties may take to further their proposals. Even if ultimately unsuccessful, actions taken by these or other third parties could disrupt the business of each of SJW and CTWS, could cause SJW and CTWS to incur substantial expense, and could negatively impact the expected timing of the consummation of the merger. In addition, there is a risk that, as a result of actions taken by these or other third parties,

shareholders of SJW or CTWS may vote against the proposals at their respective special meetings and that, consequently, the required shareholder approvals may not be obtained.

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If the merger agreement is terminated and either SJW or CTWS determines to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

The SJW voting and support agreements contains provisions that could discourage a potential competing acquiror of SJW, or could result in any competing proposal being at a lower price than it might otherwise be.

In connection with the merger agreement, on March 14, 2018, SJW entered into SJW voting and support agreements with certain holders of shares of SJW common stock (collectively, the SJW supporting parties). As of the record date for the SJW stockholders meeting, the SJW supporting parties collectively beneficially owned approximately []% of the outstanding shares of SJW common stock.

Pursuant to and during the terms of the SJW voting and support agreements, each of the SJW supporting parties agreed, subject to certain conditions and exceptions, at any meeting of SJW stockholders and each action by written consent in lieu of a meeting, or at any postponement or adjournment thereof, to vote its respective SJW supporting party shares (i) in favor of the approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger; (ii) in favor of the adoption of the SJW certificate of incorporation amendment; (iii) in favor of any proposal to adjourn or postpone the meeting to a later date, if there are not sufficient votes to approve of the matters described in the immediately preceding two bullets; (iv) in favor of any other matter considered at any such meeting of SJW stockholders recommended by the SJW board of directors as required thereunder; (v) against any action or agreement that would result in a breach of any representation, warranty, covenant, agreement or other obligation of SJW in the merger agreement; (vi) against any takeover proposal in respect of SJW; and (vii) against any agreement, amendment of the SJW certificate of incorporation (other than the SJW certificate of incorporation amendment included in this joint proxy statement/prospectus) or SJW bylaws (other than as included as Exhibit C of the merger agreement) or other action that would delay, postpone or discourage the consummation of the merger.

The SJW voting and support agreements also provide, among other things and subject to certain conditions and exceptions, the SJW supporting parties (i) will not, and will not to agree to, (A) sell, transfer, give, pledge, encumber, assign or otherwise dispose of any of its respective SJW supporting party shares; (B) deposit such shares into a voting trust or grant any proxies or enter into a voting agreement, power of attorney or voting trust with respect to them; (C) permit such shares to become subject to liens; or (D) take any action that would make any representation or warranty of such SJW supporting party set forth in the respective SJW voting and support agreement untrue or incorrect in any material respect or have the effect of preventing, disabling or delaying such SJW supporting party from performing any of his obligations thereunder; and (ii) will not, directly or indirectly, (A) solicit, initiate, cause, knowingly facilitate or knowingly encourage (including by way of furnishing information) any inquiries or proposals that constitute, or may reasonably be expected to lead to, any takeover proposal in respect of SJW; (B) participate in any discussions or negotiations with any third party regarding any takeover proposal in respect of SJW (other than to inform any person of such prohibition); or (C) enter into any agreement related to any takeover proposal in respect of SJW, unless SJW notifies such SJW supporting party that SJW is permitted to take similar actions in response to a takeover proposal in accordance with the terms of the merger agreement.

For more information on the SJW voting and support agreements, see the section entitled "The Merger - SJW Voting and Support Agreements" beginning on page 117 of this joint proxy statement/prospectus. The existence of the SJW voting and support agreements could discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of SJW.

SJW's and CTWS's executive officers and directors have certain interests in the merger that may be different from, or in addition to, the interests of SJW stockholders and CTWS shareholders generally.

SJW's and CTWS's executive officers and directors have certain interests in the merger that may be different from, or in addition to, the interests of SJW stockholders and CTWS shareholders generally. SJW's

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executive officers and CTWS's executive officers negotiated the terms of the merger agreement. SJW's and CTWS's executive officers and directors also have rights to indemnification and directors' and officers' liability insurance that will survive completion of the merger.

Upon completion of the merger, the board of directors of the combined company will be comprised of twelve members, consisting of seven of the directors of SJW immediately prior to the effective time of the merger and five of the directors of CTWS immediately prior to the effective time of the merger. Unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of the combined company, such board composition will continue until the termination of the term of office that commences upon the close of the annual stockholders meeting at which directors of combined company are elected during the calendar year ended December 31, 2020. For more information on the combined company's board of directors, see the section entitled "Governance Matters After the Merger" beginning on page 130 of this joint proxy statement/prospectus.

Mr. Thornburg, the current chief executive officer and president of SJW, will serve as chairman, chief executive officer and president of the combined company. Mr. Thornburg, who was the chairman, chief executive officer and president of CTWS until September 28, 2017 and an employee of CTWS until October 15, 2017, continues to hold 25,749 shares of CTWS common stock and 126,662 CTWS DSUs (which will be settled in shares of CTWS common stock on June 15, 2018, subject to the terms of the CTWS 2014 Performance Stock Program), as of April 13, 2018. Mr. Benoit, currently the president and chief executive officer of CTWS, will serve as president of Combined SJW's New England Region and of The Connecticut Water Company, an indirect subsidiary of the combined company, from and after the effective time of the merger until December 31, 2020, unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of the combined company. All of SJW's and its subsidiaries' current officers are expected to continue to serve as officers of the combined company or its subsidiaries following the completion of the merger. In addition, the combined company's and certain of its subsidiaries' management teams will include officers from CTWS, including as follows: (i) Richard L. Knowlton will serve as president of The Maine Water Company, an indirect subsidiary of the combined company; (ii) Kristen A. Johnson will serve as chief human resource officer of the combined company and its subsidiaries; (iii) Maureen P. Westbrook will serve as senior vice president of external affairs of the combined company and its subsidiaries; (iv) Craig J. Patla will serve as vice president, operations of the Combined SJW's New England Region; and (v) Robert J. Doffek will serve as vice president, controller of the Combined SJW's New England Region.

Messrs. Benoit and Patla and Mesdames Johnson and Westbrook are parties to employment agreements that will become effective upon the closing of the merger. Under these employment agreements, each of Messrs. Benoit and Patla and Mesdames Johnson and Westbrook is entitled to severance benefits that are more fully described under "Interests of CTWS Directors and Executive Officers in the Merger" Employment Agreements and are triggered if his or her employment is terminated, at any time during the term of the employment agreement, for any reason other than cause, death, or attainment of age 65, or if the executive's employment is terminated by reason of the executive's disability, or if the executive voluntarily terminates employment for good reason. Notably, with respect to Mr. Benoit and Ms. Westbrook, "good reason" to terminate their employment includes any reason or no reason during the first 13 months following the closing of the merger. Accordingly, under these agreements, key executives potentially could resign from employment following the merger. In addition, the CTWS equity awards held by the CTWS executive officers will be entitled to special treatment pursuant to the terms of the merger agreement, as is more fully described under "The Merger Agreement" Treatment of CTWS Equity Awards. The payouts under these equity awards could make retention of these key executives more challenging.

The SJW and CTWS boards of directors were aware of these interests at the time each approved the merger and the other transactions contemplated by the merger agreement. These interests, including the continued employment of certain executive officers of SJW and CTWS by the combined company, Mr. Thornburg's ownership of 25,749 shares

of CTWS common stock and 126,662 CTWS DSUs, the continued positions of

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certain directors of SJW and CTWS as directors of the combined company and the indemnification of former directors and officers by the combined company, may cause SJW's and CTWS's directors and executive officers to view the merger proposal differently and more favorably than you may view it. See the section entitled "The Merger - Interests of SJW Directors and Executive Officers in the Merger" beginning on page 100 of this joint proxy statement/prospectus and "The Merger - Interests of CTWS Directors and Executive Officers in the Merger" beginning on page 101 of this joint proxy statement/prospectus for more information.

Risk Factors Relating to the Combined Company Following the Merger

The combined company may be unable to integrate successfully the businesses of SJW and CTWS and realize the anticipated benefits of the merger on the anticipated timeframe or at all.

The merger involves the combination of two companies that currently operate as independent public companies. The success of the merger will depend, in large part, on the ability of the combined company to realize the anticipated benefits from combining the businesses of SJW and CTWS. To realize these anticipated benefits, the businesses of SJW and CTWS must be successfully integrated. This integration will be complex and time consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the combined company not fully achieving the anticipated benefits of the merger. Potential difficulties the combined company may encounter as part of the integration process include the following:

the inability to successfully combine the businesses of SJW and CTWS in a manner that permits the combined company to achieve the full benefits expected to result from the elimination of duplicative public company and other related costs expected as a result of the merger;

complexities associated with managing the combined businesses, including the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;

coordinating geographically separated organizations, systems and facilities;

addressing possible differences in business backgrounds, corporate cultures and management philosophies;

integrating the workforces of the two companies while maintaining focus on providing consistent, high quality customer service;

potential unknown liabilities and unforeseen increased or new expenses, delays or regulatory conditions associated with the merger;

diversion of the attention of each company's management;

failure to perform by third-party service providers who provide key services for the combined company; and

the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in operations, services, standards, controls, procedures and policies, any of which could adversely affect each company's ability to maintain relationships with customers, vendors, employees and other constituencies or SJW's and CTWS's ability to achieve the anticipated benefits of the merger, or which could reduce each company's earnings or otherwise adversely affect the business and financial results of the combined company.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the merger.

Following the merger, the size of the business of the combined company will increase significantly beyond the current size of either SJW's or CTWS's business. The combined company's future success depends, in part,

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upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, revenue enhancements and other benefits currently anticipated from the merger.

The merger may not be accretive and may cause dilution to the combined company's earnings per share, which may negatively affect the market price of the combined company's common stock.

SJW and CTWS currently anticipate that the merger will result in mid-to-high single-digit accretion on an earnings per share basis to CTWS shareholders immediately and to shareholders of both companies by the second full year. This expectation is based on preliminary estimates, which may materially change. The combined company could also encounter additional transaction and integration-related costs or other factors such as the failure to realize all of the benefits anticipated in the merger. All of these factors could cause dilution to the combined company's adjusted earnings per share or decrease or delay the expected accretive effect of the merger and cause a decrease in the market value of the combined company's common stock.

The combined company is expected to incur substantial expenses related to the merger and the integration of SJW and CTWS.

The combined company is expected to incur substantial expenses in connection with the merger and the integration of SJW and CTWS. There are a large number of processes, policies, procedures, operations, technologies and systems at each company that must be integrated, including accounting and finance, payroll, revenue management, commercial operations, risk management, and employee benefits. While SJW and CTWS have assumed that a certain level of expenses would be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the benefits that the combined company expects to achieve from the elimination of duplicative public company and other related costs expected from the transaction. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the merger, and the amount and timing of such charges are uncertain at present. Substantial expenses related to the transaction, including fees payable to the companies' advisors, will also be borne by SJW and CTWS even if the merger is not completed.

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus are not intended to be representative of the combined company's results after the merger.

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus is presented solely for informational purposes and is not intended to be indicative of the financial position or results of operations that actually would have occurred had the merger been completed as of the dates indicated, nor is it indicative of the future operating results or financial position of the combined company following the merger. This unaudited pro forma condensed combined financial information reflects adjustments that were developed using preliminary estimates based on available information and various assumptions and may be revised as additional information becomes available. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus.

Current holders of SJW common stock and CTWS common stock will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Current holders of SJW common stock and CTWS common stock have the right to vote in the election of the board of directors and on other matters affecting SJW and CTWS, respectively. Upon the completion of the

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merger, each CTWS shareholder who receives shares of SJW common stock will become a stockholder of the combined company with a percentage ownership of the combined company that is smaller than such stockholder's percentage ownership of CTWS. Similarly, after completion of the merger, the shares of combined company common stock retained by each SJW stockholder will represent a smaller percentage ownership of the combined company. It is currently expected that the shareholders of CTWS immediately prior to the effective time of the merger as a group will receive shares in the merger constituting approximately 40% of the shares of combined company common stock on a fully diluted basis immediately after the merger. As a result, stockholders of SJW immediately prior to the effective time of the merger as a group will own approximately 60% of the shares of combined company common stock on a fully diluted basis immediately after the merger. Because of this, current holders of SJW common stock and CTWS common stock will have less influence on the management and policies of the combined company than they now have on the management and policies of SJW and CTWS, respectively.

The merger will result in changes to the board of directors that may affect the strategy and operations of the combined company.

In connection with the consummation of the merger, the board of directors of the combined company will be expanded to consist of twelve members, which will be comprised of seven of the directors of SJW immediately prior to the effective time of the merger and five of the directors of CTWS immediately prior to the effective time of the merger, as more fully described in the section entitled Governance Matters After the Merger beginning on page 130 of this joint proxy statement/prospectus. Unless otherwise determined by the affirmative vote of at least 75% of the entire board of directors of the combined company, such board composition will continue until the termination of the term of office that commences upon the close of the annual stockholders meeting at which directors of combined company are elected during the calendar year ended December 31, 2020. This new composition of the board of directors may affect the combined company's business strategy and operating decisions following the completion of the merger.

The merger will combine two companies that are currently affected by developments in the water utility industry, including changes in regulation. A failure to adapt to the changing regulatory environment after the merger could adversely affect the stability of the combined company's earnings.

Because SJW, CTWS and their respective subsidiaries are regulated in the U.S. at the federal level and, in the case of SJW, in California and Texas, and, in the case of CTWS, Connecticut and Maine, the two companies have been and will continue to be affected by legislative and regulatory developments. After the merger, the combined company and/or its subsidiaries will be subject in the U.S. to extensive federal regulation as well as to state regulation in the states in which the combined company will operate. The costs and burdens associated with complying with these regulatory jurisdictions may have an adverse effect on the combined company. Moreover, potential legislative changes, regulatory changes or otherwise may create greater risks to the stability of the combined company's earnings generally.

The rights of CTWS shareholders who become stockholders of the combined company in the merger will be governed by Delaware law, the combined company's certificate of incorporation and the combined company's bylaws.

CTWS shareholders who receive shares of SJW common stock in the merger will become stockholders of the combined company and their rights as stockholders will be governed by Delaware law, the combined company's certificate of incorporation and the combined company's bylaws, rather than Connecticut law, CTWS's certificate of incorporation and CTWS's bylaws. There may be material differences between the current rights of CTWS shareholders, as compared to the rights they will have as stockholders of the combined company. For more

information, see the section entitled Comparison of Rights of CTWS Shareholders and Combined SJW Stockholders beginning on page 164 of this joint proxy statement/prospectus.

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The combined company's dividend policy is subject to the discretion of its board of directors and may be limited by the combined company's credit agreements and limitations under Delaware law.

Although it is currently anticipated that the combined company will pay a regular quarterly dividend following the completion of the merger, any such determination to pay dividends will be at the discretion of the board of directors of the combined company and will be dependent on then-existing conditions, including the company's financial condition, earnings, legal requirements, including limitations under Delaware law, restrictions in the combined company's credit agreements that limit its ability to pay dividends to stockholders and other factors the board of directors of the combined company deems relevant. The board of directors of the combined company may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. For these reasons, you will not be able to rely on dividends to receive a return on your investment. Accordingly, realization of a gain on your shares of the combined company common stock received in the merger may depend on the appreciation of the price of the combined company common stock, which may never occur.

The market price of shares of SJW common stock may be affected by factors different from those that historically have affected shares of CTWS common stock.

Upon completion of the merger, holders of CTWS common stock will become holders of SJW common stock. The businesses of SJW differ from those of CTWS in certain respects, and, accordingly, the financial position or results of operations and/or cash flows of the combined company after the merger, as well as the market price of shares of SJW common stock, may be affected by factors different from those currently affecting the financial position or results of operations and/or cash flows of CTWS. Following the completion of the merger, CTWS will be part of a larger company with other lines of business and a broader geographic footprint, so decisions affecting CTWS may be made in respect of the larger combined business as a whole rather than the CTWS businesses individually. For a discussion of the businesses of SJW and CTWS and of some important factors to consider in connection with those businesses, see the section entitled "The Companies" beginning on page 43, and the documents incorporated by reference in the section entitled "Where You Can Find More Information" beginning on page 181, including, in particular, in the sections entitled "Risk Factors" in each of SJW's Annual Report on Form 10-K for the year ended December 31, 2017 and CTWS's Annual Report on Form 10-K for the year ended December 31, 2017.

The market price of shares of SJW common stock may decline in the future as a result of the sale of shares of SJW common stock held by former CTWS shareholders or current SJW stockholders.

Based on the number of shares of CTWS common stock outstanding as of April 13, 2018 and the number of shares of CTWS common stock that are reserved for issuance pursuant to outstanding CTWS equity awards or otherwise, SJW expects to issue up to approximately 14,194,354 shares of SJW common stock to CTWS shareholders in connection with the merger. Following their receipt of shares of SJW common stock as merger consideration in the merger, former CTWS shareholders may seek to sell the shares of SJW common stock delivered to them. Other SJW stockholders may also seek to sell shares of SJW common stock held by them following, or in anticipation of, completion of the merger. These sales (or the perception that these sales may occur), coupled with the increase in the outstanding number of shares of SJW common stock, may affect the market for, and the market price of, SJW common stock in an adverse manner.

The market price of shares of SJW common stock will continue to fluctuate after the merger.

Upon completion of the merger, holders of CTWS common stock will become holders of shares of SJW common stock. The market price of shares of SJW common stock may fluctuate significantly following completion of the merger and holders of CTWS common stock could lose some or all of the value of their investment in SJW common

stock. In addition, the stock market has experienced significant price and volume fluctuations in recent times which, if they continue to occur, could have an adverse effect on the market for, or liquidity of, the SJW common stock, regardless of the combined company's actual operating performance.

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Other Risk Factors of SJW and CTWS

SJW's and CTWS's businesses are and will be subject to the risks described above. In addition, SJW's and CTWS's businesses are, and will continue to be, subject to the risks described in Part I, Item 1A in SJW's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and Part I, Item 1A in CTWS's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, each as updated by subsequent Current Reports on Form 8-K, all of which are or will be filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 181 of this joint proxy statement/prospectus for the location of information incorporated by reference in this joint proxy statement/prospectus.

Table of Contents**SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA****Summary Historical Consolidated Financial Data of SJW**

The following statement of operations data for the years ended December 31, 2017, 2016 and 2015 and the balance sheet data as of December 31, 2017 and 2016 have been derived from the audited consolidated financial statements of SJW contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated into this joint proxy statement/prospectus by reference. The statement of operations data for the years ended December 31, 2014 and 2013 and the balance sheet data as of December 31, 2015, 2014 and 2013 have been derived from SJW's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference.

You should read this summary historical financial data together with the financial statements that are incorporated by reference into this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of financial condition and results of operations of SJW contained in such reports.

