

MFS HIGH INCOME MUNICIPAL TRUST

Form N-CSRS

August 03, 2012

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF**

**REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-5754

**MFS HIGH INCOME MUNICIPAL TRUST**

(Exact name of registrant as specified in charter)

**500 Boylston Street, Boston, Massachusetts 02116**

(Address of principal executive offices) (Zip code)

**Susan S. Newton**

**Massachusetts Financial Services Company**

**500 Boylston Street**

**Boston, Massachusetts 02116**

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: November 30

Date of reporting period: May 31, 2012

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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# MFS® High Income Municipal Trust

## SEMIANNUAL REPORT

*May 31, 2012*

CXE-SEM

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**MFS® HIGH INCOME MUNICIPAL TRUST**

New York Stock Exchange Symbol: **CXE**

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

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## LETTER FROM THE CHAIRMAN AND CEO

Dear Shareholders:

World financial markets remain a venue of uncertainty. The focus has shifted most recently to the eurozone, where policymakers are attempting to develop a plan that will help debt-laden countries and prevent their woes from spreading across the region. Volatility is likely to continue as investors test the resolve of European officials to make the tough decisions needed to solve the crisis.

The U.S. economy is experiencing a period of growth. However, markets have been jittery in reaction to events in Europe and ahead of the U.S. presidential election. Voters in the United States are watching the economy closely and waiting to see if Congress agrees to cut the budget and extend the Bush administration tax cuts. Failure to do so could ultimately send the U.S. economy back into recession.

Amid this global uncertainty, managing risk becomes a top priority for investors and their advisors. At MFS® our global research platform is designed to ensure the smooth functioning

of our investment process in all business climates. Through this integrated approach, our investment staff shares ideas and evaluates opportunities across geographies, across both fundamental and quantitative disciplines, and across companies' entire capital structure. We employ this uniquely collaborative approach to build better insights for our clients.

Additionally, we have a team of quantitative analysts that measures and assesses the risk profiles of our portfolios and securities on an ongoing basis. The chief investment risk officer, who oversees the team, reports directly to the firm's president and chief investment officer so that the risk associated with each portfolio can be assessed objectively and independently of the portfolio management team.

We, like our investors, are mindful of the many economic challenges faced at the local, national, and international levels. It is in times such as these that we want to emphasize the merits of maintaining a long-term view, adhering to basic investing principles such as asset allocation and diversification, and working closely with investment advisors to research and identify appropriate investment opportunities.

Respectfully,

**Robert J. Manning**

*Chairman and Chief Executive Officer*

*MFS Investment Management®*

*July 17, 2012*

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

**Table of Contents****PORTFOLIO COMPOSITION****Portfolio structure by market value****Top five industries reflecting equivalent exposure of derivative positions (i)**

Healthcare Revenue – Hospitals	22.6%
Healthcare Revenue – Long Term Care	10.8%
Water & Sewer Utility Revenue	6.7%
Universities – Colleges	6.1%
U.S. Treasury Securities (j)	(14.0)%

**Portfolio structure reflecting equivalent exposure of derivative positions (i)(j)****Composition including fixed income credit quality (a)(i)**

AAA	5.2%
AA	24.1%
A	16.6%
BBB	24.3%
BB	5.3%
B	5.8%
CCC	0.5%
CC (o)	0.0%
Not Rated (j)	3.0%
Cash & Other	15.2%

**Portfolio facts (i)**

Average Duration (d)	12.5
Average Effective Maturity (m)	19.6 yrs.

(a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures, which have not been rated by any rating agency. Cash & Other includes cash, other assets less liabilities, offsets to derivative positions, and short-term securities. The fund may not hold all of these instruments. The fund is not rated by these agencies.

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

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*Portfolio Composition continued*

- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.
  
  - (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (14.0)%, which reduce the fund's interest rate exposure but not its credit exposure.
  
  - (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
  
  - (o) Less than 0.1%.
- Percentages are based on net assets, including the value of auction preferred shares, as of 5/31/12.

The portfolio is actively managed and current holdings may be different.

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## PORTFOLIO MANAGERS PROFILES

Gary Lasman Investment Officer of MFS; employed in the investment management area of MFS since 2002. Portfolio Manager of the fund since June 2007.

Geoffrey Schechter Investment Officer of MFS; employed in the investment management area of MFS since 1993. Portfolio Manager of the fund since June 2007.

## OTHER NOTES

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value of underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation. As a result, the total return that is calculated based on the net asset value and New York Stock Exchange price can be different.

The fund's monthly distributions may include a return of capital to shareholders to the extent that distributions are in excess of the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations. Distributions that are treated for federal income tax purposes as a return of capital will reduce each shareholder's basis in his or her shares and, to the extent the return of capital exceeds such basis, will be treated as gain to the shareholder from a sale of shares. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase common and/or preferred shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.



**Table of Contents****PORTFOLIO OF INVESTMENTS**

5/31/12 (unaudited)

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

**Municipal Bonds - 155.2%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Airport Revenue - 5.0%</b>		
Denver, CO, City & County Airport, B, ETM, 6.125%, 2025 (c)	\$ 2,840,000	\$ 2,848,122
Denver, CO, City & County Airport, C, ETM, 6.125%, 2025 (c)	2,280,000	3,108,667
Houston, TX, Airport System Rev., B, 5%, 2026	210,000	240,267
Houston, TX, Airport System Rev., Subordinate Lien, A, 5%, 2031	195,000	211,199
Port Authority NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2036	315,000	357,783
Port Authority NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2042	360,000	408,344
San Jose, CA, Airport Rev., A-2, 5.25%, 2034	960,000	1,048,444
		\$ 8,222,826
<b>General Obligations - General Purpose - 4.8%</b>		
Chicago, IL, Metropolitan Water Reclamation District-Greater Chicago, C, 5%, 2030	\$ 1,000,000	\$ 1,157,829
Commonwealth of Puerto Rico, Public Improvement, A, 5.5%, 2039	2,570,000	2,680,946
Las Vegas Valley, NV, Water District, C, 5%, 2029	1,175,000	1,332,202
Luzerne County, PA, AGM, 6.75%, 2023	570,000	672,786
State of California, 5.25%, 2028	425,000	489,178
State of California, 5.25%, 2030	1,005,000	1,147,016
State of Hawaii, DZ, 5%, 2031	255,000	298,451
		\$ 7,778,408
<b>General Obligations - Improvement - 0.1%</b>		
Guam Government, A, 7%, 2039	\$ 110,000	\$ 122,088
<b>General Obligations - Schools - 1.0%</b>		
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2031	\$ 350,000	\$ 155,220
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2032	355,000	149,119
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2033	715,000	283,546
Chicago, IL, Board of Education, A, 5%, 2041	130,000	141,896
Los Angeles, CA, Unified School District, D, 5%, 2034	210,000	233,046
San Jacinto, TX, Community College District, 5.125%, 2038	550,000	597,524
		\$ 1,560,351

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - 35.6%</b>		
Allegheny County, PA, Hospital Development Authority Rev. (University of Pittsburgh Medical Center), A , 5.375%, 2029	\$ 560,000	\$ 622,479
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A , 5%, 2028	565,000	476,097
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A , 5.375%, 2040	835,000	685,201
Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 2034	220,000	241,208
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.5%, 2040	750,000	803,063
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 2040	165,000	179,535
California Health Facilities Financing Authority Rev. (St. Joseph Health System), A , 5.75%, 2039	125,000	140,071
California Health Facilities Financing Authority Rev. (Sutter Health), A , 5%, 2042	1,000,000	1,045,300
California Health Facilities Financing Authority Rev. (Sutter Health), B , 5.875%, 2031	835,000	1,000,831
California Statewide Communities Development Authority Rev. (Catholic Healthcare West), K , ASSD GTY, 5.5%, 2041	1,545,000	1,628,631
California Statewide Communities Development Authority Rev. (Kaiser Permanente), A , 5%, 2042	460,000	498,589
Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A , 6.75%, 2029	75,000	77,585
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2016 (c)	835,000	938,148
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2026 (c)	1,000,000	1,139,410
Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A , 8%, 2042	1,195,000	1,253,830
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B , 7.25%, 2035	235,000	291,926
Idaho Health Facilities Authority Rev. (IHC Hospitals, Inc.), ETM, 6.65%, 2021 (c)	1,750,000	2,406,478
Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031	510,000	492,997
Illinois Finance Authority Rev. (Provena Health), A , 7.75%, 2034	620,000	793,991
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 2038	615,000	701,438
Indiana Health & Educational Facilities Finance Authority Rev. (Sisters of St. Francis Health Services, Inc.), E , AGM, 5.25%, 2041	145,000	153,584
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A , 5%, 2039	2,255,000	2,336,315
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037	1,220,000	1,287,966

