

MFS INTERMEDIATE HIGH INCOME FUND

Form N-CSR

January 28, 2014

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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 811-05567

MFS INTERMEDIATE HIGH INCOME FUND

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(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: November 30, 2013

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ITEM 1. REPORTS TO STOCKHOLDERS.

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ANNUAL REPORT

November 30, 2013

MFS® INTERMEDIATE HIGH INCOME FUND

CIH-ANN

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MFS® INTERMEDIATE HIGH INCOME FUND

New York Stock Exchange Symbol: **CIF**

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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:

The global economy continues to grow at a modest pace. U.S. job growth has picked up in recent months, and gross domestic product growth has accelerated each quarter.

The U.K. and eurozone economies are expanding again. China's economy has regained traction, while Japan's government and central bank have revived a once-struggling economy.

However, challenges still exist. The eurozone recovery remains uneven, with France at risk of sliding back into recession, and unemployment rates among the region's northern countries differ substantially with rates in the south. China faces risks in its pursuit of greater domestic consumption. Japan is bracing itself for the national sales tax increase in April. The U.S. Federal Reserve remains a key focus for investors. As the nation's

economy improves, there are rising expectations that the Fed may start to shift away from its accommodative monetary policy.

Managing risk in the face of uncertainty is always a top priority for investors. At MFS®, our collaborative process employs integrated, global research and active risk management. Our team of investment professionals shares ideas and evaluates opportunities that span continents, investment disciplines and asset classes. Our goal is to build better insights, and ultimately better results, for our clients.

We understand and appreciate the economic challenges investors face, and we believe in the value of maintaining a long-term view and employing time-tested principles, such as asset allocation and diversification. We are confident that our unique approach can serve investors well as they work with their financial advisors to identify and pursue the most suitable opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

January 15, 2014

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 (i)****Top five industries (i)**

Energy Independent	11.4%
Medical & Health Technology & Services	7.0%
Broadcasting	6.1%
Wireless Communications	6.1%
Natural Gas-Pipeline	4.9%

Composition including fixed income credit quality (a)(i)

BBB	4.3%
BB	50.6%
B	53.9%
CCC	19.8%
C	0.1%
D	0.1%
Not Rated	1.4%
Non-Fixed Income	0.6%
Cash & Other	(30.8)%

Portfolio facts (i)

Average Duration (d)	5.5
Average Effective Maturity (m)	6.8 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). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. 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. 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. The bond component will include any accrued interest amounts.
 - (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.
- From time to time Cash & Other Net Assets may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

Percentages are based on net assets as of 11/30/13.

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

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MANAGEMENT REVIEW

Summary of Results

MFS Intermediate High Income Fund (fund) is a closed-end fund. The fund s investment objective is to seek high current income, but may also consider capital appreciation. MFS normally invests at least 80% of the fund s net assets, including borrowings for investment purposes, in high income debt instruments.

For the twelve months ended November 30, 2013, shares of the MFS Intermediate High Income Fund provided a total return of 9.75%, at net asset value and a total return of 1.49%, at market value. This compares with a return of 8.54% for the fund s benchmark, the Barclays U.S. High-Yield Corporate 2% Issuer Capped Index.

The performance commentary below is based on the net asset value performance of the fund which reflects the performance of the underlying pool of assets held by the fund. The total return at market value represents the return earned by owners of the shares of the fund which are traded publicly on the exchange.

Market Environment

At the beginning of the period, year-end fiscal cliff negotiations between the Republicans in the US Congress and President Obama were a particular source of market attention, where uncertainty surrounding the fiscal negotiations continued right up to the end-of-year deadline. A last minute political agreement averted the worst-case scenario and markets gravitated towards risk assets again, though the implementation of the US budget sequester, combined with concerns surrounding the Italian election results, was a source of uncertainty which lingered throughout the first half of the period.

The more dominant features of the first few months of 2013 included a marked improvement in market sentiment as global macroeconomic indicators improved, monetary easing by the Bank of Japan accelerated and fears of fiscal austerity in the US waned. In the middle of the period, concerns that the US Federal Reserve (Fed) would begin tapering its quantitative easing (QE) program caused sovereign bond yields to spike, credit spreads to widen, and equity valuations to fall. Equities subsequently outperformed fixed income in response to the improved economic fundamentals.

Toward the end of the period, the Fed s decision to postpone QE tapering surprised markets. Favorable market reactions were tempered, however, by tense negotiations over US fiscal policy which resulted in a 16-day partial shutdown of the federal government and a short-term extension in the debt ceiling. The volatility was short-lived, however, as an extension of budget and debt ceiling deadlines allowed the government to re-open, and subsequent economic data reflected moderate but resilient US growth. Also well-received was the decision by the European Central Bank to cut its policy rate as inflation pressures waned in the region. In addition, equity investors appeared to have concluded that there would be no major change in US monetary policy as a result of the nomination of Janet Yellen as the new Fed Chair for a term beginning in early 2014.

Contributors to Performance

The portion of the fund s return derived from yield, which was greater than that of the Barclays U.S. High-Yield Corporate 2% Issuer Capped Index, was a major driver of

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Management Review continued

positive relative performance. A greater exposure to corporate bonds in the *finance* sector contributed to relative results as this market sector turned in strong performance for the period. A greater exposure to BB rated bonds, which outperformed higher-rated securities during the reporting period, also benefited relative returns.

Security selection further supported relative returns. Individual securities that were among the fund's top relative contributors included the debt of financial services firm Bank of America, financial planning consultancy company Abbey National, global financial services firm JPMorgan Chase, steel products distribution company Edgen Murray and arms and weapons manufacturer Heckler & Koch (Germany).

The fund employs leverage which has been created through the use of loan agreements with a bank. To the extent that investments are purchased through the use of leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the fund's use of leverage enhanced its absolute positive returns.