Statement of Operations Data of SJW**(In thousands of U.S. dollars, except per share data)**

	Year ended December 31,				
	2017	2016	2015	2014	2013
Operating revenue	\$ 389,225	339,706	305,082	319,668	276,869
Operating income	\$ 98,079	93,116	79,960	92,878	53,407
Net income	\$ 59,204	52,839	37,882	51,806	22,384
Dividends paid	\$ 21,332	16,559	15,885	15,177	14,443
Consolidated Per Share Data:					
Earnings per share basic	\$ 2.89	2.59	1.86	2.56	1.13
Earnings per share diluted	\$ 2.86	2.57	1.85	2.54	1.12
Dividends paid	\$ 1.04	0.81	0.78	0.75	0.73

Balance Sheet Data of SJW**(In thousands of U.S. dollars)**

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net utility plant	\$ 1,239,264	1,146,363	1,036,763	963,014	898,738
Total assets	\$ 1,458,001	1,443,376	1,337,325	1,269,304	1,109,986
Capitalization:					
Stockholders' equity	\$ 463,209	421,646	383,783	360,155	321,175
Long-term debt, less current portion ⁽¹⁾	\$ 431,092	433,335	377,187	384,365	334,997
Total capitalization	\$ 894,301	854,981	760,970	744,520	656,172

- (1) SJW adopted Accounting Standards Update No. 2015-03, Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs in January 2016. Long-term debt in the Summary Historical Consolidated Financial Data for 2015, 2014 and 2013 has not been adjusted to reflect the adoption of this standard.

Summary Historical Consolidated Financial Data of CTWS

The following statement of income data for the years ended December 31, 2017, 2016 and 2015 and the balance sheet data as of December 31, 2017 and 2016 have been derived from the audited consolidated financial

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statements of CTWS contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated into this joint proxy statement/prospectus by reference. The statement of income data for the years ended December 31, 2014 and 2013 and the balance sheet data as of December 31, 2015, 2014 and 2013 have been derived from the audited consolidated financial statements of CTWS for such years, which have not been incorporated into this joint proxy statement/prospectus by reference.

You should read this summary historical financial data together with the financial statements that are incorporated by reference into this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of financial condition and results of operations of CTWS contained in such reports.

Statement of Income Data of CTWS**(In thousands of U.S. dollars, except per share data)**

	2017	2016	2015	2014	2013
Operating Revenue	\$ 107,054	98,667	96,041	94,020	91,481
Total Utility Operating Income	\$ 34,229	28,949	27,439	25,997	22,849
Net Income	\$ 25,054	23,387	22,761	21,319	18,269
Earnings per share:					
Basic	\$ 2.17	2.12	2.07	1.95	1.68
Diluted	\$ 2.13	2.08	2.04	1.92	1.66
Declared Common Dividends Per Share	\$ 1.175	1.115	1.05	1.01	0.98

Balance Sheet Data of CTWS⁽¹⁾**(In thousands of U.S. dollars)**

	2017	2016	2015	2014	2013
Net Utility Plant	\$ 697,723	601,396	546,284	506,939	471,876
Total Assets	\$ 898,783	784,502	710,715	664,897	623,970
Common Shareholders' Equity	\$ 293,630	236,028	223,977	209,451	197,753
Long-Term Debt (Consolidated, Excluding Current Maturities)	\$ 253,367	197,047	171,868	170,309	168,201

- (1) The balance sheet data as of December 31, 2015, 2014 and 2013 reflects adjustments pursuant to Accounting Standards Update No. 2015-03, Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs (ASU No. 2015-03), which was issued by the Financial Accounting Standards Board in April 2015. ASU No. 2015-03 became effective for CTWS on January 1, 2016.

Table of Contents**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION OF SJW AND CTWS**

The following table shows selected unaudited pro forma condensed combined financial information regarding the financial condition and results of operations of SJW after giving effect to the merger with CTWS. The selected unaudited pro forma combined financial statements have been prepared using the acquisition method of accounting for business combinations pursuant to the provisions of ASC Topic 805, Business Combinations and otherwise in accordance with United States generally accepted accounting principles (U.S. GAAP) under which the assets and liabilities of CTWS will be recorded by SJW at their respective fair values as of the date the merger is completed. The selected unaudited pro forma condensed combined balance sheet as of December 31, 2017 assumes that the merger took place on December 31, 2017. The selected unaudited pro forma condensed combined statement of operations for the fiscal year ended December 31, 2017 assumes that the merger took place on January 1, 2017, the beginning of the earliest period presented.

The selected unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the more detailed unaudited pro forma combined financial statements of the combined company appearing elsewhere in this joint proxy statement/prospectus and the accompanying notes to the unaudited pro forma combined financial statements. See the section entitled **Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 146 of this joint proxy statement/prospectus. In addition, the selected unaudited pro forma combined financial statements should be read in conjunction with the historical consolidated financial statements and related notes of both SJW and CTWS for the applicable periods, which have been incorporated in this joint proxy statement/prospectus by reference. See the section entitled **Where You Can Find More Information** beginning on page 181 of this joint proxy statement/prospectus.

The selected unaudited pro forma condensed combined financial information has been presented for informational purposes only. The selected unaudited pro forma condensed combined financial information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the selected unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected elimination of duplicative public company and other related costs, opportunities to earn additional revenue, the impact of restructuring, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

Selected Unaudited Pro Forma Combined Statement of Operations**(In thousands of US dollars, except per share data)**

	Year ended December 31, 2017
Operating Revenue	\$ 496,279
Operating Income	\$ 127,412
Net Income	\$ 83,540
Dividends Paid	\$ 35,252

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Consolidated Per Share Data:			
Earnings Per Share	Basic	\$	2.44
Earnings Per Share	Diluted	\$	2.43
Dividends Paid		\$	1.04

Table of Contents**Selected Unaudited Pro Forma Combined Balance Sheet****(in thousands of US dollars, except per share data)**

	December 31, 2017
Net Utility Plant	\$ 1,936,987
Total Assets	\$ 2,807,178
Common Stockholder s Equity	\$ 1,166,183
Long-term debt, less current portion	\$ 693,048
Preferred Shares	\$ 772

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

Presented below are SJW's and CTWS's historical and pro forma per share data for the year ended December 31, 2017. Except for the historical information for the year ended December 31, 2017, the information provided in the table below is unaudited. This information should be read together with the historical consolidated financial statements and related notes of SJW and CTWS that are filed by SJW and CTWS with the SEC, and incorporated by reference in this joint proxy statement/prospectus, and with the unaudited pro forma condensed combined financial information included in the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 146.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits or opportunities to earn additional revenue, the impact of restructuring, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

The historical book value per share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma earnings per share of the combined company is computed by dividing the pro forma earnings by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The pro forma book value per share of the combined company is computed as if the merger had been completed on December 31, 2017. The CTWS unaudited pro forma equivalent per share financial information is determined using the pro forma combined per share data multiplied by 1.1375 (the exchange ratio of SJW common stock per outstanding share of CTWS common stock).

Comparative Historical and Unaudited Pro Forma Per Share Financial Data

	As of and for the year ended December 31, 2017			
	SJW Group		CTWS	
	Historical	Pro Forma Combined	Historical	Equivalent Pro Forma
Basic earnings per share	\$ 2.89	\$ 2.44	\$ 2.17	\$ 2.78
Diluted earnings per share	\$ 2.86	\$ 2.43	\$ 2.13	\$ 2.76
Book value per share	\$ 22.57	\$ 34.05	\$ 24.34	\$ 38.74
Dividends per share	\$ 1.04	\$ 1.04	\$ 1.18	\$ 1.18

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THE COMPANIES

SJW Group

SJW was incorporated in California as SJW Corp. on February 8, 1985. On November 15, 2016, SJW Corp. changed its state of incorporation to the state of Delaware and changed its name to SJW Group. SJW is a holding company that conducts its business in the United States through three wholly owned subsidiaries, namely, San Jose Water Company, SJWTX, Inc., doing business as Canyon Lake Water Service Company, and SJW Land Company. San Jose Water Company and Canyon Lake Water Service Company are public utilities regulated by the California Public Utilities Commission and Public Utilities Commission of Texas, respectively, and operate within a service area approved by the regulators.

San Jose Water Company is a public utility that provides water service to approximately 230,000 connections serving a population of approximately one million people in an area comprising approximately 139 square miles in the metropolitan San Jose, California area. SJWTX, Inc. is another public utility that provides water service to approximately 14,000 connections serving approximately 42,000 people in an area comprising more than 244 square miles in western Comal County and southern Blanco County in the growing region between San Antonio and Austin, Texas. In addition, SJWTX, Inc. has a 25% interest in Acequia Water Supply Corporation, which has been consolidated with SJWTX, Inc. within the scope of Financial Accounting Standards Board ASC Topic 810,

Consolidation. The principal business of these water utility services consists of the production, purchase, storage, purification, distribution, wholesale, and retail sale of water. San Jose Water Company also provides non-tariffed services under agreements with municipalities and other utilities. These non-tariffed services include water system operations, maintenance agreements and antenna site leases.

SJW Land Company owns an undeveloped real estate property, commercial and warehouse properties in Tennessee. SJW Land Company also has a 70% limited partnership interest in 444 West Santa Clara Street, L.P., which sold all of its interests in the commercial building and land the partnership owned and operated on April 6, 2017.

SJW's common stock is traded on the NYSE under the symbol SJW. The principal executive offices of SJW are located on 110 West Taylor Street, San Jose, California 95110. Its telephone number is (408) 279-7800, and its Internet address is www.sjwgroup.com.

Connecticut Water Service, Inc.

CTWS was incorporated in 1974, with The Connecticut Water Company as its largest subsidiary, which was organized in 1956. CTWS is a non-operating holding company, whose income is derived from the earnings of its six wholly owned subsidiary companies. In 2017, approximately 95% of the company's net income was attributable to water operations carried out within its four regulated water companies, The Connecticut Water Company, The Heritage Village Water Company, The Avon Water Company and The Maine Water Company. The Connecticut Water Company, The Heritage Village Water Company and The Avon Water Company are regulated by the PURA and The Maine Water Company is regulated by the MPUC. These regulated companies supplied water to 135,000 connections serving approximately 450,000 people in 80 municipalities in Connecticut and Maine and wastewater to more than 3,000 connections serving approximately 10,000 people in Southbury, Connecticut. They are subject to state regulation regarding financial issues, rates, service and operating issues, and to various other state and federal regulatory agencies concerning water quality and environmental standards.

In addition to its regulated companies, CTWS owns two active unregulated companies. In 2017, these unregulated companies, together with real estate transactions within The Connecticut Water Company, contributed the remaining

5% of CTWS's net income through real estate transactions as well as services and rentals. The two active unregulated companies are Chester Realty, Inc., a real estate company in Connecticut, and New England Water Utility Services, Inc., which provides contract water and sewer operations and other water related services.

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CTWS's common stock is traded on the NASDAQ under the symbol CTWS. The principal executive offices of CTWS are located on 93 West Main Street, Clinton, Connecticut 06413. Its telephone number is (860) 669-8636, and its Internet address is www.ctwater.com.

Hydro Sub, Inc.

Hydro Sub, Inc., a wholly owned subsidiary of SJW (Merger Sub), is a Connecticut corporation that was formed on March 9, 2018 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into CTWS, with CTWS surviving as a wholly owned subsidiary of SJW.

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THE SJW SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the stockholders of SJW as part of a solicitation of proxies by the SJW board of directors for use at SJW's special meeting to be held at the time and place specified below and at any properly convened meeting following any adjournments or postponements thereof. This joint proxy statement/prospectus provides stockholders of SJW with the information they need to know to be able to vote or instruct their vote to be cast at SJW's special meeting.

Date, Time and Place

The special meeting of SJW stockholders is scheduled to be held at 110 West Taylor Street, San Jose, California 95110, on [], 2018, at [], local time, subject to any adjournments or postponements thereof.

Purpose of the SJW Special Meeting

At the SJW special meeting, SJW stockholders will be asked to consider and vote on:

the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger as contemplated by the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus;

the proposal to adopt the SJW certificate of incorporation amendment, a copy of the form of which is included as Annex D to this joint proxy statement/prospectus, as contemplated by the merger agreement; and

the proposal to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the adoption of the SJW certificate of incorporation amendment by SJW stockholders.

Recommendation of the SJW Board of Directors

The SJW board of directors unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of SJW and its stockholders.

The SJW board of directors unanimously recommends that SJW stockholders vote FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, FOR the proposal to adopt the SJW certificate of incorporation amendment and FOR the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment.

SJW Record Date; Stockholders Entitled to Vote

Only SJW stockholders of record at the close of business on [], 2018, the SJW record date for the SJW special meeting, are entitled to notice of, and to vote at, the SJW special meeting or any adjournments or postponements thereof.

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At the close of business on the SJW record date, there were [] shares of SJW common stock outstanding and entitled to vote at the SJW special meeting. SJW issued and outstanding capital stock consists solely of outstanding shares of SJW common stock. SJW stockholders will have one vote for each share of SJW common stock they owned on the SJW record date, in person or through the Internet or by telephone or by a properly executed and delivered proxy with respect to the SJW special meeting. A list of stockholders of SJW will be available for review for any purpose germane to the special meeting at SJW's executive offices and principal place of business at the 110 West Taylor Street, San Jose, California 95110, during regular business hours for a period of 10 days before the special meeting. The list will also be available at the special meeting for examination by any stockholder of record present at the special meeting.

Voting by SJW's Directors and Executive Officers

At the close of business on the SJW record date, directors and executive officers of SJW and their affiliates were entitled to vote [] shares of SJW common stock, or approximately []% of the shares of SJW common stock outstanding on that date. We currently expect that SJW's directors (including those who are party to the SJW voting and support agreements) and executive officers will vote their shares in favor of the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the proposal to adopt the SJW certificate of incorporation amendment.

Quorum

No business may be transacted at the SJW special meeting unless a quorum is present. Stockholders who hold shares representing at least a majority of the voting power of all shares of SJW stock issued and outstanding and entitled to vote at the SJW special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the SJW special meeting. If a quorum is not present, the special meeting may be adjourned by the approval of holders of SJW stock representing a majority of the voting power of all shares present in person or represented by proxy at the special meeting, or by the chairman of the special meeting, to allow additional time for obtaining additional proxies. In addition, the chairman of the special meeting may adjourn such meeting after the special meeting has been duly organized. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

For purposes of determining whether a quorum has been achieved, abstentions (shares of SJW common stock for which proxies have been received but for which the holders have abstained from voting or as to which the holder attends the special meeting in person but does not vote) will be included in the calculation of the number of shares of SJW common stock represented at the special meeting, but broker non-votes will not be included.

Required Vote

The issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW special meeting and entitled to vote on the proposal. Failures to vote and broker non-votes, which are described below, will have no effect on the proposal, assuming a quorum is present. Abstentions are treated the same as votes against this proposal.

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The adoption of the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock entitled to vote on the proposal. Failures to vote, broker non-votes and abstentions will have the effect of a vote against this proposal.

The adjournment of the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS

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shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment requires the affirmative vote of holders of a majority of the outstanding shares of SJW common stock present in person or represented by proxy at the SJW special meeting and entitled to vote on the proposal. Failures to vote and broker non-votes will have no effect on the proposal, assuming a quorum is present.

Abstentions will have the effect of a vote against this proposal.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger and the adoption of the SJW certificate of incorporation amendment by SJW stockholders.

Failure to Vote, Broker Non-Votes and Abstentions

Failure to Vote. A failure to vote occurs when a holder of SJW common stock fails to vote in person or by proxy and fails to instruct his or her bank, broker, trust or other nominee to vote shares beneficially owned by such holder. Accordingly, if an SJW stockholder fails to vote with respect to:

the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, it will have no effect on the vote count for this proposal (assuming a quorum is present);

the proposal to approve adoption of the SJW certificate of incorporation amendment, it will have the same effect as a vote against the proposal (assuming a quorum is present); and

a proposal to adjourn the SJW special meeting, it will have no effect on the vote count for a proposal to approve any motion to adjourn the SJW special meeting (assuming a quorum is present).

Broker Non-Votes. If you hold your SJW shares in a stock brokerage account or if your shares are held by a bank, broker, trustee or other nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker, trustee or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to SJW or by voting in person at your stockholders meeting unless you have a legal proxy, which you must obtain from your bank or broker. Further, brokers who hold shares of SJW common stock on behalf of their customers may not give a proxy to SJW to vote those shares without specific instructions from their customers. If you are an SJW stockholder and you do not instruct your broker on how to vote your shares, pursuant to the rules of the NYSE, your broker may not vote your shares on:

the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, which will have no effect on the vote on this proposal (assuming a quorum is present);

the proposal to adopt the SJW certificate of incorporation amendment, which will have the same effect as a vote against this proposal (assuming a quorum is present); and

any proposal to adjourn the SJW special meeting, which will have no effect on the vote on this proposal (assuming a quorum is present).

Abstentions. An abstention occurs when an SJW stockholder attends the SJW special meeting, either in person or by proxy, but abstains from voting. An abstention of any SJW stockholder with respect to each of the proposals to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, the proposal to approve adoption of the SJW certificate of incorporation amendment and a proposal to adjourn the SJW special meeting will have the same effect as a vote against such proposal.

Voting at the Special Meeting In Person

Whether or not you plan to attend the SJW special meeting, please vote your shares in advance of the meeting by proxy by following the instructions set forth in the section below.

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If you plan to attend the SJW special meeting and wish to vote in person, you will be given a ballot at the special meeting.

If you are a registered or record holder, which means your shares are registered in your name with American Stock Transfer & Trust Company, SJW's transfer agent, you may vote in person at the special meeting. In addition, if you are a registered stockholder, please be prepared to provide proper identification, such as a driver's license.

If your shares are held in street name and you wish to vote at the special meeting, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting. You will need to provide proof of ownership, such as a recent account statement or letter from your bank, broker or other nominee, along with proper identification.

Voting at the Special Meeting by Proxy

If you are a holder of record, a proxy card is enclosed for your use. SJW requests that you submit a proxy via the Internet by logging onto www.proxyvote.com and following the instructions on your proxy card or by telephone by dialing (866) 357-4029 and listening for further directions or by signing and dating the enclosed proxy and returning it promptly in the enclosed postage-paid envelope. When the enclosed proxy is returned properly executed and dated, the shares of SJW common stock represented by it will be voted at the SJW special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy.