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - continued</b>		
Indiana Health & Educational Financing Authority Rev. (Community Foundation of Northwest Indiana ), A , 6%, 2034	\$ 575,000	\$ 600,645
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 2031	380,000	434,549
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.375%, 2041	240,000	274,745
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health Alliance), A , 5.5%, 2031	1,455,000	1,540,147
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health Alliance), A , 5.5%, 2036	535,000	560,156
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A , 5.375%, 2024	375,000	429,551
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A , 5.625%, 2027	125,000	143,418
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A , 6.375%, 2040	735,000	850,101
Knox County, IN, Economic Development Rev. (Good Samaritan Hospital), A , 5%, 2037	65,000	68,610
Knox County, IN, Economic Development Rev. (Good Samaritan Hospital), A , 5%, 2042	130,000	136,689
Lake County, OH, Hospital Facilities Rev. (Lake Hospital Systems, Inc.), 5.625%, 2029	565,000	603,708
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2032	50,000	53,986
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2037	125,000	134,090
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2042	250,000	269,343
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034	1,125,000	1,174,196
Louisville & Jefferson County, KY, Metro Government Health Facilities Rev. (Jewish Hospital & St. Mary s Healthcare), 6.125%, 2018 (c)	1,685,000	2,137,423
Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 2036	420,000	437,577
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037	75,000	76,045
Martin County, FL, Health Facilities Authority Rev. (Martin Memorial Medical Center), 5.5%, 2042	380,000	401,770
Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System, Inc.), A , 6.75%, 2039	945,000	1,142,486
Massachusetts Development Finance Agency Rev. (Tufts Medical Center), I , 7.25%, 2032	555,000	668,675

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), E , 6.75%, 2033	\$ 500,000	\$ 510,695
Massachusetts Health & Educational Facilities Authority Rev. (Saints Memorial Medical Center), A , 6%, 2023	325,000	318,650
Michigan Finance Authority Rev. (Trinity Health Corp.), 5%, 2035	1,250,000	1,371,688
Monroe County, PA, Hospital Authority Rev. (Pocono Medical Center), A , 5%, 2032	65,000	68,747
Monroe County, PA, Hospital Authority Rev. (Pocono Medical Center), A , 5%, 2041	45,000	46,769
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2031	155,000	158,253
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2036	800,000	811,304
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A , 6%, 2027	745,000	836,710
New Hampshire Health & Education Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2032	50,000	50,553
New Hampshire Health & Education Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 2036	800,000	792,456
New Hanover County, NC, Hospital Rev., AGM, 5.125%, 2031	1,130,000	1,236,197
New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter s University Hospital), 5.75%, 2037	700,000	742,959
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5%, 2017	315,000	310,874
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 2030	245,000	294,669
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2035	150,000	174,516
Norman, OK, Regional Hospital Authority Rev., 5%, 2027	195,000	196,862
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2029	115,000	116,663
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036	305,000	306,061
North Carolina Medical Care Commission (Stanly Health Services, Inc.), 6.375%, 2029	1,915,000	1,922,028
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D , 6.375%, 2036	1,405,000	1,713,229
Palomar Pomerado Health Care District, CA, COP, 6.75%, 2039	1,125,000	1,239,683
Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A , ASSD GTY, 7%, 2039	840,000	987,008
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 2039	660,000	849,255
Salida, CO, Hospital District Rev., 5.25%, 2036	892,000	898,440

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 2032	\$ 120,000	\$ 126,389
South Carolina Jobs & Economic Development Authority (Bon Secours-Venice Healthcare Corp.), 5.5%, 2023	1,370,000	1,395,838
South Dakota Health & Educational Facilities Authority Rev. (Avera Health), A, 5%, 2042	135,000	144,123
South Lake County, FL, Hospital District Rev. (South Lake Hospital), 6.375%, 2034	500,000	516,285
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6%, 2029	175,000	194,822
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6.25%, 2039	100,000	110,546
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 2036	225,000	233,010
Sumner County, TN, Health, Educational & Housing Facilities Board Rev. (Sumner Regional Health Systems, Inc.), A, 5.5%, 2046 (a)(d)	475,000	5,938
Tampa, FL, Hospital Rev. (H. Lee Moffitt Cancer Center), A, 5.75%, 2029	2,000,000	2,003,080
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 2032	290,000	294,341
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.375%, 2037	235,000	239,564
Washington Health Care Facilities Authority Rev. (Multicare Health Systems), B, ASSD GTY, 6%, 2039	560,000	626,046
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033	525,000	541,312
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 2026	250,000	277,588
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 2028	75,000	82,055
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc.), 5.75%, 2029	1,000,000	1,060,470
Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A, 5.5%, 2031	920,000	1,018,863
Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A, 6%, 2041	605,000	690,015
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034	865,000	902,922
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), A, 5.25%, 2025	500,000	508,885
		\$ 58,258,944

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Long Term Care - 16.9%		
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A, 5.9%, 2025	\$ 964,000	\$ 738,212
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A, 7%, 2033	500,000	383,005
Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann's Choice, Inc.), A, 6.125%, 2025	1,000,000	1,011,940
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2027	120,000	121,386
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2037	155,000	151,996
Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032	1,445,000	1,451,040
Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 2037	530,000	490,812
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), 5%, 2035	1,400,000	1,388,520
Columbus, GA, Housing Authority Rev. (Calvary Community, Inc.), 7%, 2019	340,000	340,010
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 2029	890,000	984,785
Fulton County, GA, Residential Care Facilities, Elderly Authority Rev. (Canterbury Court), A, 6.125%, 2034	750,000	739,035
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 8.75%, 2029	105,000	123,437
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 9%, 2044	180,000	212,504
Houston, TX, Health Facilities Development Corp. (Buckingham Senior Living Community), A, 7.125%, 2014 (c)	500,000	560,775
Howard County, MD, Retirement Facilities Rev. (Vantage House Corp.), A, 5.25%, 2033	250,000	224,568
Illinois Finance Authority Rev. (Evangelical Retirement Homes of Greater Chicago, Inc.), 7.25%, 2045	1,050,000	1,117,841
Illinois Finance Authority Rev. (Hoosier Care, Inc.), A, 7.125%, 2034	1,095,000	1,095,055
Illinois Finance Authority Rev. (Smith Village), A, 6.25%, 2035	1,250,000	1,208,225
Illinois Health Facilities Authority Rev. (Smith Crossing), A, 7%, 2032	725,000	731,271
Indiana Health Facilities Financing Authority Rev. (Hoosier Care, Inc.), A, 7.125%, 2034	150,000	150,008
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B, 5.75%, 2018	365,000	365,325
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B, 5.75%, 2028	1,475,000	1,475,428

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Long Term Care - continued		
La Verne, CA, COP (Brethren Hillcrest Homes), B, 6.625%, 2025	\$ 690,000	\$ 706,208
Marion, IA, Health Care Facilities Rev., First Mortgage (AHF/Kentucky-Iowa, Inc.), 8%, 2029	514,000	523,946
Massachusetts Development Finance Agency Rev. (Adventcare), A, 6.75%, 2037	895,000	915,433
Massachusetts Development Finance Agency Rev. (Alliance Health of Brockton, Inc.), A, 7.1%, 2032	1,145,000	1,144,828
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 2031	168,995	139,485
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 2039	42,309	33,015
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-2, 5.5%, 2046	11,291	7,676
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), Capital Appreciation, B, 0%, 2056	56,165	684
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 5.625%, 2015	245,000	245,265
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 6.9%, 2032	100,000	102,103
Massachusetts Development Finance Agency Rev. (The Groves in Lincoln), A, 7.75%, 2039	100,000	75,071
Massachusetts Development Finance Agency Rev. (The Groves in Lincoln), A, 7.875%, 2044	150,000	112,611
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board, First Mortgage, 8.5%, 2029	1,063,000	1,070,037
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	250,000	252,745
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	750,000	756,840
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.75%, 2025	205,000	207,575
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.875%, 2037	830,000	826,215
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2026	50,000	50,136
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), A, 6.125%, 2035	140,000	140,500
Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 2039	225,000	235,202
Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A, 7.25%, 2034	350,000	351,750