Detractors from Performance

Yield curve^(y) positioning in the U.S., particularly the fund's greater exposure to shifts in the long portion of the yield curve (centered around maturities of 10 years), detracted from relative performance. Individual bond holdings that were among the fund's top relative detractors for the reporting period included the debt of oil and natural gas company El Paso Energy, insurance company MetLife, independent oil and natural gas exploration and production company QEP Resources, deathcare products and services company Service Corp. and commercial financial and leasing products company CIT Group.

Respectfully,

William Adams
Portfolio Manager

David Cole
Portfolio Manager

(r) Bonds rated BBB, Baa, or higher are considered investment grade; bonds rated BB, Ba, or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using 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). For securities which are not rated by any of the three agencies, the security is considered Not Rated.

(y) A yield curve graphically depicts the yields of different maturity bonds of the same credit quality and type; a normal yield curve is upward sloping, with short-term rates lower than long-term rates.

The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

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The following chart represents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares. Performance data shown represents past performance and is no guarantee of future results.

Price Summary for MFS Intermediate High Income Fund

Year Ended 11/30/13

	Date	Price
Net Asset Value	11/30/13	\$3.16
	11/30/12	\$3.12
New York Stock Exchange Price	11/30/13	\$2.80
	1/28/13 (high) (t)	\$3.31
	8/19/13 (low) (t)	\$2.65
	11/30/12	\$3.08

Total Returns vs Benchmark

Year Ended 11/30/13

MFS Intermediate High Income Fund at	
New York Stock Exchange Price (r)	(1.49)%
Net Asset Value (r)	9.75%
Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f)	8.54%

(f) Source: FactSet Research Systems Inc.

(r) Includes reinvestment of dividends and capital gain distributions.

(t) For the period December 1, 2012 through November 30, 2013.

Benchmark Definition

Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index is a component of the Barclays U.S. High-Yield Corporate Bond Index, which measures performance of non-investment grade, fixed rate debt. The index limits the maximum exposure to any one issuer to 2%.

It is not possible to invest directly in an index.

Notes to Performance Summary

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund

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Performance Summary continued

shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation.

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.

Net asset values and performance results based on net asset value per share do not include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and may differ from amounts reported in the Statement of Assets and Liabilities or the Financial Highlights.

From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.

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 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.

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PORTFOLIO MANAGERS PROFILES

Portfolio Manager	Primary Role	Since	Title and Five Year History
William Adams	Lower Quality Debt Instruments Portfolio Manager	2011	Investment Officer of MFS; employed in the investment management area of MFS since 2009; Credit Analyst at MFS from 1997 to 2005.
David Cole	Portfolio Manager	2007	Investment Officer of MFS; employed in the investment management area of MFS since 2004.

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DIVIDEND REINVESTMENT AND CASH

PURCHASE PLAN

The fund offers a Dividend Reinvestment and Cash Purchase Plan (the Plan) that allows common shareholders to reinvest either all of the distributions paid by the fund or only the long-term capital gains. Generally, purchases are made at the market price unless that price exceeds the net asset value (the shares are trading at a premium). If the shares are trading at a premium, purchases will be made at a price of either the net asset value or 95% of the market price, whichever is greater. You can also buy shares on a quarterly basis in any amount \$100 and over. The Plan Agent will purchase shares under the Cash Purchase Plan on the 15th of January, April, July, and October or shortly thereafter.

If shares are registered in your own name, new shareholders will automatically participate in the Plan, unless you have indicated that you do not wish to participate. If your shares are in the name of a brokerage firm, bank, or other nominee, you can ask the firm or nominee to participate in the Plan on your behalf. If the nominee does not offer the Plan, you may wish to request that your shares be re-registered in your own name so that you can participate. There is no service charge to reinvest distributions, nor are there brokerage charges for shares issued directly by the fund. However, when shares are bought on the New York Stock Exchange or otherwise on the open market, each participant pays a pro rata share of the transaction expenses, including commissions. Dividends and capital gains distributions are taxable whether received in cash or reinvested in additional shares the automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

You may withdraw from the Plan at any time by going to the Plan Agent's website at www.computershare.com, by calling 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940 - 3078. Please have available the name of the fund and your account number. For certain types of registrations, such as corporate accounts, instructions must be submitted in writing. Please call for additional details. When you withdraw from the Plan, you can receive the value of the reinvested shares in one of three ways: your full shares will be held in your account, the Plan Agent will sell your shares and send the proceeds to you, or you may transfer your full shares to your investment professional who can hold or sell them. Additionally, the Plan Agent will sell your fractional shares and send the proceeds to you.

If you have any questions or for further information or a copy of the Plan, contact the Plan Agent Computershare Trust Company, N.A. (the Transfer Agent for the fund) at 1-800-637-2304, at the Plan Agent's website at www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940 - 3078.