If a proxy is returned without an indication as to how the shares of SJW common stock represented are to be voted with regard to a particular proposal, the SJW common stock represented by the proxy will be voted in accordance with the recommendation of the SJW board of directors and, therefore, FOR the proposal to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger, FOR the proposal to adopt the SJW certificate of incorporation amendment and FOR the proposal to approve any motion to adjourn the SJW special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SJW common stock to CTWS shareholders pursuant to the merger or the adoption of the SJW certificate of incorporation amendment. At the date hereof, management has no knowledge of any business that will be presented for consideration at the special meeting and which would be required to be set forth in this joint proxy statement/prospectus or the related proxy card other than the matters set forth in SJW's Notice of Special Meeting of Stockholders. If any other matter is properly presented at the special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

If you hold your shares of SJW common stock in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. If you vote by Internet or telephone, you need not return a proxy card by mail, but your vote must be received by 11:59 p.m., Eastern time, on [], 2018.

Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the SJW special meeting in person. Proxies submitted through the specified Internet website or by phone must be received by 11:59 p.m., Eastern time, on [], 2018.

Revocation of Proxies

If you are the record holder of SJW stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the special meeting. You can do this by:

timely delivering a signed written notice of revocation to the Corporate Secretary of SJW;

timely delivering a new, valid proxy bearing a later date by submitting instructions through the Internet, by telephone or by mail as described on the proxy card; or

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attending the SJW special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the SJW special meeting without voting will not revoke any proxy that you have previously given or change your vote.

A registered stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the stockholder's previous proxy.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

SJW Group

110 West Taylor Street

San Jose, California 95110

Attention: General Counsel and Corporate Secretary

Please note that if your shares are held in street name through a broker, bank, employee benefit plan trustee or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or other nominee in accordance with its established procedures. If your shares are held in the name of a broker, bank, employee benefit plan trustee or other nominee and you decide to change your vote by attending the special meeting and voting in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or other nominee).

Tabulation of Votes

SJW expects to appoint one or more independent contractors retained by Georgeson LLC (Georgeson) to serve as the Inspector of Election for the SJW special meeting. Georgeson will independently tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

SJW is soliciting proxies for the SJW special meeting and, in accordance with the merger agreement, the cost of SJW proxy solicitation will be borne by SJW. In addition to solicitation by use of mails, proxies may be solicited by SJW directors, officers and employees in person or by telephone or other means of communication. These individuals will not be additionally compensated but may be reimbursed for out-of-pocket expenses associated with solicitation. Arrangements will also be made with brokers, banks, trustees and other nominees for forwarding of proxy solicitation material to beneficial owners of common stock held of record and we may reimburse these individuals for their reasonable expenses.

To help assure the presence in person or by proxy of the largest number of stockholders possible, SJW has engaged Georgeson, a proxy solicitation firm, to solicit proxies on SJW's behalf. SJW has agreed to pay Georgeson a proxy solicitation fee of \$50,000, plus reasonable expenses for its services. SJW will also reimburse Georgeson for its reasonable out-of-pocket costs and expenses.

Adjournments

Any adjournment of the special meeting may be made from time to time, if a quorum does not exist, by approval holders of SJW stock representing a majority of the voting power of all shares present in person or represented by proxy at the special meeting, or by the chairman of the special meeting, without further notice other than by an announcement made at the special meeting. In addition, the chairman of the special meeting may adjourn such meeting after the special meeting has been duly organized. If a quorum is not present at the special meeting, or if a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to issue shares of SJW common stock to CTWS shareholders or the proposal to adopt the SJW certificate of incorporation amendment, then SJW stockholders may be asked to vote on the proposal to adjourn the special meeting so as to permit the further solicitation of proxies.

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THE CTWS SPECIAL MEETING

This joint proxy statement/prospectus is being provided to CTWS shareholders as part of a solicitation of proxies by the CTWS board of directors for use at the CTWS special meeting to be held at the time and place specified below and at any properly convened meeting following any adjournments or postponements thereof. This joint proxy statement/prospectus provides CTWS shareholders with the information they need to know to be able to vote or instruct their vote to be cast at the CTWS special meeting.

Date, Time and Place

The special meeting of CTWS shareholders is scheduled to be held at [] on [], 2018 at [], local time, subject to any adjournments or postponements thereof.

Purpose of the CTWS Special Meeting

At the CTWS special meeting, CTWS shareholders will be asked to consider and vote on:

the proposal to approve the merger agreement, which is included as Annex A to this joint proxy statement/prospectus, and which is further described in the sections titled "The Merger" and "The Merger Agreement," beginning on pages 55 and 120, respectively;

the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger; and

the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Completion of the merger is conditioned on, among other things, approval of the merger agreement by CTWS shareholders.

Recommendation of the CTWS Board of Directors

The CTWS board of directors unanimously (i) determined that the merger agreement and the consummation of the transactions contemplated thereby, including the merger, are in the best interests of CTWS and its shareholders, (ii) declared advisable the merger agreement and the transactions contemplated thereby, including the merger, and (iii) approved and adopted the merger agreement and the transactions contemplated thereby, including the merger.

The CTWS board of directors unanimously recommends that CTWS shareholders vote FOR the proposal to approve the merger agreement, FOR the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and FOR the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

CTWS Record Date; Shareholders Entitled to Vote

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Only holders of record of CTWS common stock at the close of business on [], 2018, the CTWS record date, will be entitled to notice of, and to vote at, the CTWS special meeting or any adjournments or postponements thereof.

At the close of business on the CTWS record date, [] shares of CTWS common stock were issued and outstanding and held by [] holders of record. As of the CTWS record date, CTWS issued and outstanding capital stock consists solely of outstanding shares of CTWS common stock. Holders of record of CTWS common

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stock on the CTWS record date are entitled to three votes per share at the CTWS special meeting on each proposal. A list of CTWS shareholders will be available for review for any purpose germane to the CTWS special meeting at CTWS's executive offices and principal place of business at 93 West Main Street, Clinton, Connecticut 06413, during regular business hours for a period of 10 days before the CTWS special meeting. The list will also be available at the CTWS special meeting for examination by any shareholder of record present at the CTWS special meeting.

Voting by CTWS's Directors and Executive Officers

At the close of business on the CTWS record date, directors and executive officers of CTWS and their affiliates were entitled to vote [] shares of CTWS common stock, or approximately [] of the shares of CTWS common stock outstanding on that date. We currently expect that CTWS's directors and executive officers will vote their shares in favor of each proposal being submitted to a vote of CTWS shareholders at the CTWS special meeting, although no director or officer has entered into any agreement obligating him or her to do so.

Quorum

No business may be transacted at the CTWS special meeting unless a quorum is present. Shareholders who hold shares representing at least a majority of the shares of common stock issued and outstanding as of the close of business on the CTWS record date and entitled to vote at the CTWS special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the meeting. If a quorum is not present at the CTWS special meeting, the shareholders present in person or by proxy may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be given to the shareholders not present or represented at the meeting.

Abstentions and broker non-votes will be included in the calculation of the number of shares of CTWS common stock represented at the special meeting for purposes of determining whether a quorum has been achieved.

Required Vote

Approval of the merger agreement requires the affirmative vote of holders of two-thirds (66 2/3 %) of the outstanding shares of CTWS common stock entitled to vote on the proposal. Abstentions, failures to vote and broker non-votes will have the effect of a vote against this proposal, assuming a quorum is present.

Approval, on a non-binding advisory basis, of specific compensatory arrangements between CTWS and its named executive officers relating to the merger requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by the shareholders entitled to vote thereon, although such vote will not be binding on CTWS or its board of directors or any of its committees. Abstentions, failures to vote and broker non-votes will have no effect on this proposal, assuming a quorum is present.

Approval of the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement requires that the votes favoring the action cast by the shareholders entitled to vote thereon exceed the votes opposing the action cast by such shareholders. Abstentions, failures to vote and broker non-votes will have no effect on this proposal, assuming a quorum is present.

Completion of the merger is conditioned on, among other things, approval of the merger agreement by CTWS shareholders.

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Failure to Vote; Broker Non-Votes and Abstentions

Failure to Vote. A failure to vote occurs when a holder of CTWS common stock fails to vote in person or by proxy and fails to instruct his or her bank, broker, trust or other nominee to vote shares beneficially owned by such holder. Accordingly, if a CTWS shareholder fails to vote with respect to:

the proposal to approve the merger agreement, it will have the same effect as a vote against the proposal (assuming a quorum is present);

the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger, it will have no effect on the proposal (assuming a quorum is present); and

the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement, it will have no effect on the proposal (assuming a quorum is present).

Broker Non-Votes. Under the rules of the NYSE (which effectively govern the voting by any brokerage firm holding shares registered in its name or in the name of its nominee on behalf of a beneficial owner), banks, brokers, trusts or other nominees holding shares of record may vote those shares in their discretion on certain routine proposals when they do not receive timely voting instructions from the beneficial holders. A broker non-vote occurs under these NYSE rules when a bank, broker, trust or other nominee holding shares of record is not permitted to vote on a non-routine matter without instructions from the beneficial owner of the shares and no instruction is given.

In accordance with these NYSE rules, banks, brokers and other nominees who hold shares of CTWS common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the proposals to be voted on at the CTWS special meeting. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the proposals. For shares of CTWS common stock held in street name, only shares of CTWS common stock affirmatively voted FOR the proposals will be counted as a favorable vote for such proposals.

Abstentions. An abstention occurs when a CTWS shareholder attends the CTWS special meeting, either in person or by proxy, but abstains from voting. Abstentions will have the same effect on each proposal as a failure to vote (as described above).

Voting at the Special Meeting In Person

Your vote is important. Whether or not you plan to attend the CTWS special meeting, please vote your shares in advance of the meeting by proxy by following the instructions set forth in the section below.

If you plan to attend the CTWS special meeting and wish to vote in person, you will be given a ballot at the special meeting.

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If you are a registered or record holder, which means your shares are registered in your name with Broadridge Corporate Issuer Solutions, Inc. (Broadridge), CTWS's transfer agent, you may vote in person at the special meeting. In addition, if you are a registered shareholder, please be prepared to provide proper identification, such as a driver's license.

If your shares are held in street name, which means your shares are held of record in an account with a broker, bank or other nominee, and you wish to vote at the special meeting, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting. You will need to provide proof of ownership, such as a recent account statement or letter from your bank, broker or other nominee, along with proper identification.

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Voting at the Special Meeting by Proxy

If you are a holder of record, a proxy card is enclosed for your use. CTWS requests that you submit a proxy via the Internet by logging onto www.proxyvote.com and following the instructions on your proxy card or by telephone by dialing (800) 454-8683 and listening for further directions. Shareholders of record of CTWS may also submit their proxies through the mail by completing the enclosed proxy card, and signing, dating and returning it in the enclosed, pre-addressed, postage-paid envelope. To be valid, a returned proxy card must be signed and dated. You should submit your proxy in advance of the meeting even if you plan to attend the CTWS special meeting. You can always change your vote at the special meeting.

If you hold your shares of CTWS common stock in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. If you vote by Internet or telephone, you need not return a proxy card by mail, but your vote must be received by 11:59 p.m., Eastern time, on [], 2018.

How Proxies are Counted

All shares represented by properly executed proxies received in time for the CTWS special meeting will be voted at the meeting in the manner specified by the shareholders giving those proxies.

If you properly execute your proxy card but do not indicate how your shares of CTWS common stock should be voted on a matter, the shares of CTWS common stock represented by your proxy will be voted as the CTWS board of directors recommends and, therefore, FOR the proposal to approve the merger agreement, FOR the proposal to approve, on a non-binding advisory basis, specific compensatory arrangements between CTWS and its named executive officers relating to the merger and FOR the proposal to adjourn the CTWS special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement, assuming a quorum is present.

Only shares affirmatively voted for the proposal, and properly executed proxies that do not contain voting instructions, will be counted as favorable votes for the proposal to approve the merger agreement. Abstentions and broker non-votes will have the same effect as votes against the proposal to approve the merger agreement. Abstentions and broker non-votes will have no effect on the proposals to approve, on a non-binding advisory basis, the specific compensatory arrangements or to adjourn the CTWS special meeting.

Revocation of Proxies

If you are the record holder of CTWS common stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the special meeting. You can do this by:

timely delivering a signed written notice of revocation to the secretary of CTWS;

timely delivering a new, valid proxy bearing a later date by submitting instructions through the Internet, by telephone or by mail as described on the proxy card; or

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attending the CTWS special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the CTWS special meeting without voting will not revoke any proxy that you have previously given or change your vote.

A registered shareholder may revoke a proxy by any of these methods, regardless of the method used to deliver the shareholder's previous proxy.

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Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Connecticut Water Service, Inc.

93 West Main Street

Clinton, Connecticut 06413

Attention: Corporate Secretary

Please note that if your shares are held in street name through a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or nominee in accordance with its established procedures. If your shares are held in the name of a broker, bank or other nominee and you decide to change your vote by attending the special meeting and voting in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or nominee).

Tabulation of Votes

CTWS expects to appoint one or more representatives of Broadridge to serve as the Inspector of Election for the CTWS special meeting. Broadridge will independently tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

CTWS is soliciting proxies for its special meeting from its shareholders. CTWS will pay its own cost of soliciting proxies, including the cost of mailing this joint proxy statement/prospectus, from its shareholders. In addition to solicitation by use of the mails, proxies may be solicited by CTWS's directors, officers and employees in person or by telephone or other means of communication. These persons will not receive additional compensation, but may be reimbursed for actual and reasonable fees and expenses in connection with this solicitation.

CTWS has retained the services of Morrow Sodali LLC to assist in the solicitation of proxies for an estimated fee of \$45,000, plus reimbursement of disbursements for actual and reasonable fees and expenses. CTWS will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of shares held of record by them. CTWS will also reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Adjournments

If a quorum is not present at the CTWS special meeting, the shareholders present in person or by proxy may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be given to the shareholders not present or represented at the meeting. If a quorum is present at the special meeting but there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement, then CTWS shareholders may be asked to vote on the proposal to adjourn the special meeting so as to permit the further solicitation of proxies.

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THE MERGER

The following is a description of the material aspects of the merger, including the merger agreement. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read this joint proxy statement/prospectus carefully and in its entirety, including the merger agreement which is included as Annex A to this joint proxy statement/prospectus, for a more complete understanding of the merger.

Effects of the Merger

Upon the terms and subject to the conditions of the merger agreement and in accordance with Connecticut law, at the effective time of the merger, Merger Sub, a wholly owned subsidiary of SJW and a party to the merger agreement, will merge with and into CTWS. CTWS will survive the merger as a wholly owned subsidiary of SJW and, following completion of the merger, is sometimes referred to in this joint proxy statement/prospectus as the combined company s New England Region. The merger will become effective at such time as a certificate of merger has been duly filed with the Secretary of the State of Connecticut or at any later date or time mutually agreed to by SJW and CTWS in writing and specified in the certificate of merger in accordance with Connecticut law.

At the effective time of the merger, each share of CTWS common stock (other than shares of CTWS common stock owned by SJW, Merger Sub, CTWS or any of their respective subsidiaries and not held on behalf of third parties, which will be canceled and retired and cease to exist) issued and outstanding immediately prior to the effective time of the merger, will be converted into the right to receive 1.1375 shares of SJW common stock (the exchange ratio), with cash paid in lieu of fractional shares. This exchange ratio will not be adjusted for changes in the market price of either SJW common stock or CTWS common stock between the date of signing of the merger agreement and completion of the merger.

SJW stockholders will not receive any merger consideration and will continue to hold their shares of SJW common stock after the merger.

SJW and CTWS are working to complete the merger as soon as practicable and expect the closing of the merger to occur during the fourth quarter of 2018. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of SJW and CTWS could result in the merger being completed at an earlier time, at a later time or not at all. There may be a substantial amount of time between the SJW and CTWS special meetings and the completion of the merger.

Background of the Merger

From time to time, the CTWS board of directors and CTWS senior management have reviewed and evaluated various strategic alternatives available to CTWS. Among the strategic alternatives evaluated were (i) maintaining CTWS as an independent public company, including making strategic acquisitions, (ii) a business combination with a strategic partner or (iii) a whole-company sale of CTWS. Except as otherwise described below, in recent years none of the matters evaluated in connection with any of the strategic alternatives that involved a transaction with a third party (other than strategic acquisitions by CTWS) has progressed beyond the initial stages.