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Long Term Care - continued		
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 2032	\$ 260,226	\$ 198,243
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 2047	238,838	169,876
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 2047	102,359	3,423
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 2047	111,525	3,729
St. John s County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A , 6%, 2045	780,000	856,846
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.125%, 2029	65,000	71,660
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 5.125%, 2037	240,000	236,503
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.375%, 2044	525,000	569,394
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 2044	980,000	1,064,260
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A , 6.25%, 2042	110,000	115,372
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A , 6.25%, 2046	85,000	89,024
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 2030	110,000	126,160
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 2040	165,000	187,237
Washington County, PA, Industrial Development Authority Rev., First Mortgage (AHF/Central Project), 8.5%, 2029	1,059,000	1,064,676
		\$ 27,718,906
Healthcare Revenue - Other - 0.4%		
Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A , 9%, 2012 (c)	\$ 600,000	\$ 636,594
Industrial Revenue - Airlines - 3.2%		
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A , 8.75%, 2029	\$ 255,000	\$ 306,352
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B , 9%, 2035	190,000	205,977
Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 2032	470,000	481,628
Houston, TX, Airport Systems Rev., Special Facilities (Continental Airlines, Inc.), E , 6.75%, 2029	500,000	502,310



**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Industrial Revenue - Airlines - continued</b>		
Houston, TX, Airport Systems Rev., Special Facilities (Continental Airlines, Inc.), E, 7%, 2029	\$ 250,000	\$ 251,200
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029	1,695,000	1,702,153
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 9%, 2033	750,000	806,333
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 2031 (d)(q)	1,005,000	1,033,673
		\$ 5,289,626
<b>Industrial Revenue - Chemicals - 0.9%</b>		
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 2033	\$ 600,000	\$ 628,686
Port of Bay, TX, City Authority (Hoechst Celanese Corp.), 6.5%, 2026	840,000	840,739
		\$ 1,469,425
<b>Industrial Revenue - Environmental Services - 1.0%</b>		
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B, 5.25%, 2023 (b)	\$ 270,000	\$ 309,801
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C, 5.125%, 2023	845,000	922,115
Maine Finance Authority Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 6.25%, 2025 (b)	450,000	454,284
		\$ 1,686,200
<b>Industrial Revenue - Other - 2.0%</b>		
Annawan, IL, Tax Increment Rev. (Patriot Renewable Fuels LLC), 5.625%, 2018	\$ 360,000	\$ 326,794
California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 2038 (a)(d)	63,113	631
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028	500,000	500,375
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023	590,000	555,220
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 2037	1,500,000	1,495,485
St. Charles Parish, LA, Gulf Zone Opportunity Zone Rev. (Valero Energy Corp.), 4%, 2040 (b)	465,000	475,779
		\$ 3,354,284
<b>Industrial Revenue - Paper - 2.0%</b>		
Courtland, AL, Industrial Development Board Rev. (International Paper Co.), B, 6.25%, 2025	\$ 1,000,000	\$ 1,030,250

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Industrial Revenue - Paper - continued</b>		
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5%, 2026	\$ 1,270,000	\$ 1,270,470
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 4.75%, 2030	370,000	370,122
Phenix City, AL, Industrial Development Board Environmental Improvement Rev., A (Mead Westvaco Coated Board Project), 6.35%, 2035	550,000	551,826
		\$ 3,222,668
<b>Miscellaneous Revenue - Entertainment &amp; Tourism - 1.1%</b>		
Agua Caliente Band of Cahuilla Indians, CA, Rev., 5.6%, 2013 (n)	\$ 435,000	\$ 438,893
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 2030	155,000	171,624
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.25%, 2040	100,000	111,303
Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 2026 (n)	800,000	707,376
Seminole Tribe, FL, Special Obligation Rev., A, 5.25%, 2027 (n)	365,000	369,022
		\$ 1,798,218
<b>Miscellaneous Revenue - Other - 3.5%</b>		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2024	\$ 395,000	\$ 414,758
Capital Trust Agency, FL (Aero Syracuse LLC), 6.75%, 2032	500,000	482,630
Citizens Property Insurance Corp., FL, A-1, 5%, 2019	135,000	153,642
Citizens Property Insurance Corp., FL, A-1, 5%, 2020	875,000	994,499
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Columbia National Group), 5%, 2020	540,000	529,281
Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 2034	1,065,000	1,182,576
District of Columbia Rev. (American Society Hematology), 5%, 2036	65,000	69,564
District of Columbia Rev. (American Society Hematology), 5%, 2042	50,000	53,214
Massachusetts Port Authority Facilities Rev. (Conrac Project), A, 5.125%, 2041	50,000	54,204
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 2049	685,000	772,132
New York Liberty Development Corp., Liberty Rev. (World Trade Center Project), 5%, 2044	695,000	751,476
V Lakes Utility District, MS, Water Systems Rev., 7%, 2037	300,000	289,677
		\$ 5,747,653

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Multi-Family Housing Revenue - 5.5%</b>		
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A , 7.5%, 2040	\$ 745,000	\$ 745,201
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B , 7%, 2032 (d)(q)	735,000	327,156
Charter Mac Equity Issuer Trust, FHLMC, 6.3%, 2019 (n)	1,000,000	1,119,010
District of Columbia Housing Finance Agency (Henson Ridge), E , FHA, 5.1%, 2037	1,000,000	1,021,610
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038	1,369,607	1,232,564
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), C , 8%, 2032	345,000	347,543
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), D , 10%, 2032	375,000	377,730
MuniMae TE Bond Subsidiary LLC, 9.64%, 2050 (z)	2,000,000	1,800,020
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 (z)	546,075	530,981
Texas Department of Housing & Community Affairs (Pebble Brook Apartments), FNMA, 5.5%, 2018	845,000	850,045
Wilmington, DE, Multi-Family Housing Rev. (Electra Arms Senior Associates), 6.25%, 2028	760,000	719,621
		\$ 9,071,481
<b>Parking - 0.3%</b>		
Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 2036	\$ 370,000	\$ 412,036
<b>Port Revenue - 0.3%</b>		
Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B , 5.375%, 2025	\$ 125,000	\$ 135,145
Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B , 5.75%, 2035	365,000	390,780
		\$ 525,925
<b>Sales &amp; Excise Tax Revenue - 4.4%</b>		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024	\$ 750,000	\$ 470,085
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2029	215,000	247,216
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2030	430,000	491,804
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2031	80,000	91,151
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2040	635,000	708,311
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2034	795,000	901,228
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2041	385,000	435,023