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11/30/13

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

Bonds - 124.3%		
Issuer	Shares/Par	Value (\$)
Aerospace - 3.0%		
Alliant Techsystems, Inc., 5.25%, 2021 (n)	\$ 85,000	\$ 85,425
Bombardier, Inc., 7.5%, 2018 (n)	235,000	266,725
Bombardier, Inc., 7.75%, 2020 (n)	135,000	153,560
Bombardier, Inc., 6.125%, 2023 (n)	200,000	199,000
CPI International, Inc., 8%, 2018	250,000	258,750
Huntington Ingalls Industries, Inc., 7.125%, 2021	405,000	441,450
Kratos Defense & Security Solutions, Inc., 10%, 2017	555,000	600,788
		\$ 2,005,698
Apparel Manufacturers - 1.4%		
Hanesbrands, Inc., 6.375%, 2020	\$ 225,000	\$ 245,813
Jones Group, Inc., 6.875%, 2019	215,000	219,838
PVH Corp., 7.375%, 2020	335,000	365,988
PVH Corp., 4.5%, 2022	145,000	136,300
		\$ 967,939
Asset-Backed & Securitized - 0.5%		
Banc of America Commercial Mortgage, Inc., FRN, 6.438%, 2051 (z)	\$ 450,000	\$ 187,605
Citigroup Commercial Mortgage Trust, FRN, 5.893%, 2049	275,000	34,672
G-Force LLC, CDO, A2, 4.83%, 2036 (z)	12,743	12,986
JPMorgan Chase Commercial Mortgage Securities Corp., C, FRN, 6.191%, 2051	155,000	82,352
		\$ 317,615
Automotive - 4.0%		
Accuride Corp., 9.5%, 2018	\$ 385,000	\$ 382,113
Allison Transmission, Inc., 7.125%, 2019 (n)	385,000	414,838
General Motors Financial Co., Inc., 4.75%, 2017 (n)	75,000	79,500
General Motors Financial Co., Inc., 6.75%, 2018	245,000	277,463
General Motors Financial Co., Inc., 4.25%, 2023 (n)	130,000	123,825
Goodyear Tire & Rubber Co., 6.5%, 2021	345,000	365,700
Goodyear Tire & Rubber Co., 7%, 2022	85,000	91,588
Jaguar Land Rover PLC, 7.75%, 2018 (n)	150,000	162,000
Jaguar Land Rover PLC, 8.125%, 2021 (n)	345,000	390,713
Jaguar Land Rover PLC, 5.625%, 2023 (n)	150,000	148,875
Lear Corp., 8.125%, 2020	152,000	167,960
Lear Corp., 4.75%, 2023 (n)	65,000	61,913
		\$ 2,666,488

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Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Broadcasting - 6.0%		
AMC Networks, Inc., 7.75%, 2021	\$ 311,000	\$ 349,875
Clear Channel Communications, Inc., 9%, 2021	253,000	255,530
Clear Channel Worldwide Holdings, Inc., 6.5%, 2022	45,000	46,350
Clear Channel Worldwide Holdings, Inc., 6.5%, 2022	205,000	212,175
Clear Channel Worldwide Holdings, Inc., A , 7.625%, 2020	10,000	10,450
Clear Channel Worldwide Holdings, Inc., B , 7.625%, 2020	185,000	195,175
Hughes Network Systems LLC, 7.625%, 2021	215,000	237,038
IAC/InterActive Corp., 4.875%, 2018 (z)	45,000	45,956
IAC/InterActive Corp., 4.75%, 2022	165,000	152,625
Inmarsat Finance PLC, 7.375%, 2017 (n)	165,000	171,600
Intelsat Jackson Holdings S.A., 6.625%, 2022 (n)	215,000	219,300
Intelsat Jackson Holdings S.A., 6.625%, 2022	195,000	198,900
Intelsat S.A., 8.125%, 2023 (n)	365,000	385,075
LBI Media, Inc., 13.5% to 2015, 11.5% to 2020 (n)(p)	102,841	60,676
Liberty Media Corp., 8.5%, 2029	250,000	265,930
Liberty Media Corp., 8.25%, 2030	10,000	10,613
Netflix, Inc., 5.375%, 2021 (n)	250,000	254,375
Nexstar Broadcasting, Inc., 6.875%, 2020	185,000	195,637
SIRIUS XM Radio, Inc., 4.25%, 2020 (n)	55,000	52,525
SIRIUS XM Radio, Inc., 5.875%, 2020 (n)	30,000	30,935
SIRIUS XM Radio, Inc., 5.25%, 2022 (n)	35,000	35,438
Univision Communications, Inc., 6.875%, 2019 (n)	280,000	301,700
Univision Communications, Inc., 7.875%, 2020 (n)	150,000	166,875
Univision Communications, Inc., 8.5%, 2021 (n)	135,000	149,513
		\$ 4,004,266
Brokerage & Asset Managers - 0.8%		
E*TRADE Financial Corp., 6.375%, 2019	\$ 485,000	\$ 518,950
Building - 4.1%		
Allegion U.S. Holding Co., Inc., 5.75%, 2021 (n)	\$ 120,000	\$ 124,500
Boise Cascade Co., 6.375%, 2020	125,000	131,250
Building Materials Holding Corp., 6.875%, 2018 (n)	185,000	197,488
Building Materials Holding Corp., 7%, 2020 (n)	115,000	123,625
Building Materials Holding Corp., 6.75%, 2021 (n)	160,000	172,400
CEMEX Espana S.A., 9.25%, 2020 (n)	205,000	222,681
CEMEX S.A.B. de C.V., 9.25%, 2020	170,000	184,660
Gibraltar Industries, Inc., 6.25%, 2021	80,000	82,400
HD Supply, Inc., 8.125%, 2019	115,000	128,369
HD Supply, Inc., 7.5%, 2020	330,000	349,800
Nortek, Inc., 8.5%, 2021	290,000	320,450
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 2020 (n)	157,000	176,625
USG Corp., 6.3%, 2016	304,000	326,800