From time to time, the SJW board of directors and SJW senior management have reviewed and evaluated various strategic alternatives available to SJW. Among the strategic alternatives evaluated were (i) maintaining SJW as an independent public company, including making strategic acquisitions, (ii) a business combination with a strategic partner or (iii) a whole-company sale of SJW. Except as otherwise described below, in recent years none of the

matters evaluated in connection with any of the strategic alternatives that involved a transaction with a third party (other than strategic acquisitions by SJW) has progressed beyond the initial stages.ment Finance Agency Rev. (Simmons College), H , SYNCORA, 5.25%, 10/01/2033 110,000 133,627 Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), A , 4.875%, 11/01/2027 915,000 922,640 Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 12/01/2042 (Prerefunded 5/01/2019) 165,000 184,218 Massachusetts Educational Financing Authority, Education Loan Rev, A , 4.25%, 1/01/2030 280,000 298,690 Massachusetts Educational Financing Authority, Education Loan Rev., A , 4.25%, 1/01/2031 190,000 201,009 Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 1/01/2030 385,000 403,380

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Massachusetts - continued		
Massachusetts Health & Educational Facilities Authority Rev. (Massachusetts Institute of Technology), A, 5%, 7/01/2038 (Prerefunded 7/01/2017)	\$ 4,000,000	\$ 4,114,960
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 6.25%, 7/01/2030	1,370,000	1,533,907
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 5.75%, 7/01/2039 (Prerefunded 7/01/2019)	885,000	970,013
Massachusetts Port Authority Rev., A, 5%, 7/01/2037	65,000	73,241
Massachusetts Port Authority Special Facilities Rev. (ConRAC Project), A, 5.125%, 7/01/2041	65,000	72,197
		\$ 13,459,082
Michigan - 4.0%		
Detroit, MI, Sewage Disposal System Rev., B, NATL, 5.5%, 7/01/2022	\$ 1,845,000	\$ 2,208,428
Detroit, MI, Water & Sewerage Department, Senior Lien Sewage Disposal System Rev., A, 5.25%, 7/01/2039	1,120,000	1,250,995
Detroit, MI, Water Supply System Rev., Senior Lien, A, 5%, 7/01/2036	55,000	59,705
Detroit, MI, Water Supply System Rev., Senior Lien, A, AGM, 5%, 7/01/2023	185,000	185,285
Detroit, MI, Water Supply System Rev., Senior Lien, A, AGM, 5%, 7/01/2025	25,000	25,039
Detroit, MI, Water Supply System Rev., Senior Lien, C, 5%, 7/01/2041	75,000	81,518
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F, 3.875%, 10/01/2023	90,000	97,772
Michigan Finance Authority (City of Detroit Financial Recovery Income Tax Rev.), F, 4%, 10/01/2024	110,000	119,516
Michigan Finance Authority Hospital Rev. (Beaumont Health Credit Group), A, 5%, 8/01/2033	320,000	370,176
Michigan Finance Authority Hospital Rev. (Henry Ford Health System), 5%, 11/15/2041	740,000	835,941
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2033	120,000	136,231
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2034	270,000	305,427
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), C, 5%, 7/01/2035	180,000	203,038

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Michigan - continued		
Michigan Finance Authority Local Government Loan Program Rev. (Detroit Water and Sewerage Department Sewage Disposal System Rev. Refunding Second Lien Local Project), D-2, 5%, 7/01/2034	\$ 115,000	\$ 130,089
Michigan Hospital Finance Authority Rev. (Henry Ford Health System), 5.75%, 11/15/2039	2,000,000	2,279,440
Michigan Strategic Fund Ltd. (Canterbury Health Care, Inc.), 5%, 7/01/2046	150,000	145,038
Michigan Strategic Fund Ltd. (Canterbury Health Care, Inc.), 5%, 7/01/2051	100,000	95,668
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 9/01/2039 (Prerefunded 9/01/2018)	1,595,000	1,808,698
Waterford Township, MI, Economic Development Corp. (Canterbury Health Care, Inc.), A, 5%, 7/01/2046	190,000	183,937
Waterford Township, MI, Economic Development Corp. (Canterbury Health Care, Inc.), A, 5%, 7/01/2051	190,000	182,001
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B, 5%, 12/01/2044	65,000	73,968
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B, BAM, 5%, 12/01/2039	75,000	86,684
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/2039	55,000	61,420
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/2044	160,000	178,195
Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), D, AGM, 5%, 12/01/2040	1,160,000	1,347,247
		\$ 12,451,456
Minnesota - 0.3%		
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4%, 8/01/2036	\$ 40,000	\$ 39,354
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4%, 8/01/2041	40,000	38,954
Baytown Township, MN, Charter School Lease Rev. (St. Croix Preparatory Academy Project), A, 4.25%, 8/01/2046	40,000	40,061
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.25%, 7/01/2030	45,000	46,130
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.5%, 7/01/2035	60,000	61,575
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.5%, 7/01/2040	70,000	71,298
Brooklyn Park, MN, Charter School Lease Rev. (Athlos Leadership Academic Project), A, 5.75%, 7/01/2046	125,000	128,518
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A, 6.375%, 9/01/2031	120,000	135,553

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Minnesota - continued		
St. Paul, MN, Housing & Redevelopment Authority Charter School Lease Rev. (Nova Classical Academy), A , 6.625%, 9/01/2042	\$ 240,000	\$ 298,272
		\$ 859,715
Mississippi - 1.4%		
Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), 6.8%, 4/01/2022	\$ 2,000,000	\$ 2,443,860
Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 11/01/2037 (d)(q)	1,065,000	807,984
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/2022	275,000	319,107
Mississippi Hospital Equipment & Facilities Authority Rev. (Baptist Memorial Healthcare), A , 5%, 9/01/2023	710,000	834,477
		\$ 4,405,428
Missouri - 0.6%		
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Service Projects), A , 5%, 2/01/2035	\$ 665,000	\$ 728,793
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2036	65,000	73,633
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2044	170,000	184,720
Missouri Health & Educational Facilities Authority, Senior Living Facilities Rev. (Lutheran Senior Services Project), A , 5%, 2/01/2046	145,000	162,174
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5%, 8/15/2030	80,000	84,339
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5%, 8/15/2035	55,000	56,922
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), A , 5.125%, 8/15/2045	140,000	144,193
St. Louis County, MO, Industrial Development Authority Health Facilities Rev. (Nazareth Living Center), B-2 , 3.85%, 8/15/2020	25,000	25,002
St. Louis, MO, Industrial Development Authority Rev. (St. Andrew s Resources for Seniors Obligated Group), A , 5.125%, 12/01/2045	400,000	415,884
		\$ 1,875,660
National - 0.7%		
Charter Mac Equity Issuer Trust, FHLMC, 6%, 10/31/2052 (n)	\$ 2,000,000	\$ 2,194,620
Nevada - 0.2%		
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A , 5%, 12/15/2035	\$ 265,000	\$ 272,017

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Nevada - continued		
Director of the State of Nevada, Department of Business and Industry, Charter School Lease Rev. (Somerset Academy), A, 5.125%, 12/15/2045	\$ 205,000	\$ 209,941
		\$ 481,958
New Hampshire - 0.4%		
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A, 6%, 10/01/2027	\$ 1,110,000	\$ 1,267,065
New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc. Project), 4%, 4/01/2029 (Put Date 10/01/2019)	130,000	127,110
		\$ 1,394,175
New Jersey - 6.7%		
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2027	\$ 25,000	\$ 29,723
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2028	75,000	88,315
New Jersey Building Authority Rev., A, BAM, 5%, 6/15/2029	85,000	99,362
New Jersey Economic Development Authority Rev. (Kapkowski Road Landfill Project), 6.5%, 4/01/2031	1,840,000	2,201,505
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.125%, 1/01/2039	175,000	186,534
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5%, 1/01/2034	80,000	85,194
New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.25%, 1/01/2044	465,000	497,889
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2030	140,000	158,840
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2035	180,000	200,923
New Jersey Economic Development Authority Rev. (Provident Group - Rowan Properties LLC - Rowan University Student Housing Project), A, 5%, 1/01/2048	60,000	66,342
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.5%, 1/01/2027	70,000	81,945
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5%, 1/01/2028	70,000	79,545
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.375%, 1/01/2043	420,000	477,208
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), AGM, 5%, 1/01/2031	210,000	239,072
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 9/15/2019	765,000	806,218

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
New Jersey - continued		
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 9/15/2029	\$ 910,000	\$ 1,011,774
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.125%, 9/15/2023	910,000	1,012,439
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), A, 5.625%, 11/15/2030	250,000	286,350
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 5%, 7/01/2034	70,000	81,926
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 5%, 7/01/2035	85,000	99,170
New Jersey Educational Facilities Authority Rev. (Stockton University), A, AGM, 4%, 7/01/2036	120,000	125,987
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, 7.5%, 12/01/2032 (Prerefunded 6/01/2019)	1,065,000	1,238,563
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B, ETM, 6%, 12/01/2017	590,000	609,022
New Jersey Health Care Facilities, Financing Authority Rev. (University Hospital), A, AGM, 5%, 7/01/2046	780,000	882,976
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.5%, 6/01/2023	4,950,000	5,019,201
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.75%, 6/01/2034	3,025,000	2,897,496
New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 6/01/2041	2,190,000	2,048,855
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-C, 0%, 6/01/2041	75,000	19,410
Newark, NJ, Housing Authority, Secured Police Facility Rev. (South Ward Police Facility), AGM, 5%, 12/01/2038	185,000	209,241
		\$ 20,841,025
New Mexico - 0.8%		
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D, 5.9%, 6/01/2040	\$ 1,840,000	\$ 2,075,354
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A, 5.25%, 8/15/2026	440,000	443,894
		\$ 2,519,248
New York - 7.2%		
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 7/15/2030	\$ 230,000	\$ 265,464
Build NYC Resource Corp. Rev. (Albert Einstein School of Medicine, Inc.), 5.5%, 9/01/2045	880,000	1,033,076

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
New York - continued		
Build NYC Resource Corp. Rev. (International Leadership Charter School Project), 6%, 7/01/2043	\$ 365,000	\$ 346,849
Build NYC Resource Corp. Solid Waste Disposal Rev. (Pratt Paper, Inc. Project), 5%, 1/01/2035	430,000	482,920
Build NYC Resource Corp., New York Rev. (International Leadership Charter High School Project), A , 6.25%, 7/01/2046	140,000	135,586
Chautauqua County, NY, Capital Resource Corp. Rev. (Women s Christian Assn.), A , 8%, 11/15/2030	1,060,000	1,062,862
Glen Cove, NY, Local Economic Assistance Corp. (Garvies Point Public Improvement Project), B , 0%, 1/01/2045	660,000	124,595
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5%, 2/15/2047	710,000	718,477
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2/15/2047	620,000	724,402
New York Dormitory Authority, State Personal Income Tax Rev., C , 5%, 3/15/2034	1,670,000	1,925,777
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 6/15/2041	1,345,000	1,555,869
New York Environmental Facilities, C , 5%, 5/15/2041	1,860,000	2,151,276
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 2 , 5.375%, 11/15/2040	845,000	976,102
New York Liberty Development Corp., Liberty Rev. (3 World Trade Center Project), 3 , 7.25%, 11/15/2044	530,000	684,739
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 7/15/2049	1,065,000	1,189,573
New York Transportation Development Corp., Special Facility Rev. (American Airlines, Inc. John F. Kennedy International Airport Project), 5%, 8/01/2026	880,000	961,576
New York Transportation Development Corp., Special Facility Rev. (American Airlines, Inc. John F. Kennedy International Airport Project), 5%, 8/01/2031	545,000	581,766
New York, NY, City Housing Development Corp., Multifamily Housing Rev. (8 Spruce Street), F , 4.5%, 2/15/2048	514,262	541,040
New York, NY, Industrial Development Agency, Civic Facility Rev. (Special Needs Facilities), 6.5%, 7/01/2017	140,000	140,095
Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Covanta Energy Project), A , 5.25%, 11/01/2042	1,825,000	1,853,142
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/2025	65,000	71,842
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5.125%, 7/01/2031	70,000	77,598
Onondaga, NY, Civic Development Corp. Rev. (St. Joseph s Hospital Health Center), 5%, 7/01/2042	495,000	595,792
Port Authority of NY & NJ, (170th Series), 5%, 12/01/2019	260,000	289,453
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/2036	485,000	563,342

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
New York - continued		
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/2042	\$ 550,000	\$ 637,131
Seneca Nation of Indians, NY, Capital Improvements Authority, Special Obligation, 5%, 12/01/2023 (n)	775,000	786,989
Tobacco Settlement Asset Securitization Corp., NY, 1, 5%, 6/01/2026	595,000	593,899
Ulster County, NY, Industrial Development Agency (Woodland Pond), A, 6%, 9/15/2037	1,330,000	1,345,774
		\$ 22,417,006
North Carolina - 0.3%		
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Church Homes and Services), A, 5%, 9/01/2037	\$ 65,000	\$ 69,466
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Methodist Retirement Homes), A, 5%, 10/01/2030	40,000	47,080
North Carolina Medical Care Commission Retirement Facilities First Mortgage Rev. (United Methodist Retirement Homes), A, 5%, 10/01/2031	15,000	17,571
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2025	130,000	149,110
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2030	165,000	183,064
North Carolina Medical Care Commission, Health Care Facilities Rev. (Pennybyrn at Maryfield), 5%, 10/01/2035	100,000	109,567
University of North Carolina, Greensboro, Rev., 5%, 4/01/2039	195,000	223,829
		\$ 799,687
Ohio - 6.7%		
American Municipal Power, Inc. (Prairie State Energy Campus Project), A, 5%, 2/15/2042	\$ 560,000	\$ 639,111
Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 6/01/2031	350,000	379,239
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.125%, 6/01/2024	2,570,000	2,428,624
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.375%, 6/01/2024	1,365,000	1,344,593
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.875%, 6/01/2030	1,935,000	1,825,363
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 6%, 6/01/2042	1,580,000	1,506,198
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 5.875%, 6/01/2047	1,495,000	1,405,345

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Ohio - continued		
Buckeye, OH, Tobacco Settlement Financing Authority Rev., A-2, 6.5%, 6/01/2047	\$ 4,400,000	\$ 4,327,972
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 11/01/2040	260,000	300,989
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Flats East Development Project), 7%, 5/15/2040	235,000	264,246
Columbus, OH, Franklin County Finance Authority Development Rev., 6%, 5/15/2035	700,000	715,386
Dayton Montgomery County, OH, Port Authority Rev. (Parking Garage), 6.125%, 5/15/2024	1,130,000	1,130,373
Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A, 8%, 7/01/2042	1,485,000	1,746,999
Riversouth, OH, Authority Rev. (Lazarus Building), A, 5.75%, 12/01/2027	1,125,000	1,166,805
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/2029	90,000	100,096
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.75%, 12/01/2032	595,000	673,016
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/2035	210,000	223,629
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5%, 12/01/2043	235,000	248,426
Southeastern Ohio Port Authority, Hospital Facilities Improvement Rev. (Memorial Health System Obligated Group Project), 5.5%, 12/01/2043	290,000	324,455
Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 5/15/2040	85,000	94,364
		\$ 20,845,229
Oklahoma - 1.6%		
Fort Sill Apache Tribe, OK, Economic Development Authority, Gaming Enterprise., A, 8.5%, 8/25/2026 (n)	\$ 520,000	\$ 617,963
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/2036	1,395,000	1,395,181
Norman, OK, Regional Hospital Authority Rev., 5%, 9/01/2027	300,000	302,382
Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/2029	175,000	175,023
Oklahoma Development Finance Authority Continuing Care Retirement Community Rev. (Inverness Village), 5.75%, 1/01/2037	595,000	632,318
Oklahoma Development Finance Authority, First Mortgage Rev. (Sommerset Project), 5%, 7/01/2042	200,000	214,364

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Oklahoma - continued		
Tulsa, OK, Airport Improvement Trust Rev., A, 5%, 6/01/2045	\$ 105,000	\$ 116,589
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 6/01/2035	345,000	389,226
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 12/01/2035	920,000	1,033,712
		\$ 4,876,758
Oregon - 0.4%		
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 4.5%, 5/01/2029	\$ 150,000	\$ 163,662
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2030	30,000	35,036
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2036	170,000	193,973
Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/2040	190,000	210,150
Oregon Facilities Authority Rev. (College Housing Northwest Project), 5%, 10/01/2036	100,000	111,145
Oregon Facilities Authority Rev. (College Housing Northwest Project), 5%, 10/01/2048	295,000	323,757
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2031	40,000	43,754
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2036	40,000	43,153
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2046	105,000	113,376
Yamhill Country Hospital Authority Rev. (Friendsview Retirement Community Oregon), A, 5%, 11/15/2051	100,000	107,728
		\$ 1,345,734
Pennsylvania - 6.5%		
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/2035	\$ 160,000	\$ 171,747
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/2042	685,000	730,354
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/2027	170,000	170,459
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/2037	225,000	225,464
Chartiers Valley, PA, Industrial & Commercial Development Authority (Asbury Health Center Project), 5.75%, 12/01/2022	150,000	150,314
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A, 5.25%, 12/01/2045	200,000	206,346

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Pennsylvania - continued		
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A , 5%, 12/01/2030	\$ 90,000	\$ 94,617
Chester County, PA, Health & Educational Facilities Authority Rev. (Simpson Senior Services Project), A , 5%, 12/01/2035	90,000	92,605
Clairton, PA, Municipal Authority Sewer Rev., B , 5%, 12/01/2037	265,000	295,199
Clarion County, PA, Industrial Development Authority, Student Housing Rev. (Clarion University Foundation, Inc.), 5%, 7/01/2034	65,000	70,864
Commonwealth of Pennsylvania, State Public School Building Authority Lease Rev. (School District of Philadelphia Project), 5%, 4/01/2028	250,000	272,340
Cumberland County, PA, Municipal Authority Rev. (Asbury Atlantic, Inc.), 5.25%, 1/01/2041	740,000	782,395
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/2029 (Prerefunded 1/01/2019)	1,225,000	1,358,648
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries Project), 6.125%, 1/01/2029	135,000	148,258
Delaware Valley, PA, Regional Finance Authority, 5.75%, 7/01/2017	650,000	670,677
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/2039	65,000	70,547
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/2046	40,000	43,220
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/2030	45,000	50,292
East Hempfield, PA, Industrial Development Authority Rev. (Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania), 5%, 7/01/2035	60,000	65,875
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), A , 5%, 12/01/2043	2,195,000	2,488,186
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B , 0%, 12/01/2037	1,850,000	877,344
Luzerne County, PA, A , AGM, 5%, 11/15/2029	355,000	405,896
Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 4/01/2036	1,200,000	1,229,472
Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 11/15/2028	565,000	637,405
Montgomery County, PA, Industrial Development Authority Rev. (Albert Einstein Healthcare Network Issue), A , 5.25%, 1/15/2036	1,185,000	1,317,447
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care Retirement Community Project), 5.375%, 1/01/2050	1,110,000	1,146,186

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Pennsylvania - continued		
Northeastern PA, Hospital & Education Authority Rev. (Wilkes University Project), A, 5%, 3/01/2037	\$ 80,000	\$ 90,228
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 6/30/2026	85,000	101,176
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/2030	200,000	230,620
Pennsylvania Economic Development Financing Authority Rev. (The Pennsylvania Rapid Bridge Replacement Project), 5%, 12/31/2034	1,475,000	1,657,635
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 1/01/2032	645,000	702,444
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 7/01/2030	155,000	180,256
Pennsylvania Higher Educational Facilities Authority Rev. (Saint Francis University Project), JJ2, 6.25%, 11/01/2041	295,000	333,940
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.5%, 6/15/2033	445,000	469,849
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.75%, 6/15/2043	755,000	800,021
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 6.875%, 6/15/2033	155,000	175,088
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 7.375%, 6/15/2043	270,000	312,085
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 6.75%, 6/15/2033	100,000	114,075
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 7%, 6/15/2043	290,000	334,329
Philadelphia, PA, Municipal Authority Rev., 6.5%, 4/01/2034	260,000	287,659
Scranton-Lackawanna, PA, Health and Welfare Authority, University Rev. (Marywood University Project), 5%, 6/01/2046	315,000	332,212
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/2030	60,000	67,631
West Shore, PA, Area Authority Rev. (Messiah Village Project) A, 5%, 7/01/2035	100,000	110,261
		\$ 20,071,666
Puerto Rico - 6.3%		
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5%, 7/01/2028	\$ 95,000	\$ 97,654
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5.125%, 7/01/2047	420,000	431,017