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Sales &amp; Excise Tax Revenue - continued</b>		
Massachusetts Bay Transportation Authority, Sales Tax Rev., A, 5%, 2024	\$ 1,385,000	\$ 1,742,233
Massachusetts School Building Authority, Dedicated Sales Tax Rev., AMBAC, 4.75%, 2032	845,000	913,065
Massachusetts School Building Authority, Dedicated Sales Tax Rev., B, 5%, 2032	490,000	573,374
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, 5.25%, 2041	45,000	48,008
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, 0% to 2016, 6.75% to 2032	585,000	597,981
		\$ 7,219,479
<b>Single Family Housing - Local - 1.6%</b>		
Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2, GNMA, 5%, 2038	\$ 494,990	\$ 502,385
Pittsburgh, PA, Urban Redevelopment Authority Rev., C, GNMA, 4.8%, 2028	2,000,000	2,036,740
		\$ 2,539,125
<b>Single Family Housing - State - 1.6%</b>		
Colorado Housing & Finance Authority, A, 5.5%, 2029	\$ 1,315,000	\$ 1,350,005
Iowa Finance Authority, Single Family Mortgage Rev., E, 5.4%, 2032	375,000	376,913
North Dakota Housing Finance Agency Rev., A, 4.85%, 2021	240,000	245,918
Oklahoma Housing Finance Agency Rev. (Homeownership Loan Program), C, GNMA, 5%, 2026	635,000	647,878
		\$ 2,620,714
<b>Solid Waste Revenue - 0.3%</b>		
Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 6.7%, 2014	\$ 30,000	\$ 30,208
Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 5.6%, 2019	500,000	501,415
		\$ 531,623
<b>State &amp; Local Agencies - 6.4%</b>		
California Public Works Board Lease Rev., Department of Mental Health (Coalinga), A, 5.5%, 2019	\$ 1,000,000	\$ 1,064,270
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2035	140,000	142,446
Guam Government Department of Education (John F. Kennedy High School), A, COP, 6.875%, 2040	375,000	406,688
Louisiana Military Department Custody Receipts, 5%, 2024	1,500,000	1,609,650
New York Metropolitan Transportation Authority, A, 5.125%, 2029	1,025,000	1,028,208

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
State & Local Agencies - continued		
New York Urban Development Corp. (University Facilities Grants), 5.875%, 2021	\$ 1,000,000	\$ 1,220,990
Newberry, SC, Investing in Children's Education (Newberry County School District Program), 5%, 2030	500,000	520,095
Philadelphia, PA, Municipal Authority Rev., 6.5%, 2034	170,000	185,186
Puerto Rico Public Finance Corp., E, ETM, 6%, 2026 (c)	1,645,000	2,339,914
Puerto Rico Public Finance Corp., E, ETM, 6%, 2026 (c)	155,000	215,951
Puerto Rico Public Finance Corp., Commonwealth Appropriations, B, 6%, 2026	285,000	329,979
Puerto Rico Public Finance Corp., Commonwealth Appropriations, B, 5.5%, 2031	415,000	446,801
Wisconsin General Fund Annual Appropriation Rev., A, 5.75%, 2033	840,000	1,016,879
		\$ 10,527,057
Student Loan Revenue - 0.7%		
Iowa Student Loan Liquidity Corp., A-2, 5.5%, 2025	\$ 260,000	\$ 289,965
Iowa Student Loan Liquidity Corp., A-2, 5.6%, 2026	260,000	290,017
Iowa Student Loan Liquidity Corp., A-2, 5.7%, 2027	25,000	27,926
Iowa Student Loan Liquidity Corp., A-2, 5.75%, 2028	475,000	529,169
		\$ 1,137,077
Tax - Other - 3.0%		
Dallas County, TX, Flood Control District, 7.25%, 2032	\$ 1,000,000	\$ 1,019,180
Hudson Yards, NY, Infrastructure Corp. Rev., A, 5%, 2047	460,000	478,685
Hudson Yards, NY, Infrastructure Corp. Rev., A, 5.75%, 2047	480,000	554,875
New Jersey Economic Development Authority Rev., 5%, 2025	170,000	189,732
New Jersey Economic Development Authority Rev., 5%, 2026	85,000	94,186
New Jersey Economic Development Authority Rev., 5%, 2028	35,000	38,414
New Jersey Economic Development Authority Rev., 5%, 2029	35,000	38,261
New York Dormitory Authority, State Personal Income Tax Rev., C, 5%, 2034	1,330,000	1,522,837
New York, NY, City Transitional Finance Authority Building Aid Rev., S-3, 5.25%, 2039	560,000	615,294
Virgin Islands Public Finance Authority Rev. (Diageo Project), A, 6.75%, 2037	255,000	295,257
		\$ 4,846,721
Tax Assessment - 6.1%		
Anne Arundel County, MD, Special Obligation (National Business Park-North Project), 6.1%, 2040	\$ 175,000	\$ 182,828
Atlanta, GA, Tax Allocation (Eastside Project), A, 5.625%, 2016	285,000	317,527
Celebration Community Development District, FL, A, 6.4%, 2034	885,000	900,762

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Tax Assessment - continued</b>		
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 2022	\$ 450,000	\$ 470,187
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 2036	250,000	238,798
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038	395,000	368,748
Homestead, Community Development District, FL, Special Assessment, A , 6%, 2037	470,000	329,517
Homestead, Community Development District, FL, Special Assessment, B , 5.9%, 2013 (d)	180,000	126,466
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1 , 6.45%, 2031	750,000	759,135
Lincoln, CA, Special Tax (Community Facilities District ), 2003-1 , 5.9%, 2013 (c)	445,000	483,426
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034	500,000	500,880
Oakmont Grove Community Development District, FL, A , 5.4%, 2038 (a)(d)	500,000	185,000
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A , 5.85%, 2034	165,000	171,272
Orlando, FL, Special Assessment Rev. (Conroy Road Interchange Project), A , 5.8%, 2026	280,000	280,650
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035	1,915,000	1,850,330
San Diego, CA, Redevelopment Agency, Tax Allocation Rev., Capital Appreciation, AGM, 0%, 2022	1,910,000	1,231,816
Seven Oaks, FL, Community Development District II Special Assessment Rev., A , 5.875%, 2035	250,000	188,070
Sweetwater Creek Community Development District, FL, Capital Improvement Rev., A , 5.5%, 2038 (a)(d)	285,000	108,300
Tolomato Community Development District, FL, Special Assessment, 6.65%, 2040 (d)(q)	760,000	338,200
Tuscany Reserve Community Development District, FL, Special Assessment, B , 5.25%, 2016	235,000	213,796
West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037 (a)(d)	710,000	305,300
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037 (a)(d)	1,210,000	459,800
		\$ 10,010,808

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Tobacco - 8.6%</b>		
Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.125%, 2024	\$ 2,635,000	\$ 2,108,211
Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.875%, 2030	1,155,000	913,767
Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.75%, 2034	635,000	483,965
Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.875%, 2047	525,000	397,898
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 6.25%, 2013 (c)(f)	915,000	955,297
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 2047	670,000	534,426
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, A-1 , 5%, 2033	560,000	428,646
Illinois Railsplitter Tobacco Settlement Authority, 6%, 2028	1,710,000	1,984,301
New Jersey Tobacco Settlement Financing Corp., 1-A , 5%, 2041	4,670,000	3,621,352
Rhode Island Tobacco Settlement Authority, 6%, 2023	1,090,000	1,091,559
Suffolk, NY, Tobacco Asset Securitization Corp., Tobacco Settlement, B , 5.25%, 2037	105,000	109,052
Tobacco Securitization Authority, Minnesota Tobacco Settlement Rev., B , 5.25%, 2031	1,005,000	1,112,284
Washington Tobacco Settlement Authority Rev., 6.625%, 2032	250,000	260,185
		\$ 14,000,943
<b>Toll Roads - 5.4%</b>		
Bay Area Toll Authority, CA, Toll Bridge Rev. (San Francisco Bay Area), F1 , 5%, 2034	\$ 1,850,000	\$ 2,041,031
E-470 Public Highway Authority, CO, Capital Appreciation, B , NATL, 0%, 2018	1,500,000	1,247,220
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A , 7.25%, 2040	1,015,000	1,185,896
North Texas Tollway Authority Rev., 6%, 2038	970,000	1,121,010
North Texas Tollway Authority Rev. (Special Projects System), D , 5%, 2031	710,000	807,227
Triborough Bridge & Tunnel Authority Rev., NY, A , 5%, 2025	365,000	441,902
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.25%, 2032	360,000	373,680
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 2037	595,000	652,971
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 2042	950,000	992,541
		\$ 8,863,478