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Building - continued		
USG Corp., 7.875%, 2020 (n)	\$ 110,000	\$ 121,825
USG Corp., 5.875%, 2021 (n)	60,000	62,100
		\$ 2,724,973
Business Services - 2.4%		
Equinix, Inc., 4.875%, 2020	\$ 135,000	\$ 134,663
Equinix, Inc., 5.375%, 2023	70,000	68,775
Fidelity National Information Services, Inc., 5%, 2022	170,000	173,825
First Data Corp., 10.625%, 2021 (n)	230,000	248,400
iGate Corp., 9%, 2016	319,000	340,931
Iron Mountain, Inc., 8.375%, 2021	187,000	201,960
Iron Mountain, Inc., 6%, 2023	170,000	173,400
Lender Processing Services, Inc., 5.75%, 2023	70,000	72,800
NeuStar, Inc., 4.5%, 2023	220,000	197,450
		\$ 1,612,204
Cable TV - 4.7%		
CCO Holdings LLC, 8.125%, 2020	\$ 395,000	\$ 431,538
CCO Holdings LLC, 7.375%, 2020	75,000	81,563
CCO Holdings LLC, 6.5%, 2021	350,000	365,313
CCO Holdings LLC/CCO Capital Corp., 5.75%, 2024	95,000	89,538
Cequel Communications Holdings, 6.375%, 2020 (n)	190,000	196,175
Cequel Communications Holdings I LLC, 5.125%, 2021 (n)	55,000	52,250
DISH DBS Corp., 7.875%, 2019	70,000	81,025
DISH DBS Corp., 6.75%, 2021	175,000	188,563
DISH DBS Corp., 5%, 2023	90,000	85,725
Lynx I Corp., 5.375%, 2021 (n)	200,000	203,500
ONO Finance II PLC, 10.875%, 2019 (n)	150,000	162,750
Telenet Finance Luxembourg, 6.375%, 2020 (n)	EUR 200,000	291,398
Time Warner Cable, Inc., 4.5%, 2042	\$ 170,000	125,765
UPC Holding B.V., 9.875%, 2018 (n)	200,000	214,750
UPCB Finance III Ltd., 6.625%, 2020 (n)	354,000	377,010
Ziggo Bond Co. B.V., 8%, 2018 (n)	EUR 135,000	195,318
		\$ 3,142,181
Chemicals - 3.7%		
Celanese U.S. Holdings LLC, 6.625%, 2018	\$ 95,000	\$ 102,006
Celanese U.S. Holdings LLC, 5.875%, 2021	137,000	146,248
Celanese U.S. Holdings LLC, 4.625%, 2022	90,000	86,400
Flash Dutch 2 B.V./U.S. Coatings Acquisition, 7.375%, 2021 (n)	150,000	159,000
Hexion U.S. Finance Corp., 6.625%, 2020	110,000	112,063
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2018	245,000	254,494
Huntsman International LLC, 8.625%, 2021	375,000	420,000

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - continued		
INEOS Finance PLC, 8.375%, 2019 (n)	\$ 400,000	\$ 444,500
INEOS Group Holdings S.A., 6.125%, 2018 (n)	200,000	201,250
NOVA Chemicals Corp., 5.25%, 2023 (n)	145,000	149,350
Polypore International, Inc., 7.5%, 2017	90,000	95,400
Tronox Finance LLC, 6.375%, 2020	280,000	280,350
		\$ 2,451,061
Computer Software - 1.2%		
Infor (US), Inc., 11.5%, 2018	\$ 215,000	\$ 248,325
Syniverse Holdings, Inc., 9.125%, 2019	325,000	355,063
VeriSign, Inc., 4.625%, 2023	190,000	181,925
		\$ 785,313
Computer Software - Systems - 1.1%		
Audatex North America, Inc., 6%, 2021 (n)	\$ 290,000	\$ 303,050
Audatex North America, Inc., 6.125%, 2023 (n)	50,000	51,625
CDW LLC/CDW Finance Corp., 12.535%, 2017	19,000	19,903
CDW LLC/CDW Finance Corp., 8.5%, 2019	300,000	333,375
		\$ 707,953
Conglomerates - 3.1%		
Amsted Industries, Inc., 8.125%, 2018 (n)	\$ 375,000	\$ 395,625
BC Mountain LLC, 7%, 2021 (n)	140,000	139,300
Dynacast International LLC, 9.25%, 2019	200,000	220,000
Griffon Corp., 7.125%, 2018	365,000	389,638
Renaissance Acquisition, 6.875%, 2021 (n)	350,000	350,875
Rexel S.A., 6.125%, 2019 (n)	200,000	208,000
Silver II Borrower, 7.75%, 2020 (n)	300,000	316,500
WESCO Distribution, Inc., 5.375%, 2021 (z)	35,000	35,263
		\$ 2,055,201
Construction - 0.1%		
Empresas ICA S.A.B. de C.V., 8.9%, 2021	\$ 45,000	\$ 42,975
Consumer Products - 1.3%		
Elizabeth Arden, Inc., 7.375%, 2021	\$ 280,000	\$ 305,550
Jarden Corp., 7.5%, 2020	295,000	319,338
Prestige Brands, Inc., 8.125%, 2020	79,000	87,789
Spectrum Brands Escrow Corp., 6.375%, 2020 (n)	165,000	175,725
		\$ 888,402
Consumer Services - 1.5%		
ADT Corp., 6.25%, 2021 (n)	\$ 140,000	\$ 146,125
ADT Corp., 4.125%, 2023	85,000	75,253

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Services - continued		
Monitronics International, Inc., 9.125%, 2020	\$ 45,000	\$ 47,475
Monitronics International, Inc., 9.125%, 2020 (n)	175,000	184,625
QVC, Inc., 7.375%, 2020 (n)	125,000	135,257
Service Corp. International, 7%, 2017	365,000	409,713
		\$ 998,448
Containers - 3.9%		
Ardagh Packaging Finance PLC, 7.375%, 2017 (n)	\$ 200,000	\$ 215,000
Ardagh Packaging Finance PLC, 9.125%, 2020 (n)	400,000	430,000
Ball Corp., 5%, 2022	134,000	132,325
Ball Corp., 4%, 2023	15,000	13,463
Berry Plastics Group, Inc., 9.5%, 2018	65,000	70,200
Berry Plastics Group, Inc., 9.75%, 2021	100,000	116,375
Crown American LLC, 4.5%, 2023	345,000	319,988
Exopack Holdings S.A., 7.875%, 2019 (n)	200,000	201,000
Greif, Inc., 6.75%, 2017	170,000	188,488
Reynolds Group, 7.125%, 2019	225,000	240,750
Reynolds Group, 9.875%, 2019	100,000	111,000
Reynolds Group, 5.75%, 2020	130,000	133,250
Reynolds Group, 8.25%, 2021	385,000	405,213
		\$ 2,577,052
Defense Electronics - 0.3%		
Ducommun, Inc., 9.75%, 2018	\$ 186,000	\$ 207,390
Electrical Equipment - 0.2%		
Avaya, Inc., 9.75%, 2015	\$ 120,000	\$ 120,000
Avaya, Inc., 7%, 2019 (n)	45,000	43,763
		\$ 163,763
Electronics - 1.4%		
Freescall Semiconductor, Inc., 9.25%, 2018	\$ 234,000	\$ 252,422
Nokia Corp., 5.375%, 2019	65,000	67,356
Nokia Corp., 6.625%, 2039	65,000	64,350
NXP B.V., 5.75%, 2023 (n)	245,000	250,513
Sensata Technologies B.V., 6.5%, 2019 (n)	305,000	328,638
		\$ 963,279
Energy - Independent - 11.0%		
Antero Resources Finance Corp., 6%, 2020	\$ 90,000	\$ 94,275
Antero Resources Finance Corp., 5.375%, 2021 (n)	135,000	136,350
BreitBurn Energy Partners LP, 8.625%, 2020	85,000	90,950
BreitBurn Energy Partners LP, 7.875%, 2022	320,000	327,200
Carrizo Oil & Gas, Inc., 8.625%, 2018	160,000	173,800