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Puerto Rico - continued		
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., BB , AMBAC, 5.25%, 7/01/2018	\$ 160,000	\$ 167,133
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.5%, 7/01/2029	15,000	17,610
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2032	125,000	145,438
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2033	330,000	385,536
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., CC , AGM, 5.25%, 7/01/2036	330,000	389,265
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., D , AGM, 5%, 7/01/2032	745,000	752,979
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., J , NATL, 5%, 7/01/2029	75,000	75,059
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L , AMBAC, 5.25%, 7/01/2038	1,560,000	1,661,213
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L , NATL, 5.25%, 7/01/2035	295,000	320,925
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , AMBAC, 5.25%, 7/01/2030	160,000	168,856
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , AMBAC, 5.25%, 7/01/2031	360,000	380,164
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , ASSD GTY, 5.25%, 7/01/2034	350,000	410,393
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N , ASSD GTY, 5.25%, 7/01/2036	875,000	1,032,141
Commonwealth of Puerto Rico, A , AGM, 5.375%, 7/01/2025	95,000	103,684
Commonwealth of Puerto Rico, A , NATL, 5.5%, 7/01/2020	460,000	502,725
Commonwealth of Puerto Rico, A , NATL, 5.5%, 7/01/2021	110,000	121,812
Commonwealth of Puerto Rico, Public Improvement, A , AGM, 5%, 7/01/2035	755,000	811,074
Commonwealth of Puerto Rico, Public Improvement, A-4 , AGM, 5.25%, 7/01/2030	160,000	171,003
Commonwealth of Puerto Rico, Public Improvement, C , AGM, 5.25%, 7/01/2027	60,000	60,116
Commonwealth of Puerto Rico, Public Improvement, C-7 , NATL, 6%, 7/01/2027	460,000	478,359
Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Rev., A , AMBAC, 5%, 7/01/2031	760,000	761,778
Puerto Rico Electric Power Authority Rev., LL , NATL, 5.5%, 7/01/2017	25,000	25,607
Puerto Rico Electric Power Authority Rev., MM , NATL, 5%, 7/01/2020	10,000	10,763

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Puerto Rico - continued		
Puerto Rico Electric Power Authority Rev., NN , NATL, 5.25%, 7/01/2022	\$ 280,000	\$ 309,596
Puerto Rico Electric Power Authority Rev., NN , NATL, 4.75%, 7/01/2033	45,000	45,027
Puerto Rico Electric Power Authority Rev., PP , NATL, 5%, 7/01/2024	30,000	30,043
Puerto Rico Electric Power Authority Rev., SS , NATL, 5%, 7/01/2019	1,340,000	1,356,978
Puerto Rico Electric Power Authority Rev., TT , NATL, 5%, 7/01/2026	10,000	10,097
Puerto Rico Electric Power Authority Rev., UU , AGM, 5%, 7/01/2022	75,000	76,137
Puerto Rico Electric Power Authority Rev., UU , NATL, 4.5%, 7/01/2018	25,000	25,917
Puerto Rico Electric Power Authority Rev., UU , NATL, 5%, 7/01/2019	140,000	148,301
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2025	55,000	58,970
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2030	440,000	479,785
Puerto Rico Electric Power Authority Rev., VV , NATL, 5.25%, 7/01/2032	60,000	65,697
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 6/01/2026	820,000	778,524
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Educational Facilities Rev. (University Plaza Project), NATL, 5%, 7/01/2033	560,000	563,410
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2017	90,000	90,029
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2018	60,000	59,989
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 4%, 4/01/2020	30,000	28,876
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 3/01/2021	15,000	14,855
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2021	100,000	98,828

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Puerto Rico - continued		
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 12/01/2021	\$ 85,000	\$ 85,001
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2022	120,000	117,766
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/2027	225,000	210,060
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.5%, 12/01/2031	130,000	123,107
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.125%, 4/01/2032	140,000	126,476
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 3/01/2036	130,000	113,217
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 4/01/2042	110,000	98,458
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (University of Sacred Heart), 4.375%, 10/01/2031	70,000	49,513
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Higher Education Rev. (University of Sacred Heart), 5%, 10/01/2042	35,000	24,487
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2018	80,000	83,891
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2023	415,000	438,966
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2027	975,000	1,044,342
Puerto Rico Municipal Finance Agency, A, AGM, 5%, 8/01/2027	40,000	41,608
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/2027	190,000	197,583
Puerto Rico Public Buildings Authority Government Facilities Rev., M-3, NATL, 6%, 7/01/2028	65,000	67,434
Puerto Rico Public Buildings Authority Rev., M-2, AMBAC, 5.5%, 7/01/2035 (Put Date 7/01/2017)	780,000	793,580
Puerto Rico Public Buildings Authority Rev., Guaranteed (Government Facilities), I, ASSD GTY, 5%, 7/01/2036	85,000	85,094
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, 5%, 8/01/2040	1,210,000	871,176

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Puerto Rico - continued		
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, AMBAC, 0%, 8/01/2054	\$ 1,340,000	\$ 146,502
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2042	850,000	202,462
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2045	230,000	46,350
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2046	4,685,000	890,384
University of Puerto Rico Rev., P, NATL, 5%, 6/01/2025	70,000	70,076
		\$ 19,650,896
Rhode Island - 0.1%		
Rhode Island Health & Educational Building Corp., Hospital Financing (Lifespan Obligated Group), 5%, 5/15/2039	\$ 145,000	\$ 164,015
South Carolina - 1.4%		
Lancaster County, SC, Assessment Rev. (Sun City Carolina Lakes), 5.45%, 12/01/2037	\$ 85,000	\$ 85,096
North Charleston, SC, Housing Authority Rev. (Horizon Village), A, GNMA, 5.15%, 2/20/2048	445,000	445,449
Richland County, SC, Environmental Improvement Rev. (International Paper), A, 3.875%, 4/01/2023	905,000	973,608
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 11/15/2032	372,169	384,387
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 11/15/2047	193,098	196,159
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 11/15/2047	143,268	15,860
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 11/15/2047	136,247	15,083
South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Lutheran Homes of South Carolina, Inc.), 5.125%, 5/01/2048	105,000	108,014
South Carolina Public Service Authority Rev., A, 5.125%, 12/01/2043	525,000	609,194
South Carolina Public Service Authority Rev., B, 5.125%, 12/01/2043	1,300,000	1,508,481
		\$ 4,341,331
South Dakota - 0.2%		
South Dakota Health & Educational Facilities Authority Rev. (Sanford Obligated Group), B, 5%, 11/01/2034	\$ 420,000	\$ 479,993

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Tennessee - 6.5%		
Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A, 5.25%, 1/01/2045	\$ 1,710,000	\$ 1,905,710
Hardeman County, TN, Correctional Facilities Rev., 7.75%, 8/01/2017	270,000	269,981
Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), 6%, 7/01/2038	365,000	409,070
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Mehary Medical College), AMBAC, 6%, 12/01/2016	195,000	195,466
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Vanderbilt University Medical Center), A, 5%, 7/01/2035	395,000	463,382
Rutherford County, TN, Health & Educational Facilities Board Rev. (Ascension Health), 5%, 11/15/2040 (u)	12,500,000	13,891,375
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2022	510,000	599,592
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2023	80,000	95,680
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2024	560,000	671,121
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/2026	905,000	1,109,240
Tennessee Energy Acquisition Corp., Gas Rev., C, 5%, 2/01/2025	450,000	528,980
		\$ 20,139,597
Texas - 10.5%		
Arlington, TX, Higher Education Finance Corp. Education Rev. (Newman International Academy), A, 5.375%, 8/15/2036	\$ 90,000	\$ 90,264
Arlington, TX, Higher Education Finance Corp. Education Rev. (Newman International Academy), A, 5.5%, 8/15/2046	385,000	383,914
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2017	215,000	216,292
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2020	170,000	170,768
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/2024	330,000	331,627
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5%, 1/01/2034	290,000	291,076
Bell County, TX, Health Facility Development Corp. (Advanced Living Technologies, Inc.), 8%, 12/15/2036 (a)(d)	3,400,000	34
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), A, 5.95%, 5/15/2033	2,000,000	2,159,060
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 5/15/2033	75,000	77,612
Cass County, TX, Industrial Development Corp. (International Paper Co.), A, 4.625%, 3/01/2027	2,150,000	2,157,267

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Texas - continued		
Central Texas Regional Mobility Authority Senior Lien Rev., A, 5%, 1/01/2045	\$ 175,000	\$ 196,697
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/2033	170,000	203,414
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 8/15/2041	130,000	145,339
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5%, 8/15/2042	915,000	1,012,054
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/2043	275,000	329,051
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.125%, 12/01/2040	570,000	644,277
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.25%, 12/01/2045	350,000	396,564
Dallas and Fort Worth, TX, International Airport Rev., B, 5%, 11/01/2044	720,000	828,367
Dallas and Fort Worth, TX, International Airport Rev., C, 5%, 11/01/2045	1,515,000	1,720,707
Decatur Hospital Authority Rev. (Wise Regional Health System), A, 5.25%, 9/01/2044	245,000	261,535
Gregg County, TX, Health Facilities Development Corp. Hospital Rev., (Good Shepherd Obligated Group), A, FRN, 4.269%, 10/01/2029 (Put Date 3/01/2017)	710,000	711,122
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 4.875%, 5/01/2025	405,000	426,153
Gulf Coast, TX, Industrial Development Authority Rev. (Microgy Holdings Project), 7%, 12/01/2036 (a)(d)	224,775	1,124
Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D, 5.625%, 11/15/2032	510,000	558,195
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7.25%, 12/01/2035 (Prerefunded 12/01/2018)	610,000	689,672
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2031	205,000	235,988
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2032	30,000	34,373
Harris County-Houston, TX, Sports Authority Rev., C, 5%, 11/15/2033	75,000	85,643
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, 0%, 11/15/2038	1,205,000	464,238
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/2041	125,000	44,324
Harris County-Houston, TX, Sports Authority Rev., Capital Appreciation, A, AGM, 0%, 11/15/2046	315,000	86,505

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Texas - continued		
Houston, TX, Airport System Rev., B, 5%, 7/01/2026	\$ 265,000	\$ 306,067
Houston, TX, Airport System Rev., Special Facilities Rev. (Continental Airlines, Inc.), 6.625%, 7/15/2038	470,000	540,552
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.5%, 7/01/2020	325,000	349,970
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.75%, 7/01/2024	700,000	789,964
Houston, TX, Airport System Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 5%, 7/01/2029	1,455,000	1,625,977
Houston, TX, Airport System Rev., Subordinate Lien, A, 5%, 7/01/2031	250,000	278,348
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 3/01/2023	90,000	90,096
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A, 6.25%, 8/15/2039 (Prerefunded 8/15/2019)	365,000	416,538
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2/15/2037 (Prerefunded 2/15/2017)	110,000	111,514
Matagorda County, TX, Pollution Control Rev. (Central Power & Light Co.), A, 6.3%, 11/01/2029	525,000	586,955
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (Carillon Lifecare Community Project), 5%, 7/01/2036	105,000	109,516
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (Carillon Lifecare Community Project), 5%, 7/01/2046	165,000	169,019
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5%, 11/15/2026	25,000	25,735
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.375%, 11/15/2036	40,000	40,138
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.5%, 11/15/2046	80,000	80,243
New Hope, TX, Cultural Education Facilities Finance Corp., Retirement Facility Rev. (MRC Senior Living - The Langford Project), A, 5.5%, 11/15/2052	90,000	89,161
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2031	30,000	34,837
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 4%, 7/01/2036	135,000	140,265
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2046	275,000	307,612

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Texas - continued		
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), A-1, 5%, 7/01/2051	\$ 275,000	\$ 306,840
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4%, 7/01/2031	65,000	66,570
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4.25%, 7/01/2036	95,000	97,575
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 5%, 7/01/2046	250,000	276,413
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (Cardinal Bay, Inc. - Village on the Park/Carriage Inn Project), B, 4.75%, 7/01/2051	215,000	226,356
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2031	60,000	67,256
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2036	35,000	38,789
New Hope, TX, Cultural Education Facilities Finance Corp., Senior Living Rev. (MRC Crestview Project), 5%, 11/15/2046	110,000	120,855
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2030	50,000	55,349
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2035	45,000	48,959
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (CHF - Collegiate Housing Stephenville III, L.L.C. - Tarleton State University Project), 5%, 4/01/2047	120,000	129,122
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2031	35,000	38,972
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2036	40,000	43,802
New Hope, TX, Cultural Education Facilities Finance Corp., Student Housing Rev. (Collegiate Housing Corpus Christi II LLC - Texas A&M University - Corpus Christi Project), 5%, 4/01/2048	65,000	70,375
Newark, TX, Higher Education Finance Corp. Authority Rev. (A+ Charter Schools, Inc.), A, 5.5%, 8/15/2035	175,000	182,921
Newark, TX, Higher Education Finance Corp. Authority Rev. (A+ Charter Schools, Inc.), A, 5.75%, 8/15/2045	110,000	116,120

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Texas - continued		
North Texas Education Finance Corp., Education Rev. (Uplift Education), A, 5.125%, 12/01/2042	\$ 275,000	\$ 299,954
North Texas Tollway Authority Rev., 6%, 1/01/2038	1,505,000	1,764,206
North Texas Tollway Authority Rev. (Special Projects System), D, 5%, 9/01/2031	1,110,000	1,283,904
Red River, TX, Education Finance Corp., Higher Education Rev. (St. Edwards University Project), 4%, 6/01/2041	80,000	84,432
Red River, TX, Education Finance Corp., Higher Education Rev. (St. Edwards University Project), 5%, 6/01/2046	95,000	108,174
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 7.5%, 11/15/2034	195,000	228,292
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 7.75%, 11/15/2044	360,000	423,457
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A, 8%, 11/15/2049	265,000	315,464
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 5.125%, 5/15/2027	105,000	107,437
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 6.125%, 11/15/2029	115,000	131,758
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 5.125%, 5/15/2037	100,000	102,321
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Air Force Village Obligated Group Project), 6.375%, 11/15/2044	780,000	899,465
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/2035	105,000	116,511
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Barton Creek Senior Living Center, Inc., Querencia Project), 5%, 11/15/2040	120,000	132,766
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Buckingham Senior Living Community, Inc. Project), 3.875%, 11/15/2020	325,000	327,158
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Stayton at Museum Way), 8.25%, 11/15/2044	1,500,000	1,610,040
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Trinity Terrace Project), A-1, 5%, 10/01/2044	110,000	122,365

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Texas - continued		
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility Rev. (Trinity Terrace Project), A-1, 5%, 10/01/2049	\$ 60,000	\$ 66,484
Texas Gas Acquisition & Supply Corp III., Gas Supply Rev., 5%, 12/15/2031	240,000	268,937
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 7%, 12/31/2038	280,000	346,377
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 6.75%, 6/30/2043	225,000	274,592
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 11/01/2030 (Prerefunded 11/01/2020)	195,000	239,384
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 11/01/2040	370,000	456,018
Travis County, TX, Health Facilities Development Corp. Rev., Unrefunded Balance, (Westminster Manor Health), 7%, 11/01/2030	50,000	58,162
		\$ 32,699,695
Utah - 1.5%		
Salt Lake City, UT, Hospital Authority Rev. (Intermountain Health Care), ETM, FRN, AMBAC, 12.896%, 5/15/2020 (p)	\$ 600,000	\$ 604,686
Utah Charter School Finance Authority, Charter School Rev. (Early Light Academy Project), 8.25%, 7/15/2035	760,000	834,465
Utah Charter School Finance Authority, Charter School Rev. (Hawthorn Academy Project), 8.25%, 7/15/2035 (Prerefunded 7/15/2018)	815,000	916,688
Utah Charter School Finance Authority, Charter School Rev. (Reagan Academy Project), 5%, 2/15/2046	150,000	155,640
Utah Charter School Finance Authority, Charter School Rev. (Reagan Academy Project), 5%, 2/15/2036	100,000	104,917
Utah Charter School Finance Authority, Charter School Rev. (Spectrum Academy), 5%, 4/15/2030	105,000	107,200
Utah Charter School Finance Authority, Charter School Rev. (Spectrum Academy), 6%, 4/15/2045	180,000	189,666
Utah County, UT, Charter School Rev. (Renaissance Academy), A, 5.625%, 7/15/2037	495,000	497,079
Utah County, UT, Charter School Rev. (Ronald Wilson Reagan Academy), A, 6%, 2/15/2038	1,255,000	1,335,558
		\$ 4,745,899

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Vermont - 0.2%		
Burlington, VT, Airport Rev., A, 4%, 7/01/2028	\$ 235,000	\$ 246,033
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/2024	15,000	17,610
Burlington, VT, Airport Rev., A, AGM, 5%, 7/01/2030	30,000	34,469
Vermont Economic Development Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 4.75%, 4/01/2036 (Put Date 4/02/2018)	335,000	334,766
		\$ 632,878
Virginia - 1.3%		
Embrey Mill Community Development Authority, VA, Special Assessment Rev., 7.25%, 3/01/2043	\$ 790,000	\$ 855,689
Fairfax County, VA, Industrial Development Authority Health Care Rev. (Inova Health System Project), A, 5%, 5/15/2030	350,000	430,521
Fairfax County, VA, Industrial Development Authority Health Care Rev. (Inova Health System Project), A, 5%, 5/15/2031	100,000	122,335
James City County, VA, Economic Development Authority, Residential Care Facilities Rev. (Virginia United Methodist Homes of Williamsburg), A, 2%, 10/01/2048	196,784	9,190
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5%, 1/01/2046	130,000	134,484
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), 5.375%, 1/01/2046	315,000	334,196
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 1/01/2037	765,000	890,590
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 1/01/2042	1,225,000	1,374,352
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), 6.25%, 3/01/2019 (a)(d)	1,798,697	180
West Point, VA, Industrial Development Authority, Solid Waste Disposal Rev. (Chesapeake Corp.), A, 6.375%, 3/01/2019 (a)(d)	673,309	67
		\$ 4,151,604
Washington - 2.7%		
King County, WA, Sewer Rev., 5%, 1/01/2040 (Prerefunded 7/01/2020)	\$ 1,865,000	\$ 2,124,944
King County, WA, Sewer Rev., 5%, 1/01/2040	885,000	986,200
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D, 6.375%, 10/01/2036	1,500,000	1,634,340
Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A, 6.25%, 8/15/2042	1,400,000	1,451,016
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 10/01/2034	540,000	593,984

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Washington - continued		
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2036	\$ 140,000	\$ 156,324
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2046	225,000	249,521
Washington Housing Finance Commission Nonprofit Housing Rev. (Presbyterian Retirement Communities Northwest Projects), A, 5%, 1/01/2051	260,000	286,777
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/2045	180,000	192,195
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), A, 7%, 7/01/2050	165,000	175,034
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-1, 5.5%, 1/01/2024	140,000	140,798
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-2, 4.875%, 1/01/2022	240,000	240,360
Washington Housing Finance Community Nonprofit Housing Rev. (Heron s Key Senior Living), B-3, 4.375%, 1/01/2021	240,000	241,788
		\$ 8,473,281
West Virginia - 0.5%		
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/2029	\$ 75,000	\$ 88,471
Monongalia County, WV, Building Commission Improvement Rev. (Monongalia Health System Obligated Group), 5%, 7/01/2030	150,000	175,989
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 6/01/2034	235,000	241,975
West Virginia Hospital Finance Authority Hospital Rev. (Thomas Health System), 6.5%, 10/01/2038	905,000	948,521
		\$ 1,454,956
Wisconsin - 2.4%		
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/2026	\$ 320,000	\$ 364,090
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/2028	95,000	107,015
Wisconsin Health & Educational Facilities Authority Rev. (St. John s Community, Inc.), B, 5%, 9/15/2037	35,000	37,744
Wisconsin Health & Educational Facilities Authority Rev. (St. John s Community, Inc.), B, 5%, 9/15/2045	60,000	64,375
Wisconsin Public Finance Authority Education Rev. (North Carolina Charter), A, 5%, 6/15/2036	280,000	279,636