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Universities - Colleges - 9.6%</b>		
Allegheny County, PA, Higher Education Building Authority Rev. (Chatham University), A, 5%, 2030	\$ 100,000	\$ 107,544
Brevard County, FL, Industrial Development Rev. (TUFF Florida Tech LLC Project), 6.75%, 2039	685,000	753,062
California Educational Facilities Authority Rev. (Chapman University), 5%, 2031	190,000	206,500
California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 2038	1,650,000	1,879,598
California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028	100,000	109,805
California State University Rev., A, 5%, 2037	1,255,000	1,381,466
Florida Higher Educational Facilities, Financial Authority Rev. (University of Tampa Project), A, 5%, 2032	30,000	32,213
Florida Higher Educational Facilities, Financial Authority Rev. (University of Tampa Project), A, 5.25%, 2042	265,000	287,191
Florida State University Board of Governors, System Improvement Rev., 6.25%, 2030	1,500,000	1,794,195
Grand Valley, MI, State University Rev., 5.5%, 2027	175,000	195,349
Grand Valley, MI, State University Rev., 5.625%, 2029	85,000	94,381
Harris County, TX, Cultural Education Facilities Rev. (Baylor College of Medicine), D, 5.625%, 2032	330,000	340,682
Illinois Finance Authority Rev. (Illinois Institute of Technology), A, 5%, 2036	135,000	115,109
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 2029	590,000	646,439
Illinois Finance Authority Rev. (Roosevelt University Project), 6.5%, 2039	195,000	213,484
Illinois Finance Authority Rev. (University of Chicago), A, 5%, 2051	210,000	229,272
Massachusetts Development Finance Agency Rev. (The Broad Institute, Inc.), A, 5.25%, 2037	710,000	778,153
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), I, 8%, 2029	315,000	374,434
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 6.25%, 2030	920,000	1,064,164
Savannah, GA, Economic Development Authority Rev. (AASU Student Union LLC), ASSD GTY, 5.125%, 2039	415,000	447,382
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2030	245,000	283,467
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2031	110,000	126,699
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2032	105,000	120,578
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2037	190,000	214,945
University of Illinois Rev. (Auxiliary Facilities Systems), A, 5.125%, 2029	2,370,000	2,604,843



**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Universities - Colleges - continued</b>		
University of Southern Indiana Rev. (Student Fee), J , ASSD GTY, 5.75%, 2028	\$ 370,000	\$ 431,661
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 2032	275,000	312,298
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 2036	100,000	113,328
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 2034	355,000	390,248
		\$ 15,648,490
<b>Universities - Dormitories - 2.1%</b>		
Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 2031	\$ 225,000	\$ 237,974
Buffalo & Erie County, NY, Industrial Land Development Corp. Rev. (Buffalo State College), A , 5.375%, 2041	250,000	271,648
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033	1,015,000	1,034,640
Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 2031	785,000	889,695
Mississippi State University, Educational Building Corp., 5%, 2036	560,000	619,282
Oregon Facilities Authority, Student Housing Rev. (Southern Oregon University), ASSD GTY, 4.7%, 2033	65,000	68,026
Oregon Facilities Authority, Student Housing Rev. (Southern Oregon University), ASSD GTY, 5%, 2044	75,000	79,253
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 2030	100,000	110,855
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 6%, 2043	145,000	159,993
		\$ 3,471,366
<b>Universities - Secondary Schools - 0.9%</b>		
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.5%, 2031	\$ 125,000	\$ 136,086
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 2041	100,000	109,794
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.125%, 2040	320,000	355,638
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.25%, 2045	200,000	222,974
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A , 6.25%, 2039	250,000	283,013
North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 4.875%, 2032	85,000	87,266

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Universities - Secondary Schools - continued</b>		
North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 5.125%, 2042	\$ 215,000	\$ 222,390
		\$ 1,417,161
<b>Utilities - Cogeneration - 0.4%</b>		
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities-AES Puerto Rico Project), 6.625%, 2026	\$ 645,000	\$ 645,213
<b>Utilities - Investor Owned - 6.3%</b>		
Apache County, AZ, Industrial Development Authority, Pollution Control Rev. (Tucson Electric Power Co.), A , 4.5%, 2030	\$ 450,000	\$ 457,074
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 2038	645,000	83,618
Bryant, IL, Pollution Control Rev. (Central Illinois Light Co.), 5.9%, 2023	2,575,000	2,583,601
Chula Vista, CA, Industrial Development Rev. (San Diego Gas), 5.875%, 2034	310,000	362,619
Hawaii Department of Budget & Finance Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 2039	950,000	1,093,118
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 2042 (b)	105,000	125,854
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022	2,000,000	2,003,920
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B , NATL, 4.75%, 2021	250,000	262,423
Ohio Air Quality Development Authority Rev. (FirstEnergy Corp.), A , 5.7%, 2020	665,000	766,964
Owen County, KY, Waterworks System Rev. (American Water Co. Project), A , 6.25%, 2039	260,000	285,880
Pennsylvania Economic Development Financing Authority (Allegheny Energy Supply Co. LLC), 7%, 2039	765,000	877,730
Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 2029	1,295,000	1,374,461
		\$ 10,277,262
<b>Utilities - Municipal Owned - 1.2%</b>		
Long Island, NY, Power Authority, A , 5%, 2038	\$ 940,000	\$ 1,031,960
Puerto Rico Electric Power Authority, Power Rev., A , 5%, 2042	465,000	470,859
Sacramento, CA, Municipal Utility District, X , 5%, 2028	465,000	536,801
		\$ 2,039,620

**Table of Contents***Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Utilities - Other - 2.5%</b>		
California M-S-R Energy Authority Gas Rev., A, 7%, 2034	\$ 155,000	\$ 203,279
California M-S-R Energy Authority Gas Rev., A, 6.5%, 2039	650,000	804,746
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5.5%, 2028	430,000	485,608
Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 2038	35,000	44,043
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 2021	2,185,000	2,438,788
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 2024	75,000	82,019
		\$ 4,058,483
<b>Water &amp; Sewer Utility Revenue - 10.5%</b>		
Atlanta, GA, Water & Wastewater Rev., A, 6%, 2022	\$ 465,000	\$ 572,624
Birmingham, AL, Waterworks Board Water Rev., A, ASSD GTY, 5.125%, 2034	755,000	827,850
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 5.75%, 2037	370,000	388,149
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 2044	160,000	170,176
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2028	160,000	188,938
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2029	145,000	169,810
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2030	95,000	110,419
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2031	20,000	23,072
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2041	535,000	594,059
East Bay, CA, Municipal Utility District, Water System Rev., A, 5%, 2028	2,000,000	2,408,220
Guam Government Waterworks Authority, Water & Wastewater Rev., 5.875%, 2035	1,125,000	1,151,055
Houston, TX, Utility System Rev., D, 5%, 2036	550,000	624,377
King County, WA, Sewer Rev., 5%, 2040	1,765,000	1,966,810
Massachusetts Water Resources Authority, B, 5%, 2041	350,000	395,787
New Hampshire Industrial Development Authority Rev. (Pennichuck Water Works, Inc.), ETM, 7.5%, 2018 (c)	220,000	257,961
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 2024	265,000	320,862
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 2041	865,000	966,101
New York Environmental Facilities, C, 5%, 2041	1,195,000	1,353,194
New York, NY, Municipal Water Finance Authority, Water & Sewer System Rev., AA, 5%, 2034	2,510,000	2,872,394
New York, NY, Municipal Water Finance Authority, Water & Sewer Systems Rev., DD, 4.75%, 2035	1,010,000	1,088,972

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Water & Sewer Utility Revenue - continued		
Surprise, AZ, Municipal Property Corp., 4.9%, 2032	\$ 800,000	\$ 804,040
		\$ 17,254,870
<b>Total Municipal Bonds (Identified Cost, \$236,770,701)</b>		<b>\$ 253,985,123</b>
<b>Money Market Funds - 1.5%</b>		
MFS Institutional Money Market Portfolio, 0.13%, at Cost and Net Asset Value (v)		
	2,526,920	\$ 2,526,920
<b>Total Investments (Identified Cost, \$239,297,621)</b>		<b>\$ 256,512,043</b>
<b>Other Assets, Less Liabilities - 2.9%</b>		
		4,694,478
<b>Preferred Shares (Issued by the Fund) - (59.6)%</b>		
		(97,500,000)
<b>Net assets applicable to common shares - 100.0%</b>		<b>\$ 163,706,521</b>

(a) Non-income producing security.

(b) Mandatory tender date is earlier than stated maturity date.