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Independent - continued		
Carrizo Oil & Gas, Inc., 7.5%, 2020	\$ 85,000	\$ 93,075
Chaparral Energy, Inc., 7.625%, 2022	150,000	162,375
Concho Resources, Inc., 6.5%, 2022	280,000	303,100
Concho Resources, Inc., 5.5%, 2023	175,000	177,625
Continental Resources, Inc., 8.25%, 2019	180,000	197,550
Continental Resources, Inc., 7.375%, 2020	65,000	72,800
Continental Resources, Inc., 4.5%, 2023	189,000	187,110
Denbury Resources, Inc., 8.25%, 2020	270,000	298,013
Energy XXI Gulf Coast, Inc., 9.25%, 2017	295,000	328,925
Energy XXI Gulf Coast, Inc., 7.5%, 2021 (n)	175,000	183,310
EP Energy LLC, 6.875%, 2019	75,000	80,813
EP Energy LLC, 9.375%, 2020	285,000	327,750
EP Energy LLC, 7.75%, 2022	365,000	410,625
EPL Oil & Gas, Inc., 8.25%, 2018	255,000	273,806
Halcon Resources Corp., 8.875%, 2021	210,000	213,150
Harvest Operations Corp., 6.875%, 2017	345,000	372,600
Hilcorp Energy I/Hilcorp Finance Co., 8%, 2020 (n)	105,000	113,663
Laredo Petroleum, Inc., 9.5%, 2019	170,000	189,550
LINN Energy LLC, 8.625%, 2020	40,000	42,800
LINN Energy LLC, 7.75%, 2021	194,000	201,275
MEG Energy Corp., 6.5%, 2021 (n)	105,000	109,200
MEG Energy Corp., 7%, 2024 (n)	110,000	112,200
Oasis Petroleum, Inc., 6.875%, 2022 (n)	125,000	134,375
QEP Resources, Inc., 6.875%, 2021	410,000	435,625
Range Resources Corp., 8%, 2019	185,000	197,025
Range Resources Corp., 5%, 2022	160,000	157,200
Samson Investment Co., 10.5%, 2020 (n)	175,000	189,219
SandRidge Energy, Inc., 8.125%, 2022	360,000	379,350
SM Energy Co., 6.5%, 2021	235,000	251,450
Whiting Petroleum Corp., 6.5%, 2018	240,000	255,000
Whiting Petroleum Corp., 5%, 2019	75,000	76,685
		\$ 7,349,819
Engineering - Construction - 0.3%		
BakerCorp International, Inc., 8.25%, 2019	\$ 195,000	\$ 193,538
Entertainment - 1.8%		
Activision Blizzard, Inc., 6.125%, 2023 (n)	\$ 120,000	\$ 125,700
AMC Entertainment, Inc., 8.75%, 2019	210,000	224,700
Cedar Fair LP, 9.125%, 2018	115,000	125,350
Cedar Fair LP, 5.25%, 2021 (n)	180,000	176,400
Cinemark USA, Inc., 5.125%, 2022	165,000	159,019
Cinemark USA, Inc., 4.875%, 2023	140,000	131,250

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Entertainment - continued		
Six Flags Entertainment Corp., 5.25%, 2021 (n)	\$ 250,000	\$ 245,000
		\$ 1,187,419
Financial Institutions - 7.4%		
Aviation Capital Group, 4.625%, 2018 (n)	\$ 140,000	\$ 143,355
Aviation Capital Group, 6.75%, 2021 (n)	120,000	129,966
CIT Group, Inc., 5.25%, 2018	225,000	242,438
CIT Group, Inc., 6.625%, 2018 (n)	319,000	360,470
CIT Group, Inc., 5.5%, 2019 (n)	280,000	301,700
CIT Group, Inc., 5%, 2022	400,000	396,000
Credit Acceptance Corp., 9.125%, 2017	225,000	237,094
Icahn Enterprises LP, 8%, 2018	429,000	447,769
Icahn Enterprises LP, 6%, 2020 (n)	90,000	92,363
International Lease Finance Corp., 8.625%, 2015	80,000	89,100
International Lease Finance Corp., 7.125%, 2018 (n)	246,000	284,438
Nationstar Mortgage LLC/Capital Corp., 10.875%, 2015	120,000	123,300
Nationstar Mortgage LLC/Capital Corp., 6.5%, 2018	140,000	142,450
Nationstar Mortgage LLC/Capital Corp., 7.875%, 2020	525,000	544,688
PHH Corp., 7.375%, 2019	235,000	253,800
PHH Corp., 6.375%, 2021	115,000	115,719
SLM Corp., 8.45%, 2018	185,000	215,525
SLM Corp., 8%, 2020	585,000	663,975
SLM Corp., 7.25%, 2022	145,000	153,700
		\$ 4,937,850
Food & Beverages - 1.4%		
B&G Foods, Inc., 4.625%, 2021	\$ 110,000	\$ 105,050
Constellation Brands, Inc., 3.75%, 2021	35,000	32,988
Constellation Brands, Inc., 4.25%, 2023	215,000	202,100
Hawk Acquisition Sub, Inc., 4.25%, 2020 (n)	175,000	168,438
Sun Merger Sub, Inc., 5.875%, 2021 (n)	175,000	181,125
TreeHouse Foods, Inc., 7.75%, 2018	215,000	226,288
		\$ 915,989
Forest & Paper Products - 1.2%		
Appvion, Inc., 9%, 2020 (z)	\$ 175,000	\$ 171,063
Graphic Packaging Holding Co., 7.875%, 2018	125,000	135,625
Smurfit Kappa Group PLC, 4.875%, 2018 (n)	200,000	206,500
Smurfit Kappa Group PLC, 7.75%, 2019 (n)	EUR 120,000	177,904
Tembec Industries, Inc., 11.25%, 2018	\$ 110,000	120,725
		\$ 811,817