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Wisconsin - continued		
Wisconsin Public Finance Authority Education Rev. (North Carolina Charter), A, 5%, 6/15/2046	\$ 375,000	\$ 368,843
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 4%, 9/01/2020	80,000	83,999
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2025	65,000	72,665
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2030	105,000	113,388
Wisconsin Public Finance Authority Healthcare Facility (Church Home of Hartford, Inc. Project), A, 5%, 9/01/2038	150,000	158,856
Wisconsin Public Finance Authority Rev. (Celanese Corp.), B, 5%, 12/01/2025	325,000	373,968
Wisconsin Public Finance Authority Rev. (Roseman University of Health Sciences Project), 5.75%, 4/01/2035	355,000	377,099
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.125%, 11/15/2029	260,000	280,353
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.5%, 11/15/2034	240,000	262,810
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 5.75%, 11/15/2044	225,000	247,775
Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A, 6%, 11/15/2049	265,000	296,111
Wisconsin Public Finance Authority Student Housing Rev., (Western Carolina University Project), 5.25%, 7/01/2047	345,000	381,894
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/2022	230,000	253,106
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5.25%, 7/01/2028	560,000	618,890
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/2042	2,560,000	2,707,814
		\$ 7,450,431
Total Municipal Bonds (Identified Cost, \$393,474,744)		\$ 422,969,747
Money Market Funds - 0.6%		
MFS Institutional Money Market Portfolio, 0.44% (v) (Identified Cost, \$2,074,963)	2,074,946	\$ 2,074,946
Total Investments (Identified Cost, \$395,549,707)		\$ 425,044,693
Other Assets, Less Liabilities - (0.4)%		
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715 (issued by the fund) - (36.6)%		(113,664,285)
Net assets applicable to common shares - 100.0%		\$ 310,150,110

Table of Contents*Portfolio of Investments continued*

- (a) Non-income producing security.
 (d) In default.
 (n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$5,606,527 representing 1.8% of net assets applicable to common shares.
 (p) Primary inverse floater.
 (q) Interest received was less than stated coupon rate.
 (u) Underlying security deposited into special purpose trust (the trust) upon creation of self-deposited inverse floaters.
 (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
 The following abbreviations are used in this report and are defined:

ARPS	Auction Rate Preferred Shares
COP	Certificate of Participation
ETM	Escrowed to Maturity
FRN	Floating Rate Note. Interest rate resets periodically and the current rate may not be the rate reported at period end.
VMTPS	Variable Rate Municipal Term Preferred Shares

Insurers

AGM	Assured Guaranty Municipal
AMBAC	AMBAC Indemnity Corp.
ASSD GTY	Assured Guaranty Insurance Co.
BAM	Build America Mutual
CALHF	California Health Facility Construction Loan Insurance Program
FHLMC	Federal Home Loan Mortgage Corp.
GNMA	Government National Mortgage Assn.
NATL	National Public Finance Guarantee Corp.
SYNCORA	Syncora Guarantee Inc.

Derivative Contracts at 10/31/16**Futures Contracts at 10/31/16**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivative					
Interest Rate Futures					
U.S. Treasury Bond 30 yr (Short)	USD	53	\$8,624,094	December - 2016	\$427,532

At October 31, 2016, the fund had cash collateral of \$198,750 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Deposits with brokers on the Statement of Assets and Liabilities.

See Notes to Financial Statements

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

At 10/31/16

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

Assets	
Investments	
Non-affiliated issuers, at value (identified cost, \$393,474,744)	\$422,969,747
Underlying affiliated funds, at value (identified cost, \$2,074,963)	2,074,946
Total investments, at value (identified cost, \$395,549,707)	\$425,044,693
Deposits with brokers	198,750
Receivables for	
Investments sold	659,099
Interest	6,857,132
Other assets	6,684
Total assets	\$432,766,358
Liabilities	
Payables for	
Distributions on common shares	\$70,268
Daily variation margin on open futures contracts	28,156
Investments purchased	2,039,341
Interest expense and fees	218,192
Payable to the holders of the floating rate certificates from trust assets	6,420,875
Payable to affiliates	
Investment adviser	33,261
Transfer agent and dividend disbursing costs	1,249
Payable for independent Trustees' compensation	21,858
Accrued expenses and other liabilities	118,763
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715	113,664,285
Total liabilities	\$122,616,248
Net assets applicable to common shares	\$310,150,110
Net assets consist of	
Paid-in capital - common shares	\$297,108,249
Unrealized appreciation (depreciation) on investments	29,922,518
Accumulated net realized gain (loss) on investments	(19,454,887)
Undistributed net investment income	2,574,230
Net assets applicable to common shares	\$310,150,110
VMTPS, at liquidation value of \$113,750,000 net of unamortized debt issuance costs of \$85,715 (4,550 shares of Series 2019/3 issued and outstanding at \$25,000 per share)	113,664,285
Net assets including preferred shares	\$423,814,395
Common shares of beneficial interest issued and outstanding	41,187,631
Net asset value per common share (net assets of \$310,150,110 / 41,187,631 shares of beneficial interest outstanding)	\$7.53

See Notes to Financial Statements

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

Year ended 10/31/16

This statement describes how much your fund earned in investment income and accrued in expenses. It also describes any gains and/or losses generated by fund operations.

Net investment income	
Income	
Interest	\$22,031,602
Dividends from underlying affiliated funds	10,754
Total investment income	\$22,042,356
Expenses	
Management fee	\$3,014,676
Transfer agent and dividend disbursing costs	45,505
Administrative services fee	75,631
Independent Trustees compensation	44,118
ARPS service fee	3,501
Custodian fee	31,060
Shareholder communications	44,025
Audit and tax fees	78,150
Legal fees	19,369
ARPS redemption costs	17,728
Amortization of VMTPS offering costs	78,325
Interest expense and fees	1,732,166
Stock exchange fee	40,106
Miscellaneous	100,693
Total expenses	\$5,325,053
Net investment income	\$16,717,303
Realized and unrealized gain (loss) on investments	
Realized gain (loss) (identified cost basis)	
Investments:	
Non-affiliated issuers	\$1,046,107
Futures contracts	(1,131,512)
Net realized gain (loss) on investments	\$(85,405)
Change in unrealized appreciation (depreciation)	
Investments	\$5,986,046
Futures contracts	502,249
Net unrealized gain (loss) on investments	\$6,488,295
Net realized and unrealized gain (loss) on investments	\$6,402,890
Distributions declared to shareholders of ARPS	\$(13,145)
Change in net assets from operations	\$23,107,048
See Notes to Financial Statements	

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

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

	Years ended 10/31	
	2016	2015
Change in net assets		
From operations		
Net investment income	\$16,717,303	\$17,225,841
Net realized gain (loss) on investments	(85,405)	1,985,866
Net unrealized gain (loss) on investments	6,488,295	(2,646,845)
Distributions declared to shareholders of ARPS	(13,145)	(9,570)
Change in net assets from operations	\$23,107,048	\$16,555,292
Distributions declared to common shareholders		
From net investment income	\$(15,692,489)	\$(16,186,741)
Total change in net assets	\$7,414,559	\$368,551
Net assets applicable to common shares		
At beginning of period	302,735,551	302,367,000
At end of period (including undistributed net investment income of \$2,574,230 and \$2,509,958, respectively)	\$310,150,110	\$302,735,551
See Notes to Financial Statements		

Table of Contents*Financial Statements***STATEMENT OF CASH FLOWS**

Year ended 10/31/16

This statement provides a summary of cash flows from investment activity for the fund.

Cash flows from operating activities:	
Change in net assets from operations	\$23,107,048
Distributions to shareholders of ARPS	13,145
Change in net assets from operations excluding distributions declared to shareholders of ARPS	\$23,120,193
Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(64,900,837)
Proceeds from disposition of investment securities	63,947,894
Proceeds from disposition of short-term investments, net	580,505
Realized gain/loss on investments	(1,046,107)
Unrealized appreciation/depreciation on investments	(5,986,046)
Net amortization/accretion of income	(422,162)
Amortization of VMTPS offering costs	78,325
Decrease in interest receivable	49,710
Increase in accrued expenses and other liabilities	16,074
Decrease in payable for daily variation margin on open futures contracts	(3,313)
Increase in deposits with broker	(18,550)
Decrease in other assets	1
Increase in payable for interest expense and fees	85,355
Net cash provided by operating activities	\$15,501,042
Cash flows from financing activities:	
Payment of VMTPS offering costs	(107,313)
Cash receipts from issuance of Series 2019 VMTPS, at liquidation value	113,750,000
Cash payments to repurchase Series 2016 VMTPS	(106,475,000)
Cash payments to redeem ARPS	(7,275,000)
Cash distributions paid on common shares	(15,701,475)
Cash distributions paid on ARPS	(13,227)
Net cash used by financing activities	\$(15,822,015)
Net decrease in cash	\$(320,973)
Cash:	
Beginning of period	\$320,973
End of period	\$
Supplemental disclosure of cash flow information:	

Cash paid during the year ended October 31, 2016 for interest was \$1,646,811.

See Notes to Financial Statements

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

The financial highlights table is intended to help you understand the fund's financial performance for the past 5 years. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund share class (assuming reinvestment of all distributions) held for the entire period.

Common Shares	Years ended 10/31				
	2016	2015	2014	2013	2012
Net asset value, beginning of period	\$7.35	\$7.34	\$6.70	\$7.49	\$6.62
Income (loss) from investment operations					
Net investment income (d)	\$0.41	\$0.42	\$0.41	\$0.43	\$0.47
Net realized and unrealized gain (loss) on investments	0.15	(0.02)	0.64	(0.78)	0.77
Distributions declared to shareholders of ARPS	(0.00)(w)	(0.00)(w)	(0.00)(w)	(0.00)(w)	(0.01)
Total from investment operations	\$0.56	\$0.40	\$1.05	\$(0.35)	\$1.23
Less distributions declared to common shareholders					
From net investment income	\$(0.38)	\$(0.39)	\$(0.41)	\$(0.44)	\$(0.49)
Net increase resulting from tender and repurchase of ARPS	\$	\$	\$	\$	\$0.13
Net asset value, end of period (x)	\$7.53	\$7.35	\$7.34	\$6.70	\$7.49
Market value, end of period	\$6.88	\$6.53	\$6.53	\$6.28	\$7.81
Total return at market value (%) (p)	11.08	6.15	10.74	(14.31)	21.52
Total return at net asset value (%) (j)(r)(s)(x)	8.02	6.30	16.68	(4.67)	20.94(y)
Ratios (%) (to average net assets applicable to common shares) and Supplemental data:					
Expenses before expense reductions (f)(p)	1.71	1.65	1.74	1.73	1.42
Expenses after expense reductions (f)(p)	N/A	N/A	1.73	1.73	1.42
Net investment income (p)	5.38	5.69	5.85	6.02	6.70
Portfolio turnover	14	15	14	22	22
Net assets at end of period (000 omitted)	\$310,150	\$302,736	\$302,367	\$275,950	\$308,011
Supplemental Ratios (%):					
Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p)	1.15	1.17	1.21	1.20	1.25
Ratio of expenses to average net assets applicable to common shares, ARPS, and VMTPS after expense reductions and excluding interest expense and fees (f)(l)(p)	0.84	0.85	0.87	0.87	0.89
Net investment income available to common shares	5.37	5.68	5.85	6.02	6.62

Table of Contents*Financial Highlights continued*

	Years ended 10/31				
	2016	2015	2014	2013	2012
Senior Securities:					
ARPS		291	291	291	291
VMTPS	4,550	4,259	4,259	4,259	4,259
Total preferred shares outstanding	4,550	4,550	4,550	4,550	4,550
Asset coverage per preferred share (k)	\$93,146	\$91,535	\$91,454	\$85,648	\$92,695
Involuntary liquidation preference per preferred share (m)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Average market value per preferred share (m)(u)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including liquidation preference of ARPS and VMTPS) from the fund's total assets and dividing this number by the total number of preferred shares outstanding.
- (l) Interest expense and fees relate to payments made to the holders of the floating rate certificates from trust assets and interest expense paid to shareholders of VMTPS. For the year ended October 31, 2012, the expense ratio also excludes fees and expenses related to the tender and repurchase of a portion of the fund's ARPS. For the year ended October 31, 2016, the expense ratio also excludes fees and expenses related to redemption of the fund's ARPS.
- (m) Amount excludes accrued unpaid distributions on ARPS and accrued interest on VMTPS.
- (p) Ratio excludes dividend payments on ARPS.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (u) Average market value represents the approximate fair value of each of the fund's ARPS and VMTPS.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values and total returns at net asset value have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.
- (y) Included in the total return at net asset value for the year ended October 31, 2012 is the impact of the tender and repurchase by the fund of a portion of its ARPS at 95% of the ARPS per share liquidation preference. Had this transaction not occurred, the total return at net asset value for the year ended October 31, 2012 would have been lower by 1.70%.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS Municipal Income Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a diversified closed-end management investment company.

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

(2) Significant Accounting Policies

General The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests primarily in municipal instruments. The value of municipal instruments can be affected by changes in their actual or perceived credit quality. The credit quality of municipal instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer's future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region where the instrument is issued and the liquidity of the security. Municipal instruments generally trade in the over-the-counter market. Municipal instruments backed by current and anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal instrument has not complied with the applicable tax requirements, interest from the security could become taxable, the security could decline in value, and distributions made by the fund could be taxable to shareholders. The fund invests in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions.

In this reporting period, the fund adopted the accounting provisions of FASB Accounting Standards Update 2015-03 (ASU 2015-03), Interest Imputation of Interest (Topic 835-30) – Simplifying the Presentation of Debt Issuance Costs which resulted in a change in accounting principle. Under ASU 2015-03, debt issuance costs are required to be presented as a direct deduction from the carrying amount of the related debt liability. Prior to the fund's adoption of ASU 2015-03, debt issuance costs were deferred and presented as an asset.

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In October 2016, the Securities and Exchange Commission (SEC) released its Final Rule on Investment Company Reporting Modernization (the Rule). The Rule which introduces two new regulatory reporting forms for investment companies Form N-PORT and Form N-CEN also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impacts of the Rule, management believes that many of the Regulation S-X amendments are consistent with the fund's current financial statement presentation and expects that the fund will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

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

Investment Valuations Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is

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principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts. The following is a summary of the levels used as of October 31, 2016 in valuing the fund's assets or liabilities:

Investments at Value	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$	\$422,969,747	\$	\$422,969,747
Mutual Funds	2,074,946			2,074,946
Total Investments	\$2,074,946	\$422,969,747	\$	\$425,044,693

Other Financial Instruments

Futures Contracts	\$427,532	\$	\$	\$427,532
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For further information regarding security characteristics, see the Portfolio of Investments.

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

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

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at October 31, 2016 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value (a) Asset Derivatives
Interest Rate	Interest Rate Futures	\$427,532

(a) The value of futures contracts includes cumulative appreciation (depreciation) as reported in the fund's Portfolio of Investments. Only the current day net variation margin for futures contracts is separately reported within the fund's Statement of Assets and Liabilities.

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended October 31, 2016 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$(1,131,512)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended October 31, 2016 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$502,249

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

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the clearing broker and the clearing house for cleared derivatives (e.g., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for uncleared derivatives (e.g., forward foreign currency exchange contracts, uncleared swap agreements, and uncleared options). For derivatives traded under an ISDA Master Agreement, which contains a collateral support annex, the collateral requirements are netted across all transactions traded under such agreement.

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and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments. The fund may be required to make payments of interest on uncovered collateral or margin obligations with the broker. Any such payments are included in Miscellaneous expense in the Statement of Operations.

Futures Contracts The fund entered into futures contracts which may be used to hedge against or obtain broad market exposure, interest rate exposure, or to manage duration. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the notional amount of the contract. Subsequent payments (variation margin) are made or received by the fund each day, depending on the daily fluctuations in the value of the contract, and are recorded for financial statement purposes as unrealized gain or loss by the fund until the contract is closed or expires at which point the gain or loss on futures contracts is realized.

The fund bears the risk of interest rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

Inverse Floaters The fund invests in municipal inverse floating rate securities which are structured by the issuer (known as primary market inverse floating rate securities) or by the fund utilizing the fund's municipal bonds which have already been issued (known as self-deposited secondary market inverse floating rate securities) to have variable rates of interest which typically move in the opposite direction of short-term interest rates. A self-deposited secondary market inverse floating rate security is created when the fund transfers a fixed rate municipal bond to a special purpose trust, and causes the trust to (a) issue floating rate certificates to third parties, in an amount equal to a fraction of the par amount of the deposited bonds (these certificates usually pay tax-exempt interest at short-term interest rates that typically reset weekly; and the certificate holders typically, on seven days notice, have the option to tender their certificates to the trust or another party for redemption at par plus accrued interest), and (b) issue inverse floating rate certificates (sometimes referred to as inverse floaters) which are held by the fund. Such self-deposited inverse floaters held by the fund are accounted for as secured borrowings, with the municipal bonds reflected in the investments of the fund and amounts owed to the holders of the floating rate certificates under the provisions of the trust, which amounts are paid solely from the assets of the trust, reflected as liabilities of the fund in the Statement of Assets and

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Liabilities under the caption, Payable to the holders of the floating rate certificates from trust assets. The carrying value of the fund's payable to the holders of the floating rate certificates from trust assets as reported in the fund's Statement of Assets and Liabilities approximates its fair value. The value of the payable to the holders of the floating rate certificates from trust assets as of the reporting date is considered level 2 under the fair value hierarchy disclosure. At October 31, 2016, the fund's payable to the holders of the floating rate certificates from trust assets was \$6,420,875 and the weighted average interest rate on the floating rate certificates issued by the trust was 0.66%. For the year ended October 31, 2016, the average payable to the holders of the floating rate certificates from trust assets was \$6,304,844 at a weighted average interest rate of 0.35%. Interest expense and fees relate to interest payments made to the holders of certain floating rate certificates and associated fees, both of which are made from trust assets. Interest expense and fees are recorded as incurred. For the year ended October 31, 2016, interest expense and fees related to self-deposited inverse floaters amounted to \$54,521 and are included in Interest expense and fees in the Statement of Operations. Primary market inverse floaters held by the fund are not accounted for as secured borrowings.

Statement of Cash Flows Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and does not include any short-term investments.