(c) Refunded bond.

(d) In default. Interest and/or scheduled principal payment(s) have been missed.

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(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 \$2,634,301 representing 1.6% of net assets applicable to common shares.

(q) Interest received was less than stated coupon rate.

(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.

(z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
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MuniMae TE Bond Subsidiary LLC, 9.64%, 2050	5/30/00	\$2,000,000	\$1,800,020
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016	8/27/93	550,198	530,981
<b>Total Restricted Securities</b>			<b>\$2,331,001</b>
% of Net assets applicable to common shares			1.4%

**Table of Contents***Portfolio of Investments (unaudited) continued*

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

COP Certificate of Participation  
 ETM Escrowed to Maturity  
 LOC Letter of Credit

**Insurers**

AGM	Assured Guaranty Municipal
AMBAC	AMBAC Indemnity Corp.
ASSD GTY	Assured Guaranty Insurance Co.
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Assn.
GNMA	Government National Mortgage Assn.
NATL	National Public Finance Guarantee Corp.
SYNCORA	Syncora Guarantee Inc.

**Derivative Contracts at 5/31/12****Futures Contracts Outstanding at 5/31/12**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
<b>Liability Derivatives</b>					
<b>Interest Rate Futures</b>					
U.S. Treasury Note 10 yr (Short)	USD	221	\$29,600,188	September - 2012	\$(204,508)
U.S. Treasury Note 30 yr (Short)	USD	46	6,887,063	September - 2012	(107,973)
					\$(312,481)

At May 31, 2012, the fund had liquid securities with an aggregate value of \$471,906 to cover any commitments for certain derivative contracts.

**See Notes to Financial Statements**

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

At 5/31/12 (unaudited)

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

<b>Assets</b>	
Investments-	
Non-affiliated issuers, at value (identified cost, \$236,770,701)	\$253,985,123
Underlying affiliated funds, at cost and value	2,526,920
Total investments, at value (identified cost, \$239,297,621)	\$256,512,043
Cash	35
Receivables for	
Investments sold	1,215,874
Interest	4,109,459
Other assets	20,431
Total assets	\$261,857,842
<b>Liabilities</b>	
Payables for	
Distributions on preferred shares	\$1,161
Daily variation margin on open futures contracts	80,547
Investments purchased	465,000
Payable to affiliates	
Investment adviser	10,467
Transfer agent and dividend disbursing costs	1,004
Payable for independent Trustees' compensation	2,956
Accrued expenses and other liabilities	90,186
Total liabilities	\$651,321
<b>Preferred shares</b>	
Series T and Series W auction preferred shares (3,900 shares issued and outstanding at \$25,000 per share) at liquidation value	\$97,500,000
Net assets applicable to common shares	\$163,706,521
<b>Net assets consist of</b>	
Paid-in capital - common shares	\$217,504,568
Unrealized appreciation (depreciation) on investments	16,901,941
Accumulated net realized gain (loss) on investments	(71,670,069)
Undistributed net investment income	970,081
Net assets applicable to common shares	\$163,706,521
Preferred shares, at liquidation value (3,900 shares issued and outstanding at \$25,000 per share)	97,500,000
Net assets including preferred shares	\$261,206,521
Common shares of beneficial interest outstanding	31,461,421
Net asset value per common share (net assets of \$261,206,521 / 31,461,421 shares of beneficial interest outstanding)	\$8.30

**See Notes to Financial Statements**

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

Six months ended 5/31/12 (unaudited)

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

<b>Net investment income</b>	
Income	
Interest	\$7,243,675
Dividends from underlying affiliated funds	1,856
Total investment income	\$7,245,531
Expenses	
Management fee	\$960,317
Transfer agent and dividend disbursing costs	17,793
Administrative services fee	24,390
Independent Trustees' compensation	16,354
Stock exchange fee	14,001
Preferred shares service fee	51,976
Custodian fee	10,268
Shareholder communications	16,621
Audit and tax fees	38,231
Legal fees	2,226
Miscellaneous	24,293
Total expenses	\$1,176,470
Fees paid indirectly	(1,805)
Reduction of expenses by investment adviser	(23,678)
Net expenses	\$1,150,987
Net investment income	\$6,094,544
<b>Realized and unrealized gain (loss) on investments</b>	
Realized gain (loss) (identified cost basis)	
Investments	\$(1,233,468)
Futures contracts	(1,256,896)
Net realized gain (loss) on investments	\$(2,490,364)
Change in unrealized appreciation (depreciation)	
Investments	\$17,356,799
Futures contracts	(514,468)
Net unrealized gain (loss) on investments	\$16,842,331
Net realized and unrealized gain (loss) on investments	\$14,351,967
Distributions declared to preferred shareholders	\$(117,293)
Change in net assets from operations	\$20,329,218

**See Notes to Financial Statements**



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

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

	<b>Six months ended 5/31/12 (unaudited)</b>	<b>Year ended 11/30/11</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$6,094,544	\$12,201,798
Net realized gain (loss) on investments	(2,490,364)	(6,080,731)
Net unrealized gain (loss) on investments	16,842,331	6,754,200
Distributions declared to preferred shareholders	(117,293)	(303,461)
Change in net assets from operations	\$20,329,218	\$12,571,806
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(6,005,936)	\$(12,181,267)
Net asset value of shares issued to common shareholders in reinvestment of distributions	\$150,940	\$321,170
Total change in net assets	\$14,474,222	\$711,709
<b>Net assets applicable to common shares</b>		
At beginning of period	149,232,299	148,520,590
At end of period (including undistributed net investment income of \$970,081 and \$998,766, respectively)	\$163,706,521	\$149,232,299

**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 semiannual period and the past 5 fiscal 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.

	Six months ended 5/31/12	2011	2010	Years ended 11/30 2009	2008	2007
<b>(unaudited)</b>						
<b>Common Shares</b>						
Net asset value, beginning of period	\$4.75	\$4.74	\$4.68	\$3.94	\$6.00	\$6.73
<b>Income (loss) from investment operations</b>						
Net investment income (d)	\$0.19	\$0.39	\$0.42	\$0.42	\$0.46	\$0.52(z)
Net realized and unrealized gain (loss) on investments	0.45	0.02	0.04	0.70	(2.05)	(0.74)(z)
Distributions declared to preferred shareholders	(0.00)(w)	(0.01)	(0.01)	(0.02)	(0.13)	(0.14)
Total from investment operations	\$0.64	\$0.40	\$0.45	\$1.10	\$(1.72)	\$(0.36)
<b>Less distributions declared to common shareholders</b>						
From net investment income	\$(0.19)	\$(0.39)	\$(0.39)	\$(0.36)	\$(0.34)	\$(0.37)
Net asset value, end of period (x)	\$5.20	\$4.75	\$4.74	\$4.68	\$3.94	\$6.00
Market value, end of period	\$5.58	\$5.03	\$5.00	\$4.75	\$3.40	\$5.57
Total return at market value (%) (p)	15.09(n)	9.34	13.94	52.74	(34.58)	(10.83)
Total return at net asset value (%) (j)(r)(s)(x)	13.57(n)	8.92	9.63	29.87	(29.62)	(5.52)
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>						
Expenses before expense reductions (f)(p)	1.48(a)	1.58	1.55	1.78	1.79	1.55
Expenses after expense reductions (f)(p)	1.45(a)	1.56	1.55	1.67	1.70	1.55
Net investment income (p)	7.68(a)	8.39	8.58	10.02	8.54	8.06(z)
Portfolio turnover	8	22	10	21	39	31
Net assets at end of period (000 omitted)	\$163,707	\$149,232	\$148,521	\$146,522	\$123,079	\$187,740

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*Financial Highlights continued*

	Six months ended 5/31/12	2011	Years ended 11/30		2008	2007
			2010	2009		
<b>(unaudited)</b>						
<b>Supplemental Ratios (%):</b>						
Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p)	N/A	N/A	N/A	1.66	1.61	N/A
Ratio of expenses to average net assets applicable to common shares and preferred shares after expense reductions and excluding interest expense and fees (f)(l)(p)	0.90(a)	0.93	0.94	0.95	0.95	0.98
Net investment income available to common shares	7.53(a)	8.18	8.32	9.50	6.06	5.88(z)
<b>Senior Securities:</b>						
Total preferred shares outstanding	3,900	3,900	3,900	3,900	3,900	4,800
Asset coverage per preferred share (k)	\$66,976	\$63,265	\$63,082	\$62,570	\$56,559	\$64,112
Involuntary liquidation preference per preferred share (m)	\$25,000	\$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	\$25,000

(a) Annualized.