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Gaming & Lodging - 3.2%		
Caesars Entertainment Operating Co., Inc., 8.5%, 2020	\$ 95,000	\$ 91,438
Chester Downs & Marina LLC, 9.25%, 2020 (n)	95,000	95,000
GLP Capital LP/GLP Financing II, Inc., 4.375%, 2018 (n)	95,000	96,900
Hilton Worldwide Finance Co., 5.625%, 2021 (n)	130,000	132,600
Isle of Capri Casinos, Inc., 8.875%, 2020	170,000	181,050
Isle of Capri Casinos, Inc., 5.875%, 2021	35,000	33,950
MGM Resorts International, 11.375%, 2018	195,000	249,113
MGM Resorts International, 6.625%, 2021	180,000	189,450
Pinnacle Entertainment, Inc., 8.75%, 2020	165,000	182,325
PNK Finance Corp., 6.375%, 2021 (n)	130,000	134,225
Ryman Hospitality Properties, Inc., REIT, 5%, 2021	105,000	102,900
Seven Seas Cruises S. DE R.L., 9.125%, 2019	310,000	342,163
Wynn Las Vegas LLC, 7.75%, 2020	260,000	289,900
		\$ 2,121,014
Health Maintenance Organizations - 0.1%		
Wellcare Health Plans, Inc., 5.75%, 2020	\$ 50,000	\$ 51,375
Industrial - 1.6%		
Dematic S.A., 7.75%, 2020 (n)	\$ 310,000	\$ 330,925
Howard Hughes Corp., 6.875%, 2021 (n)	175,000	181,560
Hyva Global B.V., 8.625%, 2016 (n)	200,000	202,500
Mueller Water Products, Inc., 8.75%, 2020	126,000	141,435
SPL Logistics Escrow LLC, 8.875%, 2020 (n)	175,000	185,938
		\$ 1,042,358
Insurance - 0.7%		
MetLife, Inc., 9.25% to 2038, FRN to 2068 (n)	\$ 370,000	\$ 473,600
Insurance - Property & Casualty - 0.7%		
XL Group PLC, 6.5% to 2017, FRN to 2049	\$ 490,000	\$ 480,200
International Market Quasi-Sovereign - 0.2%		
Eksportfinans A.S.A., 5.5%, 2016	\$ 60,000	\$ 63,000
Eksportfinans A.S.A., 5.5%, 2017	95,000	99,869
		\$ 162,869
Machinery & Tools - 3.1%		
Case New Holland, Inc., 7.875%, 2017	\$ 620,000	\$ 733,150
CNH America LLC, 7.25%, 2016	90,000	99,000
CNH Capital LLC, 3.625%, 2018	140,000	141,400
H&E Equipment Services Co., 7%, 2022	230,000	251,275
NESCO LLC/NESCO Holdings Corp., 11.75%, 2017 (n)	280,000	315,700
RSC Equipment Rental, Inc., 8.25%, 2021	240,000	273,000

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Machinery & Tools - continued		
United Rentals North America, Inc., 5.75%, 2018	\$ 115,000	\$ 123,481
United Rentals North America, Inc., 7.625%, 2022	117,000	131,040
		\$ 2,068,046
Major Banks - 2.1%		
Bank of America Corp., FRN, 5.2%, 2049	\$ 245,000	\$ 220,500
Barclays Bank PLC, 7.625%, 2022	400,000	420,500
JPMorgan Chase & Co., 6% to 2023, FRN to 2049	380,000	365,750
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 2049 (n)	100,000	105,750
Royal Bank of Scotland Group PLC, 7.648% to 2031, FRN to 2049	275,000	286,688
		\$ 1,399,188
Medical & Health Technology & Services - 6.9%		
AmSurg Corp., 5.625%, 2020	\$ 150,000	\$ 156,000
Davita, Inc., 6.375%, 2018	505,000	530,250
Davita, Inc., 6.625%, 2020	190,000	203,300
Fresenius Medical Care AG & Co. KGaA, 9%, 2015 (n)	165,000	183,975
Fresenius Medical Care Capital Trust III, 5.625%, 2019 (n)	170,000	183,600
Fresenius Medical Care Capital Trust III, 5.875%, 2022 (n)	145,000	154,788
HCA, Inc., 8.5%, 2019	455,000	486,281
HCA, Inc., 7.5%, 2022	380,000	422,750
HCA, Inc., 5.875%, 2022	170,000	176,375
HealthSouth Corp., 8.125%, 2020	425,000	467,500
IASIS Healthcare LLC/IASIS Capital Corp., 8.375%, 2019	220,000	232,650
Kinetic Concepts, Inc., 12.5%, 2019	190,000	209,950
Lifepoint Hospitals, Inc., 5.5%, 2021 (z)	165,000	165,825
Tenet Healthcare Corp., 8%, 2020	245,000	267,050
Tenet Healthcare Corp., 4.5%, 2021	210,000	200,550
Tenet Healthcare Corp., 8.125%, 2022	135,000	146,475
Universal Health Services, Inc., 7%, 2018	130,000	139,100
Universal Health Services, Inc., 7.625%, 2020	245,000	257,250
		\$ 4,583,669
Medical Equipment - 1.0%		
Biomet, Inc., 6.5%, 2020	\$ 230,000	\$ 243,800
Physio-Control International, Inc., 9.875%, 2019 (n)	128,000	143,360
Teleflex, Inc., 6.875%, 2019	275,000	288,750
		\$ 675,910
Metals & Mining - 3.9%		
ArcelorMittal S.A., 6.75%, 2022	\$ 60,000	\$ 65,025
ArcelorMittal S.A., 7.25%, 2041	145,000	137,750
Arch Coal, Inc., 7.25%, 2020	135,000	101,925
Century Aluminum Co., 7.5%, 2021 (n)	170,000	165,325