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

Investment Transactions and Income Investment transactions are recorded on the trade date. Interest income is recorded on the accrual basis. All premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. Interest payments received in additional securities are recorded on the ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

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

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Legal fees and other related expenses incurred to preserve and protect the value of a security owned are added to the cost of the security; other legal fees are expensed. Capital infusions made directly to the security issuer, which are generally non-recurring, incurred to protect or enhance the value of high-yield debt securities, are reported as additions to the cost basis of the security. Costs that are incurred to negotiate the terms or conditions of capital infusions or that are expected to result in a plan of reorganization are reported as realized losses. Ongoing costs incurred to protect or enhance an investment, or costs incurred to pursue other claims or legal actions, are expensed.

Tax Matters and Distributions The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code, and to distribute all of its taxable and tax-exempt income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

Distributions to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future. Distributions in excess of net investment income or net realized gains are temporary overdistributions for financial statement purposes resulting from differences in the recognition or classification of income or distributions for financial statement and tax purposes.

Book/tax differences primarily relate to expiration of capital loss carryforwards, amortization and accretion of debt securities, derivative transactions, and non-deductible expenses that result from the treatment of VMTPS as equity for tax purposes.

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

	10/31/16	10/31/15
Ordinary income (including any short-term capital gains)	\$59,274	\$290,190
Tax-exempt income	17,323,635	17,292,596
Total distributions	\$17,382,909	\$17,582,786

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

As of 10/31/16	
Cost of investments	\$386,913,564
Gross appreciation	37,306,172
Gross depreciation	(5,595,918)
Net unrealized appreciation (depreciation)	\$31,710,254
Undistributed ordinary income	113,700
Undistributed tax-exempt income	2,926,321
Capital loss carryforwards	(21,242,623)
Other temporary differences	(465,791)

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

As of October 31, 2016, the fund had capital loss carryforwards available to offset future realized gains as follows:

Pre-enactment losses which expire as follows:	
10/31/17	\$(6,820,113)
10/31/18	(7,829,561)
10/31/19	(5,299,510)
Total	\$(19,949,184)
Post-enactment losses which are characterized as follows:	
Short-Term	\$(1,293,439)

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.40% of the fund's average weekly net assets (including the value of preferred shares) and 6.32% of gross income. Gross income is calculated based on tax elections that generally include the amortization of premium and exclude the accretion of discount, which may differ from investment income reported in the Statement of Operations. The management fee, from net assets and gross income, incurred for the year ended October 31, 2016 was equivalent to an annual effective rate of 0.71% of the fund's average daily net assets (including the value of preferred shares).

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, excluding interest, taxes, extraordinary expenses, brokerage and transaction costs and investment-related expenses (including interest expenses and fees

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associated with investments in inverse floating rate instruments), such that fund operating expenses do not exceed 0.90% annually of the fund's average daily net assets (including the value of preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until October 31, 2017. For the year ended October 31, 2016, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund's common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended October 31, 2016, these fees paid to MFSC amounted to \$14,069.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets (including the value of preferred shares). The administrative services fee incurred for the year ended October 31, 2016 was equivalent to an annual effective rate of 0.0178% of the fund's average daily net assets (including the value of preferred shares).

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

Prior to December 31, 2001, the fund had an unfunded defined benefit plan (DB plan) for independent Trustees. As of December 31, 2001, the Board took action to terminate the DB plan with respect to then-current and any future independent Trustees, such that the DB plan covers only certain of those former independent Trustees who retired on or before December 31, 2001. The DB plan resulted in a pension expense of \$6,229 and is included in Independent Trustees' compensation in the Statement of Operations for the year ended October 31, 2016. The liability for deferred retirement benefits payable to certain independent Trustees under the DB plan amounted to \$17,084 at October 31, 2016, and is included in Payable for independent Trustees' compensation in the Statement of Assets and Liabilities.

Other This fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. For the year ended October 31, 2016, the fee paid by the fund under this agreement was \$666 and is included in Miscellaneous expense in the Statement

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of Operations. MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ISO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks current income consistent with preservation of capital and liquidity. This money market fund does not pay a management fee to MFS.

(4) Portfolio Securities

For the year ended October 31, 2016, purchases and sales of investments, other than short-term obligations, aggregated \$60,017,426 and \$57,911,521, respectively.

(5) Shares of Beneficial Interest

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The fund reserves the right to repurchase shares of beneficial interest of the fund subject to Trustee approval. During the years ended October 31, 2016 and October 31, 2015, the fund did not repurchase any shares. During the years ended October 31, 2016 and October 31, 2015, there were no transactions in fund shares.

(6) Line of Credit

The fund and certain other funds managed by MFS participate in a \$1.25 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Overnight Federal Reserve funds rate or daily one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the Overnight Federal Reserve funds rate plus an agreed upon spread. For the year ended October 31, 2016, the fund's commitment fee and interest expense were \$1,684 and \$0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers

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

Underlying Affiliated Fund	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount
MFS Institutional Money Market Portfolio	2,655,468	56,520,446	(57,100,968)	2,074,946

Underlying Affiliated Fund	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	\$	\$	\$10,754	\$2,074,946

Table of Contents*Notes to Financial Statements continued***(8) Preferred Shares**

As of March 23, 2016, the fund had 4,259 shares issued and outstanding of Variable Rate Municipal Term Preferred Shares, series 2016/9 (Series 2016 VMTPS) and 157 shares issued and outstanding of Auction Rate Preferred Shares (ARPS), series T, and 134 shares of ARPS, series TH, each with a liquidation preference of \$25,000 per share. Subsequent to March 23, 2016, all shares of the Series 2016 VMTPS and the ARPS were redeemed using proceeds from the issuance of a new series of Variable Rate Municipal Term Preferred Shares as further described below.

The Series 2016 VMTPS were a variable rate form of preferred shares with a term redemption date of September 30, 2016 unless extended through negotiation with the private holders of the Series 2016 VMTPS. Dividends were set weekly to a fixed spread against the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. During the period November 1, 2015 through March 23, 2016, the Series 2016 VMTPS dividend rates ranged from 1.26% to 1.38%. For the period November 1, 2015 through March 23, 2016, the average dividend rate was 1.27%. Dividends paid to the Series 2016 VMTPS were treated as interest expense and recorded as incurred. For the period November 1, 2015 through March 23, 2016, interest expense related to the Series 2016 VMTPS amounted to \$535,953 and is included in Interest expense and fees in the Statement of Operations.

The ARPS were preferred shares whose dividends were reset every seven days through an auction process. During the time the ARPS were outstanding, if the ARPS were unable to be remarketed on a remarketing date as part of the auction process, the fund was required to pay the maximum applicable rate on the ARPS to holders of such shares for successive dividend periods until such time as the shares were successfully remarketed. The maximum rate on the ARPS rated aa3/AA- or better was equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate. Since February 2008, regularly scheduled auctions for the ARPS have failed. During the period the ARPS were outstanding, the ARPS dividend rates ranged from 0.13% to 0.59% for series T and from 0.13% to 0.53% for series TH. For the period the ARPS were outstanding, the average ARPS dividend rate was 0.38% for both series T and series TH.

The fund paid an annual service fee to broker-dealers with customers who were beneficial owners of the ARPS. The service fee was equivalent to 0.25% of the applicable ARPS liquidation value while the ARPS auctions were successful or to 0.15% or less, varying by broker-dealer, while the auctions were failing.

On March 24, 2016, the fund issued 4,550 shares of a new series of Variable Rate Municipal Term Preferred Shares (Series 2019 VMTPS) in a private offering with an aggregate liquidation preference of \$113,750,000. The fund used a portion of the proceeds from the sale of its Series 2019 VMTPS to fund the redemption on March 24, 2016 of all of its outstanding Series 2016 VMTPS and used the remaining portion of its Series 2019 VMTPS offering proceeds to fund the redemption of all of its outstanding ARPS. The redemption date for the fund's series T and series TH ARPS was April 25, 2016 and April 27, 2016, respectively. The ARPS were redeemed at their respective liquidation preferences of \$25,000 per share plus dividends owed through, but excluding, the applicable redemption dates. Taking into account its Series 2019 VMTPS

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issuance and the redemption of the outstanding Series 2016 VMTPS and the ARPS, the amount of the fund's assets attributable to preferred shares and related leverage remains unchanged.

The Series 2019 VMTPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends, but generally solely for the purpose of decreasing the leverage of the fund. The Series 2019 VMTPS are subject to a mandatory term redemption date of March 31, 2019 unless extended through negotiation with the private holders of the Series 2019 VMTPS. There is no assurance that the term of the Series 2019 VMTPS will be extended or that the Series 2019 VMTPS will be replaced with any other preferred shares or other form of leverage upon the redemption of the Series 2019 VMTPS. Six months prior to the term redemption date of the Series 2019 VMTPS, the fund is required to begin to segregate liquid assets with the fund's custodian to fund the redemption. Dividends on the Series 2019 VMTPS are cumulative and are set weekly to a fixed spread against the SIFMA Municipal Swap Index. During the period from issuance on March 24, 2016 through October 31, 2016, the Series 2019 VMTPS dividend rates ranged from 1.44% to 2.02%. For the period March 24, 2016 through October 31, 2016, the average dividend rate was 1.65%.

In the fund's Statement of Assets and Liabilities, the Series 2019 VMTPS aggregate liquidation preference is shown as a liability since they have a stated mandatory redemption date. Dividends paid to the Series 2019 VMTPS are treated as interest expense and recorded as incurred. For the period March 24, 2016 through October 31, 2016, interest expense related to the Series 2019 VMTPS amounted to \$1,141,322 and is included in Interest expense and fees in the Statement of Operations. Costs directly related to the issuance of the Series 2019 VMTPS are considered debt issuance costs. Debt issuance costs are presented as a direct deduction from the carrying amount of the related debt liability and are being amortized into interest expense over the life of the Series 2019 VMTPS. The period-end carrying value for the Series 2019 VMTPS in the fund's Statement of Assets and Liabilities is its liquidation value less any unamortized debt issuance costs, which approximates its fair value. Its fair value would be considered level 2 under the fair value hierarchy.

Under the terms of a purchase agreement between the fund and the investor in the Series 2019 VMTPS, the fund is subject to various investment restrictions that are substantially similar to those that were in place with respect to the Series 2016 VMTPS. These investment-related requirements are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies. In addition, the fund is subject to certain restrictions on its investments imposed by guidelines of the rating agencies that rate the Series 2019 VMTPS, which guidelines may be changed by the applicable rating agency, in its sole discretion, from time to time. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the fund by the Investment Company Act of 1940 (the 1940 Act).

The fund is required to maintain certain asset coverage with respect to the Series 2019 VMTPS as defined in the fund's governing documents and the 1940 Act. One of a number of asset coverage-related requirements is that the fund is not permitted to

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declare or pay common share dividends unless immediately thereafter the fund has a minimum asset coverage ratio of 200% with respect to the Series 2019 VMTPS after deducting the amount of such common share dividends.

The 1940 Act requires that the preferred shareholders of the fund, voting as a separate class, have the right to elect at least two trustees at all times, and elect a majority of the trustees at any time when dividends on the preferred shares are unpaid for two full years. Unless otherwise required by law or under the terms of the preferred shares, each preferred shareholder is entitled to one vote and preferred shareholders will vote together with common shareholders as a single class.

Leverage involves risks and special considerations for the fund's common shareholders. To the extent that investments are purchased by the fund with proceeds from the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. Changes in the value of the fund's portfolio will be borne entirely by the common shareholders. It is possible that the fund will be required to sell assets at a time when it may be disadvantageous to do so in order to redeem preferred shares to comply with asset coverage or other restrictions including those imposed by the 1940 Act and the rating agencies that rate the preferred shares. There is no assurance that the fund's leveraging strategy will be successful.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and the Shareholders of MFS Municipal Income Trust:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Municipal Income Trust (the Fund) as of October 31, 2016, 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 Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund 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 Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 October 31, 2016, by correspondence with the custodian and brokers; when 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, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS Municipal Income Trust as of October 31, 2016, 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

December 15, 2016

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(unaudited)

At the annual meeting of shareholders of MFS Municipal Income Trust, which was held on October 6, 2016, the following actions were taken:

Item 1: To elect the following individuals as Trustees, elected by the holders of common and preferred shares together:

Nominee	Number of Shares	
	For	Withheld Authority
Maureen R. Goldfarb	35,697,672.315	1,045,730.972
Robert J. Manning	35,667,170.315	1,076,232.972
Maryanne L. Roepke	35,664,353.092	1,079,050.195

Item 2: To elect the following individuals as Trustees, elected by the holders of preferred shares only:

Nominee	Number of Shares	
	For	Withheld Authority
John P. Kavanaugh	4,550	0
Laurie J. Thomsen	4,550	0

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The Trustees and Officers of the Trust, as of December 1, 2016, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

Name, Age	Position(s) Held	Trustee/Officer Since ^(b)	Term Expiring ^(l)	Principal Occupations During the Past Five Years	Other Directorships ^(j)
INTERESTED TRUSTEES					
Robert J. Manning ^(k) (age 53)	Trustee	February 2004	2019	Massachusetts Financial Services Company, Chairman, Co-Chief Executive Officer and Director	N/A
Robin A. Stelmach ^(k) (age 55)	Trustee and President	January 2014	2018	Massachusetts Financial Services Company, Executive Vice President and Chief Operating Officer	N/A
INDEPENDENT TRUSTEES					
David H. Gunning (age 74)	Trustee and Chair of Trustees	January 2004	2018	Private investor	Lincoln Electric Holdings, Inc., Director; Development Alternatives, Inc., Director/Non-Executive Chairman
Steven E. Buller (age 65)	Trustee	February 2014	2017	Chairman, Financial Accounting Standards Advisory Council (until 2015); Standing Advisory Group, Public Company Accounting Oversight Board, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014)	N/A
Robert E. Butler (age 75)	Trustee	January 2006	2018	Consultant investment company industry regulatory and compliance matters	N/A

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Name, Age	Position(s) Held	Trustee/Officer Since ^(h)	Term Expiring ⁽ⁱ⁾	Principal Occupations During the Past Five Years	Other Directorships ^(j)
Maureen R. Goldfarb (age 61)	Trustee	January 2009	2019	Private investor	N/A
William R. Gutow (age 75)	Trustee	December 1993	2017	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman (until 2014)	
Michael Hegarty (age 71)	Trustee	December 2004	2017	Private investor	Rouse Properties Inc., Director; Capmark Financial Group Inc., Director (until 2015)
John P. Kavanaugh (age 62)	Trustee	January 2009	2017	Private investor	N/A
Maryanne L. Roepke (age 60)	Trustee	May 2014	2019	American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014)	N/A
Laurie J. Thomsen (age 59)	Trustee	March 2005	2017	Private investor	The Travelers Companies, Director; Dycom Industries, Inc., Director
Robert W. Uek (age 75)	Trustee	January 2006	2017	Consultant to investment company industry	N/A
OFFICERS					
Christopher R. Bohane ^(k) (age 42)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Kino Clark ^(k) (age 48)	Assistant Treasurer	January 2012	N/A	Massachusetts Financial Services Company,	N/A
Kristin V. Collins ^(k) (age 43)	Assistant Secretary and Assistant Clerk	September 2015	N/A	Vice President Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A

Table of Contents*Trustees and Officers continued*

Name, Age	Position(s) Held	Trustee/Officer Since ^(b)	Term	Principal Occupations During	Other
	with Fund		Expiring ⁽¹⁾	the Past Five Years	Directorships ⁽¹⁾
Thomas H. Connors ^(k) (age 57)	Assistant Secretary and Assistant Clerk	September 2012	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012)	N/A
Ethan D. Corey ^(k) (age 53)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo ^(k) (age 48)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Brian E. Langenfeld ^(k) (age 43)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Susan A. Pereira ^(k) (age 46)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Kasey L. Phillips ^(k) (age 45)	Assistant Treasurer	September 2012	N/A	Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012)	N/A
Mark N. Polebaum ^(k) (age 64)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A

Table of Contents*Trustees and Officers continued*

Name, Age	Position(s) Held	Trustee/Officer Since ^(h)	Term Expiring ^(l)	Principal Occupations During the Past Five Years	Other Directorships ^(j)
Matthew A. Stowe ^(k) (age 42)	Assistant Secretary and Assistant Clerk	October 2014	N/A	Massachusetts Financial Services Company, Vice President and Assistant General Counsel	N/A
Frank L. Tarantino (age 72)	Independent Senior Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel ^(k) (age 46)	Assistant Secretary and Assistant Clerk	October 2007	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
Martin J. Wolin ^(k) (age 49)	Chief Compliance Officer	July 2015	N/A	Massachusetts Financial Services Company, Senior Vice President and Chief Compliance Officer (since July 2015); Mercer (financial service provider), Chief Risk and Compliance Officer, North America and Latin America (until June 2015)	N/A
James O. Yost ^(k) (age 56)	Deputy Treasurer	September 1990	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A

(h) Date first appointed to serve as Trustee/officer of an MFS Fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Mr. Manning served as Advisory Trustee. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds. Ms. Stelmach was appointed as President of the Funds as of October 1, 2014.

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

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

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

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Trustees and Officers continued

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

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

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of December 1, 2016, the Trustees served as board members of 138 funds within the MFS Family of Funds.

Investment Adviser

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

Portfolio Managers

Gary Lasman
Geoffrey Schechter

Custodian

State Street Bank and Trust Company
1 Lincoln Street
Boston, MA 02111-2900

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116

Table of Contents**BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested (independent) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2016 (contract review meetings) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Senior Officer, a senior officer appointed by and reporting to the independent Trustees.

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

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items:

- (i) information provided by Broadridge Financial Solutions, Inc. (Broadridge), an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2015 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe),
- (ii) information provided by Broadridge on the Fund s advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Broadridge (the Broadridge expense group),
- (iii) information provided by MFS on the advisory fees of portfolios of other clients of MFS, including institutional separate accounts and other clients,
- (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund,
- (v) information regarding MFS financial results and financial condition, including MFS and certain of its affiliates estimated profitability from services performed for the Fund and the MFS Funds as a whole, and compared to MFS institutional business,
- (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS,
- (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and
- (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel

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Board Review of Investment Advisory Agreement continued

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

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

Based on information provided by Broadridge and MFS, the Trustees reviewed the Fund's total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund's common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2015, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund's common shares ranked 3rd out of a total of 10 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 1st out of a total of 10 funds for the one-year period and 5th out of a total of 10 funds for the five-year period ended December 31, 2015. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to the Barclays Municipal Bond Index. The Fund outperformed the Barclays Municipal Bond Index for each of the one-, three-, and five-year periods ended December 31, 2015 (one-year: 6.8% total return for the Fund versus 3.3% total return for the benchmark; three-year: 5.9% total return for the Fund versus 3.2% total return for the benchmark; five-year: 9.9% total return for the Fund versus 5.3% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

In the course of their deliberations, the Trustees took into account information provided by MFS in connection with the contract review meetings, as well as during investment review meetings conducted with portfolio management personnel during the course of the year regarding the Fund's performance. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions

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Board Review of Investment Advisory Agreement continued

regarding the investment advisory agreement, that they were satisfied with MFS' responses and efforts relating to investment performance.