(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 preferred shares) from the fund's total assets and dividing this number by the number of preferred shares outstanding.

(l) Interest expense and fees relate to payments made to the holder of the floating rate certificate from trust assets.

(m) Amount excludes accrued unpaid distributions to auction preferred shareholders.

(n) Not annualized.

(p) Ratio excludes dividend payment on auction preferred shares.

(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 the fund's liability.

(w) Per share amount was less than \$0.01.

(x) The net asset values per share and total returns 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.

(z) The fund applied a change in estimate for amortization of premium on certain debt securities in the year ended November 30, 2007 that resulted in an increase of \$0.01 per share to net investment income, a decrease of \$0.01 per share to net realized and unrealized gain (loss) on investments, and an increase of 0.16% to the net investment income ratio. The change in estimate had no impact on net assets, net asset value per share or total return.

**See Notes to Financial Statements**

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## NOTES TO FINANCIAL STATEMENTS

(unaudited)

### **(1) Business and Organization**

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

### **(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 revenues and expenses 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, the security could decline in value, interest from the security could become taxable and the funds may be required to issue Forms 1099-DIV. 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 December 2011, the Financial Accounting Standards Board issued Accounting Standards Update 2011-11, Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities (ASU 2011-11). Effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods, ASU 2011-11 is intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. Although still evaluating the potential impacts of ASU 2011-11 to the fund, management

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*Notes to Financial Statements (unaudited) continued*

expects that the impact of the fund's adoption will be limited to additional financial statement disclosures.

**Investment Valuations** Debt instruments and floating rate loans (other than short-term instruments), 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 generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. 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 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

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Notes to Financial Statements (unaudited) continued

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 May 31, 2012 in valuing the fund's assets or liabilities:

<b>Investments at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Municipal Bonds	\$	\$253,985,123	\$	\$253,985,123
Mutual Funds	2,526,920			2,526,920
<b>Total Investments</b>	<b>\$2,526,920</b>	<b>\$253,985,123</b>	<b>\$</b>	<b>\$256,512,043</b>
<b>Other Financial Instruments</b>				
Futures Contracts	\$(312,481)	\$	\$	\$(312,481)

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

The following is a reconciliation of level 3 assets for which significant unobservable inputs were used to determine fair value. The fund's policy is to recognize transfers between the levels as of the end of the period. The table presents the activity of level 3 securities held at the beginning and the end of the period.

	<b>Municipal Bonds</b>
Balance as of 11/30/11	\$116,462
Accrued discounts/premiums	7
Realized gain (loss)	(147,685)
Change in unrealized appreciation (depreciation)	139,618
Liquidation proceeds	(108,402)
Balance as of 5/31/12	\$

The net change in unrealized appreciation (depreciation) from investments still held as level 3 at May 31, 2012 is \$0.

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Notes to Financial Statements (unaudited) continued

**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.

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 May 31, 2012 as reported in the Statement of Assets and Liabilities:

Risk	Derivative Contracts	Fair Value (a) Liability Derivatives
Interest Rate	Interest Rate Futures	\$(312,481)

(a) The value of futures contracts outstanding includes cumulative appreciation (depreciation) as reported in the fund's Portfolio of Investments. Only the current day 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 six months ended May 31, 2012 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$(1,256,896)

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the six months ended May 31, 2012 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$(514,468)

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain over-the-counter derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The ISDA Master Agreement gives each party to the agreement the right to terminate all

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*Notes to Financial Statements (unaudited) continued*

transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. The ISDA Master Agreement gives the fund the right, upon an event of default by the applicable counterparty or a termination of the agreement, 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. However, absent an event of default by the counterparty or a termination of the agreement, the ISDA Master Agreement does not result in an offset of reported amounts of assets and liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearing house for exchange traded derivatives (i.e., futures contracts and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, swap agreements and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash collateral that has been pledged to cover obligations of the fund under derivative contracts, if any, will be reported separately on the Statement of Assets and Liabilities as Restricted cash. Securities collateral pledged for the same purpose, if any, is noted in the Portfolio of Investments.

**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,



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*Notes to Financial Statements (unaudited) continued*

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.

**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. Dividend and interest payments received in additional securities are recorded on the ex-dividend or ex-interest date in an amount equal to the value of the security on such date. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

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

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.

**Fees Paid Indirectly** The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the six months ended May 31, 2012, is shown as a reduction of total expenses on the Statement of Operations.

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*Notes to Financial Statements (unaudited) continued*

**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.

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, defaulted bonds, and derivative transactions.

The tax character of distributions made during the current period will be determined at fiscal year end. The tax character of distributions declared to shareholders for the last fiscal year is as follows:

	<b>11/30/11</b>
Ordinary income (including any short-term capital gains)	\$102,999
Tax-exempt income	12,381,729
<b>Total distributions</b>	<b>\$12,484,728</b>

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

<b>As of 5/31/12</b>	
Cost of investments	\$238,427,315
Gross appreciation	23,338,335
Gross depreciation	(5,253,607)
Net unrealized appreciation (depreciation)	\$18,084,728

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Notes to Financial Statements (unaudited) continued

**As of 11/30/11**

Undistributed ordinary income	86,799
Undistributed tax-exempt income	1,351,148
Capital loss carryforwards	(69,330,260)
Post-October capital loss deferral	(368,638)
Other temporary differences	(439,181)
Net unrealized appreciation	578,803

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

Under the Regulated Investment Company Modernization Act of 2010 (the Act), net capital losses recognized after November 30, 2011 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

As of November 30, 2011 the fund had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

Pre-enactment losses:	
11/30/12	\$(4,055,363)
11/30/14	(9,352,747)
11/30/15	(6,016,727)
11/30/16	(21,680,852)
11/30/17	(17,871,725)
11/30/18	(4,840,268)
11/30/19	(5,512,578)
Total	\$(69,330,260)

**(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 0.75% of the fund's average daily net assets (including the value of the auction preferred shares).

The investment adviser has agreed in writing to pay a portion of the fund's total annual operating expenses, exclusive of interest, taxes, extraordinary expenses, brokerage and transaction costs, and investment-related expenses other than preferred shares service fees, such that total annual fund operating expenses do not exceed 0.90% annually of the fund's average daily net assets (including the value of the auction preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until November 30, 2013. For the six months

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*Notes to Financial Statements (unaudited) continued*

ended May 31, 2012, this reduction amounted to \$23,339 and is reflected as a reduction of total expenses in the Statement of Operations.

**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 six months ended May 31, 2012, these fees paid to MFSC amounted to \$5,898.

**Administrator** MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially 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 the auction preferred shares). The administrative services fee incurred for the six months ended May 31, 2012 was equivalent to an annual effective rate of 0.0190% of the fund's average daily net assets (including the value of the auction 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.

**Deferred Trustee Compensation** Prior to MFS's appointment as investment adviser to the fund, the fund's former independent Trustees participated in a Deferred Compensation Plan (the Former Colonial Trustees Plan or Plan ). The fund's current independent Trustees are not allowed to defer compensation under the Former Colonial Trustees Plan. Amounts deferred under the Plan are invested in shares of certain non-MFS funds selected by the former independent Trustees as notional investments. Deferred amounts represent an unsecured obligation of the fund until distributed in accordance with the Plan. Included in Other assets and Payable for independent Trustees' compensation on the Statement of Assets and Liabilities is \$2,920 of deferred Trustees' compensation. There is no current year expense associated with the Former Colonial Trustees Plan.