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Metals & Mining - continued		
Commercial Metals Co., 4.875%, 2023	\$ 130,000	\$ 121,225
Consol Energy, Inc., 8%, 2017	170,000	179,775
Consol Energy, Inc., 8.25%, 2020	180,000	195,750
First Quantum Minerals Ltd., 7.25%, 2019 (n)	400,000	386,000
Fortescue Metals Group Ltd., 8.25%, 2019 (n)	180,000	201,150
Peabody Energy Corp., 7.375%, 2016	350,000	394,625
Peabody Energy Corp., 6%, 2018	110,000	116,875
Peabody Energy Corp., 6.25%, 2021	110,000	112,475
TMS International Corp., 7.625%, 2021 (n)	155,000	163,525
Walter Energy, Inc., 9.5%, 2019 (n)	60,000	62,700
Walter Energy, Inc., 8.5%, 2021	195,000	164,288
		\$ 2,568,413
Municipals - 0.1%		
New Jersey Tobacco Settlement Financing Corp., 1-A, 4.5%, 2023	\$ 90,000	\$ 83,288
Natural Gas - Distribution - 0.9%		
AmeriGas Finance LLC, 6.75%, 2020	\$ 310,000	\$ 337,900
Ferrellgas LP/Ferrellgas Finance Corp., 6.5%, 2021	230,000	234,025
Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 2022 (n)	55,000	55,963
		\$ 627,888
Natural Gas - Pipeline - 4.8%		
Access Midstream Partners Co., 5.875%, 2021	\$ 75,000	\$ 80,250
Access Midstream Partners Co., 4.875%, 2023	345,000	338,100
Atlas Pipeline Partners LP, 4.75%, 2021 (n)	70,000	64,750
Atlas Pipeline Partners LP, 5.875%, 2023 (n)	135,000	130,950
Colorado Interstate Gas Co., 6.8%, 2015	91,000	101,118
Crestwood Midstream Partners LP, 6.125%, 2022 (n)	55,000	56,238
Crosstex Energy, Inc., 8.875%, 2018	270,000	284,850
Crosstex Energy, Inc., 7.125%, 2022	20,000	22,800
El Paso Corp., 7%, 2017	175,000	198,048
El Paso Corp., 7.75%, 2032	455,000	465,566
Energy Transfer Equity LP, 7.5%, 2020	290,000	330,600
Enterprise Products Partners LP, 7.034% to 2018, FRN to 2068	13,000	14,333
Inergy Midstream LP, 6%, 2020 (n)	235,000	240,581
MarkWest Energy Partners LP, 5.5%, 2023	170,000	173,400
MarkWest Energy Partners LP, 4.5%, 2023	135,000	127,913
Sabine Pass Liquefaction, 5.625%, 2021 (n)	100,000	98,750
Sabine Pass Liquefaction, 5.625%, 2023 (n)	350,000	331,625
Summit Midstream Holdings LLC, 7.5%, 2021 (n)	130,000	135,850
		\$ 3,195,722

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Network & Telecom - 1.4%		
Centurylink, Inc., 6.45%, 2021	\$ 40,000	\$ 41,700
Centurylink, Inc., 7.65%, 2042	175,000	157,938
Citizens Communications Co., 9%, 2031	160,000	161,200
Frontier Communications Corp., 8.125%, 2018	95,000	109,725
Qwest Corp., 7.5%, 2014	1,000	1,052
TW Telecom Holdings, Inc., 5.375%, 2022	120,000	119,550
TW Telecom Holdings, Inc., 5.375%, 2022 (n)	70,000	69,732
Windstream Corp., 8.125%, 2018	45,000	48,488
Windstream Corp., 7.75%, 2020	135,000	144,450
Windstream Corp., 7.75%, 2021	55,000	58,713
		\$ 912,548
Oil Services - 2.3%		
Bristow Group, Inc., 6.25%, 2022	\$ 285,000	\$ 301,388
Dresser-Rand Group, Inc., 6.5%, 2021	80,000	84,800
Edgen Murray Corp., 8.75%, 2020 (n)	235,000	272,013
Pacific Drilling S.A., 5.375%, 2020 (n)	235,000	237,350
Shale-Inland Holdings LLC/Finance Co., 8.75%, 2019 (n)	330,000	335,775
Unit Corp., 6.625%, 2021	265,000	278,250
		\$ 1,509,576
Other Banks & Diversified Financials - 1.5%		
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	\$ 225,000	\$ 292,500
LBG Capital No. 1 PLC, 7.875%, 2020 (n)	410,000	439,520
UBS AG, 7.625%, 2022	250,000	285,934
		\$ 1,017,954
Pharmaceuticals - 1.7%		
Capsugel FinanceCo. SCA, 9.875%, 2019 (n)	EUR 200,000	\$ 303,964
Capsugel S.A., 7%, 2019 (n)(p)	\$ 70,000	71,225
Endo Health Solutions, Inc., 7.25%, 2022	135,000	146,138
Valeant Pharmaceuticals International, Inc., 7%, 2020 (n)	310,000	332,475
Valeant Pharmaceuticals International, Inc., 7.25%, 2022 (n)	105,000	113,138
Vantage Point Imaging, 7.5%, 2021 (n)	125,000	137,500
		\$ 1,104,440
Precious Metals & Minerals - 0.7%		
Eldorado Gold Corp., 6.125%, 2020 (n)	\$ 175,000	\$ 171,500
IAMGOLD Corp., 6.75%, 2020 (n)	354,000	314,175
		\$ 485,675
Printing & Publishing - 0.9%		
American Media, Inc., 13.5%, 2018 (z)	\$ 28,207	\$ 30,323
Gannett Co., Inc., 6.375%, 2023 (n)	150,000	156,375