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

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

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

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

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

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

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Board Review of Investment Advisory Agreement continued

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

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

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

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2016.

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PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to header on the left hand column of the page), or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available by August 31 of each year without charge by visiting *mfs.com* (once you have selected Individual Investor as your role, click on Individual Investor Home in the top navigation and then select Learn More About Proxy Voting under the I want to header on the left hand column of the page), or by visiting the SEC's Web site at <http://www.sec.gov>.

QUARTERLY PORTFOLIO DISCLOSURE

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

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

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

FURTHER INFORMATION

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

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

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INFORMATION ABOUT FUND CONTRACTS AND LEGAL CLAIMS

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

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

FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2016 income tax forms in January 2017. The following information is provided pursuant to provisions of the Internal Revenue Code.

Of the dividends paid from net investment income during the fiscal year, 99.66% is designated as exempt interest dividends for federal income tax purposes. If the fund has earned income on private activity bonds, a portion of the dividends paid may be considered a tax preference item for purposes of computing a shareholder's alternative minimum tax.

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FACTS

WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?

Why?

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

What?

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

- Social Security number and account balances
- Account transactions and transaction history
- Checking account information and wire transfer instructions

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

How?

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

Reasons we can share your personal information	Does MFS share?	Can you limit this sharing?
For our everyday business purposes such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes	No	We don't share

information about your creditworthiness
For nonaffiliates to market to you

No

We don't share

Questions?

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

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Page 2

Who we are

Who is providing this notice? MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., and MFS Heritage Trust Company.

What we do

How does MFS protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.

How does MFS collect my personal information? We collect your personal information, for example, when you

open an account or provide account information

direct us to buy securities or direct us to sell your securities

make a wire transfer

Why can't I limit all sharing?

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

Federal law gives you the right to limit only

sharing for affiliates everyday business purposes information about your creditworthiness

affiliates from using your information to market to you

sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

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

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MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.

Nonaffiliates

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

MFS does not share with nonaffiliates so they can market to you.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

MFS doesn't jointly market.

Other important information

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

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CONTACT US

TRANSFER AGENT, REGISTRAR, AND

DIVIDEND DISBURSING AGENT

CALL

1-800-637-2304

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

WRITE

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **MFM**

Table of Contents**ITEM 2. CODE OF ETHICS.**

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

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

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**Items 4(a) through 4(d) and 4(g):**

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

For the fiscal years ended October 31, 2016 and 2015, audit fees billed to the Fund by Deloitte were as follows:

	Audit Fees	
	2016	2015
Fees billed by Deloitte:		
MFS Municipal Income Trust	59,104	59,104

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For the fiscal years ended October 31, 2016 and 2015, fees billed by Deloitte for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees ¹		Tax Fees ²		All Other Fees ³	
	2016	2015	2016	2015	2016	2015
Fees billed by Deloitte:						
To MFS Municipal Income Trust	10,000	10,000	7,423	7,423	0	436

	Audit-Related Fees ¹		Tax Fees ²		All Other Fees ³	
	2016	2015	2016	2015	2016	2015
Fees billed by Deloitte:						
To MFS and MFS Related Entities of MFS Municipal Income Trust [*]	0	628,289	0	0	5,000	5,000

	Aggregate Fees for Non-audit Services	
	2016	2015
Fees Billed by Deloitte:		
To MFS Municipal Income Trust, MFS and MFS Related Entities [#]	87,701	651,148

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

[#] This amount reflects the aggregate fees billed by Deloitte for non-audit services rendered to the Fund and for non-audit services rendered to MFS and the MFS Related Entities.

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

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

³ The fees included under **All Other Fees** are fees for products and services provided by Deloitte other than those reported under **Audit Fees**, **Audit-Related Fees** and **Tax Fees**, including fees for services related to review of internal controls and review of Rule 38a-1 compliance program.

Item 4(e)(1):

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

To the extent required by applicable law, pre-approval by the Audit Committee of the Board is needed for all audit and permissible non-audit services rendered to the Fund and all permissible non-audit services rendered to MFS or MFS Related Entities if the services relate directly to the operations and financial reporting of the Registrant. Pre-approval is

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currently on an engagement-by-engagement basis. In the event pre-approval of such services is necessary between regular meetings of the Audit Committee and it is not practical to wait to seek pre-approval at the next regular meeting of the Audit Committee, pre-approval of such services may be referred to the Chair of the Audit Committee for approval; provided that the Chair may not pre-approve any individual engagement for such services exceeding \$50,000 or multiple engagements for such services in the aggregate exceeding \$100,000 between such regular meetings of the Audit Committee. Any engagement pre-approved by the Chair between regular meetings of the Audit Committee shall be presented for ratification by the entire Audit Committee at its next regularly scheduled meeting.

Item 4(e)(2):

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

Item 4(f): Not applicable.

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

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

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

ITEM 6. SCHEDULE OF INVESTMENTS

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

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

MASSACHUSETTS FINANCIAL SERVICES COMPANY

PROXY VOTING POLICIES AND PROCEDURES

February 1, 2016

Massachusetts Financial Services Company, MFS Institutional Advisors, Inc., MFS International (UK) Limited, MFS Heritage Trust Company, MFS Investment Management (Canada) Limited, MFS Investment Management Company (Lux) S.à r.l., MFS International Singapore Pte. Ltd., MFS Investment Management K.K., and MFS other subsidiaries that perform discretionary investment management activities (collectively, MFS) have adopted proxy voting policies and procedures, as set forth below (MFS Proxy Voting Policies and Procedures), with respect to securities owned by the clients for which MFS serves as investment adviser and has the power to vote proxies, including the pooled investment vehicles sponsored by MFS (the MFS Funds). References to clients in these policies and procedures include the MFS Funds and other clients of MFS, such as funds organized offshore, sub-advised funds and separate account clients, to the extent these clients have delegated to MFS the responsibility to vote proxies on their behalf under the MFS Proxy Voting Policies and Procedures.

The MFS Proxy Voting Policies and Procedures include:

- A. Voting Guidelines;
- B. Administrative Procedures;
- C. Records Retention; and
- D. Reports.

A. VOTING GUIDELINES

1. General Policy: Potential Conflicts of Interest

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

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of

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its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

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

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

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

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

2. MFS Policy on Specific Issues **Election of Directors**

MFS believes that good governance should be based on a board with at least a simple majority of directors who are independent of management, and whose key committees (e.g., compensation, nominating, and audit committees) consist

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entirely of independent directors. While MFS generally supports the board's nominees in uncontested or non-contentious elections, we will not support a nominee to a board of a U.S. issuer (or issuer listed on a U.S. exchange) if, as a result of such nominee being elected to the board, the board would consist of a simple majority of members who are not independent or, alternatively, the compensation, nominating (including instances in which the full board serves as the compensation or nominating committee) or audit committees would include members who are not independent.

MFS will also not support a nominee to a board if we can determine that he or she attended less than 75% of the board and/or relevant committee meetings in the previous year without a valid reason stated in the proxy materials or other company communications. In addition, MFS may not support some or all nominees standing for re-election to a board if we can determine: (1) the board or its compensation committee has re-priced or exchanged underwater stock options since the last annual meeting of shareholders and without shareholder approval; (2) the board or relevant committee has not taken adequately responsive action to an issue that received majority support or opposition from shareholders; (3) the board has implemented a poison pill without shareholder approval since the last annual meeting and such poison pill is not on the subsequent shareholder meeting's agenda, (including those related to net-operating loss carry-forwards); (4) the board or relevant committee has failed to adequately oversee risk by allowing the hedging and/or significant pledging of company shares by executives; or (5) there are governance concerns with a director or issuer.

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

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

Majority Voting and Director Elections

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

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Classified Boards

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

Proxy Access

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company's proxy statement (Proxy Access) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. In our view, such qualifying shareholders should have the ability to nominate at least 2 directors. Companies should be mindful of imposing any undue impediments within its bylaws that may render Proxy Access impractical.

MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent's rationale for seeking Proxy Access.

Stock Plans

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

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

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

Shareholder Proposals on Executive Compensation

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

MFS generally opposes shareholder proposals that seek to set rigid restrictions on executive compensation as MFS believes that compensation committees should retain some flexibility to determine the appropriate pay package for executives. Although we support linking executive stock option grants to a company's performance, MFS also opposes shareholder proposals that mandate a link of performance-based pay to a specific metric. MFS generally supports reasonably crafted shareholder proposals that (i) require the issuer to adopt a policy to recover the portion of performance-based bonuses and awards paid to senior executives that were not earned based upon a significant negative restatement of earnings unless the company already has adopted a satisfactory policy on the matter, (ii) expressly prohibit the backdating of stock options, and (iii) prohibit the acceleration of vesting of equity awards upon a broad definition of a change-in-control (e.g.; single or modified single-trigger).

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Advisory Votes on Executive Compensation

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

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

Golden Parachutes

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

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

Anti-Takeover Measures

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

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

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

Proxy Contests

From time to time, a shareholder may express alternative points of view in terms of a company's strategy, capital allocation, or other issues. Such shareholder may also propose a slate of director nominees different than the slate of director nominees proposed by the company (a Proxy Contest). MFS will analyze Proxy Contests on a case-by-case basis, taking into consideration the track record and current recommended initiatives of both company management and the dissident shareholder(s). Like all of our proxy votes, MFS will support the slate of director nominees that we believe is in the best, long-term economic interest of our clients.

Reincorporation and Reorganization Proposals

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

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Issuance of Stock

There are many legitimate reasons for the issuance of stock. Nevertheless, as noted above under **Stock Plans**, when a stock option plan (either individually or when aggregated with other plans of the same company) would substantially dilute the existing equity (e.g. by approximately 10-15% as described above), MFS generally votes against the plan. In addition, MFS typically votes against proposals where management is asking for authorization to issue common or preferred stock with no reason stated (a **blank check**) because the unexplained authorization could work as a potential anti-takeover device. MFS may also vote against the authorization or issuance of common or preferred stock if MFS determines that the requested authorization is excessive or not warranted.

Repurchase Programs

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

Cumulative Voting

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

Written Consent and Special Meetings

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

Independent Auditors

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

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Other Business

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

Adjourn Shareholder Meeting

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

Environmental, Social and Governance (ESG) Issues

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

MFS generally supports proposals that seek to remove governance structures that insulate management from shareholders (*i.e.*, anti-takeover measures) or that seek to enhance shareholder rights. Many of these governance-related issues, including compensation issues, are outlined within the context of the above guidelines. In addition, MFS typically supports proposals that require an issuer to reimburse successful dissident shareholders (who are not seeking control of the company) for reasonable expenses that such dissident incurred in soliciting an alternative slate of director candidates. MFS also generally supports reasonably crafted shareholder proposals requesting increased disclosure around the company's use of collateral in derivatives trading. MFS typically supports proposals for an independent board chairperson. However, we may not support such proposals if we determine there to be an appropriate and effective counter-balancing leadership structure in place (e.g.; a strong, independent lead director with an appropriate level of powers and duties). For any governance-related proposal for which an explicit guideline is not provided above, MFS will consider such proposals on a case-by-case basis and will support such proposals if MFS believes that it is in the best long-term economic interest of the company's shareholders.

MFS generally supports proposals that request disclosure on the impact of environmental issues on the company's operations, sales, and capital investments. However, MFS may not support such proposals based on the facts and

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

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

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

Foreign Issuers

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

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

Some international markets have also adopted mandatory requirements for all companies to hold shareholder votes on executive compensation. MFS will vote against such proposals if MFS determines that a company's executive compensation practices are excessive, considering such factors as the specific market's best practices that seek to maintain appropriate pay-for-performance alignment and to create long-term shareholder value. We may alternatively submit an abstention vote on such proposals in circumstances where our executive compensation concerns are not as severe.

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

In accordance with local law or business practices, some foreign companies or custodians prevent the sale of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management

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consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

From time to time, governments may impose economic sanctions which may prohibit us from transacting business with certain companies or individuals. These sanctions may also prohibit the voting of proxies at certain companies or on certain individuals. In such instances, MFS will not vote at certain companies or on certain individuals if it determines that doing so is in violation of the sanctions.

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

B. ADMINISTRATIVE PROCEDURES

1. MFS Proxy Voting Committee

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

- a. Reviews these MFS Proxy Voting Policies and Procedures at least annually and recommends any amendments considered to be necessary or advisable;
- b. Determines whether any potential material conflict of interest exists with respect to instances in which MFS (i) seeks to override these MFS Proxy Voting Policies and Procedures; (ii) votes on ballot items not governed by these MFS Proxy Voting Policies and Procedures; (iii) evaluates an excessive executive compensation issue in relation to the election of directors; or (iv) requests a vote recommendation from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); and
- c. Considers special proxy issues as they may arise from time to time.

Table of Contents**2. *Potential Conflicts of Interest***

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

In cases where proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding these MFS Proxy Voting Policies and Procedures, (ii) matters presented for vote are not governed by these MFS Proxy Voting Policies and Procedures, (iii) MFS evaluates a potentially excessive executive compensation issue in relation to the election of directors or advisory pay or severance package vote, or (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); (collectively, Non-Standard Votes); the MFS Proxy Voting Committee will follow these procedures:

- a. Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the MFS Significant Distributor and Client List);
- b. If the name of the issuer does not appear on the MFS Significant Distributor and Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;
- c. If the name of the issuer appears on the MFS Significant Distributor and Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS clients, and not in MFS corporate interests; and

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

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

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

For instances where MFS is evaluating a director nominee who also serves as a director of the MFS Funds, then the MFS Proxy Voting Committee will adhere to the procedures described in section (d) above regardless of whether the portfolio company appears on our Significant Distributor and Client List.

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

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

3. Gathering Proxies

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the

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shares beneficially owned by MFS clients, usually to the client's proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer's explanation of the items to be voted upon.

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

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

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

4. Analyzing Proxies

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant further consideration or (iii)

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circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will utilize research from Glass Lewis to identify such issues. MFS analyzes such issues independently and does not necessarily vote with the ISS or Glass Lewis recommendations on these issues. MFS may also use other research tools in order to identify the circumstances described above. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

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

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

5. Voting Proxies

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

For those markets that utilize a record date to determine which shareholders are eligible to vote, MFS generally will vote all eligible shares pursuant to these guidelines regardless of whether all (or a portion of) the shares held by our clients have been sold prior to the meeting date.

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

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6. Securities Lending

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

7. Engagement

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

C. RECORDS RETENTION

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

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D. REPORTS

U.S. Registered MFS Funds

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

Other MFS Clients

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

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

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

Portfolio Manager	Primary Role	Since	Title and Five Year History
Gary Lasman	Portfolio Manager	2006	Investment Officer of MFS; employed in the investment area of MFS since 2002.
Geoffrey Schechter	Portfolio Manager	2004	Investment Officer of MFS; employed in the investment area of MFS since 1993.

Compensation

Portfolio manager compensation is reviewed annually. As of December 31, 2015, portfolio manager total cash compensation is a combination of base salary and performance bonus:

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

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

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

The quantitative portion is based on the pre-tax performance of assets managed by the portfolio manager over one-, three-, and five-year periods relative to peer group universes and/or indices (benchmarks). As of December 31, 2015, the following benchmarks were used to measure the following portfolio manager's performance for the Fund:

Fund	Portfolio Manager	Benchmark(s)
MFS Municipal Income Trust	Gary Lasman	Bloomberg Barclays Municipal Bond Index
	Geoffrey Schechter	Bloomberg Barclays Municipal Bond Index

Additional or different benchmarks, including versions and components of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Consideration is given to portfolio performance over one, three, and five years with emphasis placed on the longer periods. For portfolio managers who have served for more than five years, additional longer-term performance periods are also considered. For portfolio managers who have served for less than five years, performance periods are adjusted as appropriate.

The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management's assessment of overall portfolio manager contributions to investor relations and the investment process

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(distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

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

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

Ownership of Fund Shares

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund's portfolio manager(s) as of the Fund's fiscal year ended October 31, 2016. The following dollar ranges apply:

- N. None
- A. \$1 - \$10,000
- B. \$10,001 - \$50,000
- C. \$50,001 - \$100,000
- D. \$100,001 - \$500,000
- E. \$500,001 - \$1,000,000
- F. Over \$1,000,000

Name of Portfolio Manager	Dollar Range of Equity Securities in Fund
Gary Lasman	N
Geoffrey Schechter	N

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In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of October 31, 2016:

Name	Registered Investment Companies*		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets
Gary A. Lasman	4	\$ 4.9 billion	0	N/A	0	N/A
Geoffrey L. Schechter	12	\$ 15.8 billion	2	\$ 591.0 million	0	N/A

* Includes the Fund.

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

Potential Conflicts of Interest

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

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

When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed by MFS to be fair and equitable to each. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

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

Table of Contents**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS Municipal Income Trust**

Period	(a) Total number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs
11/01/15-11/30/15	0	N/A	0	4,118,763
12/01/15-12/31/15	0	N/A	0	4,118,763
1/01/16-1/31/16	0	N/A	0	4,118,763
2/01/16-2/28/16	0	N/A	0	4,118,763
3/01/16-3/31/16	0	N/A	0	4,118,763
4/01/16-4/30/16	0	N/A	0	4,118,763
5/01/16-5/31/16	0	N/A	0	4,118,763
6/01/16-6/30/16	0	N/A	0	4,118,763
7/01/16-7/31/16	0	N/A	0	4,118,763
8/01/16-8/31/16	0	N/A	0	4,118,763
9/01/16-9/30/16	0	N/A	0	4,118,763
10/01/16-10/31/16	0	N/A	0	4,118,763
Total	0		0	

Note: The Board approved procedures to repurchase shares and reviews the results periodically. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on October 1st of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (October 1 through the following September 30) to 10% of the Registrant's outstanding shares as of the first day of the plan year (October 1). The aggregate number of shares available for purchase for the October 1, 2016 plan year is 4,118,763.

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

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

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ITEM 11. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the Act)) as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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ITEM 12. EXHIBITS.

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Code of Ethics attached hereto.
 - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
 - (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons. Not applicable.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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Notice

A copy of the Amended and Restated Declaration of Trust of the Registrant is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

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SIGNATURES

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

Registrant MFS MUNICIPAL INCOME TRUST

By (Signature and Title)* ROBIN A. STELMACH
Robin A. Stelmach, President

Date: December 15, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* ROBIN A. STELMACH
Robin A. Stelmach, President
(Principal Executive Officer)

Date: December 15, 2016

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, Treasurer
(Principal Financial Officer
and Accounting Officer)

Date: December 15, 2016

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