**Other** This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The ICCO and Assistant ICCO are officers of the funds and the sole members of Tarantino LLC and Griffin

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*Notes to Financial Statements (unaudited) continued*

Compliance LLC, respectively. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. For the six months ended May 31, 2012, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$966 and are included in Miscellaneous expense on the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund in the amount of \$339, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks a high level of current income consistent with preservation of capital and liquidity. Income earned on this investment is included in Dividends from underlying affiliated funds on the Statement of Operations. This money market fund does not pay a management fee to MFS.

**(4) Portfolio Securities**

Purchases and sales of investments, other than U.S. Government securities, purchased option transactions, and short-term obligations, aggregated \$18,751,517 and \$21,222,903, 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 six months ended May 31, 2012 and the year ended November 30, 2011, the fund did not repurchase any shares. Transactions in fund shares were as follows:

	Six months ended		Year ended	
	5/31/12		11/30/11	
	Shares	Amount	Shares	Amount
Shares issued to shareholders in reinvestment of distributions	29,149	\$150,940	69,203	\$321,170

**(6) Line of Credit**

The fund and certain other funds managed by MFS participate in a \$1.1 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 Federal Reserve funds rate or 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

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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 Federal Reserve funds rate plus an agreed upon spread. For the six months ended May 31, 2012, the fund's commitment fee and interest expense were \$545 and \$0, respectively, and are included in Miscellaneous expense on 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:

<b>Underlying Affiliated Fund</b>	<b>Beginning Shares/Par Amount</b>	<b>Acquisitions Shares/Par Amount</b>	<b>Dispositions Shares/Par Amount</b>	<b>Ending Shares/Par Amount</b>
MFS Institutional Money Market Portfolio	2,249,831	24,533,867	(24,256,778)	2,526,920

  

<b>Underlying Affiliated Fund</b>	<b>Realized Gain (Loss)</b>	<b>Capital Gain Distributions</b>	<b>Dividend Income</b>	<b>Ending Value</b>
MFS Institutional Money Market Portfolio	\$	\$	\$1,856	\$2,526,920

**(8) Auction Preferred Shares**

The fund has 1,950 shares issued and outstanding of Auction Preferred Shares (APS), series T and 1,950 of APS, series W. Dividends are cumulative at a rate that is reset every seven days for both series through an auction process. If the APS are unable to be remarketed on a remarketing date as part of the auction process, the fund would be required to pay the maximum applicable rate on APS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on APS rated aa3/AA- or better is 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 APS issued by closed end funds, including this fund, have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, APS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for APS, they do not constitute a default or automatically alter the credit quality of the APS, and APS holders have continued to receive dividends at the previously defined maximum rate. During the six months ended May 31, 2012, the APS dividend rates ranged from 0.11% to 0.38% for series T and from 0.11% to 0.40% for series W. For the six months ended May 31, 2012, the average dividend rate

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*Notes to Financial Statements (unaudited) continued*

was 0.24% for both series T and series W. These developments with respect to APS do not affect the management or investment policies of the fund. However, one implication of these auction failures for common shareholders is that the fund's cost of leverage will be higher than it otherwise would have been had the auctions continued to be successful. As a result, the fund's future common share earnings may be lower than they otherwise would have been. To the extent that investments are purchased with the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund.

The fund pays an annual service fee to broker-dealers with customers who are beneficial owners of the preferred shares. The service fee is equivalent to 0.25% of the applicable preferred share liquidation value while the preferred share auctions are successful or to 0.15% or less, varying by broker-dealer, while the auctions are failing. The APS are redeemable at the option of the fund in whole or in part at the redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends. The APS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied. The fund is required to maintain certain asset coverage with respect to the APS as defined in the fund's By-Laws and the Investment Company Act of 1940 and, as such is not permitted to declare common share dividends unless the fund's APS have a minimum asset coverage ratio of 200% after declaration of the common share dividends.

**(9) Subsequent Event**

On July 6, 2012, the fund announced that its Board of Trustees authorized the fund to conduct a voluntary tender offer for up to 100% of its outstanding auction rate preferred shares (ARPS) at a price equal to 95% of the ARPS' per share liquidation preference of \$25,000, or \$23,750 per share, plus any unpaid dividends accrued through the expiration date of the tender offer. The fund's tender offer will be conditioned upon there being validly tendered and not withdrawn at least 70% of its outstanding ARPS, the successful private placement of new preferred shares (Variable Rate Municipal Term Preferred shares or VMTP), the ARPS shareholders' approval of an amendment to the fund's bylaws to replace Standard & Poor's with Fitch as a rating agency for the ARPS, and certain other conditions as will be set forth in the fund's offer to purchase and related letter of transmittal. Additional terms of the tender offer will be included in the fund's tender offer materials sent to ARPS shareholders. It is expected that the VMTP shares, if successfully placed, will allow the fund to replace the leverage currently obtained through ARPS that are tendered with VMTP shares. VMTP shares will be preferred shares of the fund. As to the distribution of assets of the fund, VMTP will rank on parity with ARPS that

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*Notes to Financial Statements (unaudited) continued*

remain outstanding after the tender offer and will be senior in priority to the fund's outstanding common shares.

On July 12, 2012, Moody's Investors Service announced that it downgraded its ratings of the fund's ARPS from Aaa to Aa2 pursuant to a revised ratings methodology.



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# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have reviewed the accompanying statement of assets and liabilities of the MFS High Income Municipal Trust (the Fund), including the portfolio of investments, as of May 31, 2012, and the related statements of operations, changes in net assets, and financial highlights for the six-month period ended May 31, 2012. These interim financial statements and financial highlights are the responsibility of the Fund's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements and financial highlights for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended November 30, 2011, and the financial highlights for each of the five years in the period ended November 30, 2011, and in our report dated January 13, 2012, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

Boston, Massachusetts

July 17, 2012

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### **BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

A discussion regarding the Board's most recent review and renewal of the fund's Investment Advisory Agreement with MFS is available by clicking on the fund's name under "Closed End Funds" in the "Products and Performance" section of the MFS Web site (*mfs.com*).

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

A general description of the MFS funds' proxy voting policies and procedures is available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* 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 twelve-month period ended June 30, 2011 is available without charge by visiting the Proxy Voting section of *mfs.com* 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](mailto: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 "News & Commentary" section of *mfs.com* or by clicking on the fund's name under "Closed End Funds" in the "Products and Performance" section of *mfs.com*.

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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: **CXE**

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**ITEM 2. CODE OF ETHICS.**

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.

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

Not applicable for semi-annual reports.

**ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

Not applicable for semi-annual reports.

**ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.**

Not applicable for semi-annual reports.

**ITEM 6. SCHEDULE OF INVESTMENTS.**

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

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

Not applicable for semi-annual reports.

**ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

There were no changes during this period.

**Table of Contents****ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS High Income Municipal Trust**

<b>Period</b>	<b>(a) Total number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs</b>
12/01/11-12/31/11	0	N/A	0	3,137,518
1/01/12-1/31/12	0	N/A	0	3,137,518
2/01/12-2/28/12	0	N/A	0	3,137,518
3/01/12-3/31/12	0	N/A	0	3,144,234
4/01/12-4/30/12	0	N/A	0	3,144,234
5/01/12-5/31/12	0	N/A	0	3,144,234
<b>Total</b>	<b>0</b>		<b>0</b>	

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1<sup>st</sup> 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 (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2012 plan year is 3,144,234.

**ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

There were no material changes to the procedures by which shareholders may send recommendations to the Board for nominees to the Registrant's Board since the Registrant last provided disclosure as to such procedures in response to the requirements of Item 407 (c)(2)(iv) of Regulation S-K or this Item.

**ITEM 11. CONTROLS AND PROCEDURES.**

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the Act)) as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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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.
  - (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.
- (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 Agreement and Declaration of Trust, as amended, 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 HIGH INCOME MUNICIPAL TRUST

By (Signature and Title)\* JOHN M. CORCORAN  
John M. Corcoran, President

Date: July 17, 2012

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)\* JOHN M. CORCORAN  
John M. Corcoran, President  
(Principal Executive Officer)

Date: July 17, 2012

By (Signature and Title)\* DAVID L. DILORENZO  
David L. DiLorenzo, Treasurer  
(Principal Financial Officer  
and Accounting Officer)

Date: July 17, 2012

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