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Printing & Publishing - continued		
Gannett Co., Inc., 5.125%, 2020 (n)	\$ 110,000	\$ 112,200
Lamar Media Corp., 5%, 2023	165,000	157,575
Nielsen Finance LLC, 7.75%, 2018	165,000	179,438
		\$ 635,911
Railroad & Shipping - 0.2%		
Kansas City Southern de Mexico S.A. de C.V., 6.125%, 2021	\$ 16,000	\$ 17,760
Watco Cos. LLC, 6.375%, 2023 (n)	145,000	144,638
		\$ 162,398
Real Estate - 1.8%		
Aviv Healthcare Properties LP, 6%, 2021 (n)	\$ 160,000	\$ 164,000
CNL Lifestyle Properties, Inc., REIT, 7.25%, 2019	135,000	139,388
DuPont Fabros Technology, Inc., REIT, 5.875%, 2021 (n)	180,000	185,400
ERP Properties, REIT, 7.75%, 2020	200,000	230,138
ERP Properties, REIT, 5.75%, 2022	50,000	51,546
Felcor Lodging LP, REIT, 5.625%, 2023	100,000	97,500
MPT Operating Partnership LP, REIT, 6.875%, 2021	150,000	160,875
MPT Operating Partnership LP, REIT, 6.375%, 2022	165,000	169,950
		\$ 1,198,797
Retailers - 2.3%		
Academy Ltd., 9.25%, 2019 (n)	\$ 95,000	\$ 104,975
Burlington Coat Factory Warehouse Corp., 10%, 2019	210,000	235,463
CST Brands, Inc., 5%, 2023 (n)	60,000	57,750
J. Crew Group, Inc., 8.125%, 2019	41,000	43,204
Jo-Ann Stores Holdings, Inc., 9.75%, 2019 (n)(p)	185,000	193,325
Limited Brands, Inc., 6.9%, 2017	85,000	97,538
Limited Brands, Inc., 7%, 2020	50,000	56,250
Limited Brands, Inc., 6.95%, 2033	175,000	173,250
Rite Aid Corp., 9.25%, 2020	310,000	357,663
Sally Beauty Holdings, Inc., 6.875%, 2019	135,000	149,344
William Carter Co., 5.25%, 2021 (n)	45,000	45,782
		\$ 1,514,544
Specialty Chemicals - 0.5%		
Chemtura Corp., 5.75%, 2021	\$ 195,000	\$ 197,438
Koppers, Inc., 7.875%, 2019	105,000	113,925
		\$ 311,363
Specialty Stores - 0.3%		
Michaels Stores, Inc., 11.375%, 2016	\$ 81,000	\$ 83,026
Michaels Stores, Inc., 7.75%, 2018	105,000	113,663
		\$ 196,689

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telecommunications - Wireless - 6.0%		
Crown Castle International Corp., 7.125%, 2019	\$ 345,000	\$ 373,600
Crown Castle International Corp., 5.25%, 2023	90,000	88,875
Digicel Group Ltd., 8.25%, 2017 (n)	235,000	244,694
Digicel Group Ltd., 10.5%, 2018 (n)	100,000	107,750
Eileme 2 AB, 11.625%, 2020 (n)	200,000	240,500
MetroPCS Wireless, Inc., 7.875%, 2018	205,000	220,888
MetroPCS Wireless, Inc., 6.25%, 2021 (n)	200,000	208,000
Sprint Capital Corp., 6.875%, 2028	185,000	175,750
Sprint Corp., 7.875%, 2023 (n)	300,000	328,500
Sprint Nextel Corp., 8.375%, 2017	390,000	452,400
Sprint Nextel Corp., 9%, 2018 (n)	100,000	121,000
Sprint Nextel Corp., 6%, 2022	205,000	203,463
T-Mobile USA, Inc., 6.5%, 2024	95,000	96,188
T-Mobile USA, Inc., 6.125%, 2022	35,000	35,656
T-Mobile USA, Inc., 5.25%, 2018 (n)	100,000	104,250
T-Mobile USA, Inc., 6.464%, 2019	50,000	53,250
T-Mobile USA, Inc., 6.633%, 2021	55,000	57,610
Wind Acquisition Finance S.A., 11.75%, 2017 (n)	150,000	159,375
Wind Acquisition Finance S.A., 12.25%, 2017 (n)(p)	300,000	295,560
Wind Acquisition Finance S.A., 7.25%, 2018 (n)	410,000	430,500
		\$ 3,997,809
Telephone Services - 0.6%		
Cogent Communications Group, Inc., 8.375%, 2018 (n)	\$ 100,000	\$ 109,000
Level 3 Financing, Inc., 9.375%, 2019	155,000	173,213
Level 3 Financing, Inc., 8.625%, 2020	80,000	89,600
		\$ 371,813
Transportation - Services - 3.9%		
Aguila American Resources Ltd., 7.875%, 2018 (n)	\$ 300,000	\$ 318,375
Avis Budget Car Rental LLC, 8.25%, 2019	130,000	141,700
Avis Budget Car Rental LLC, 9.75%, 2020	95,000	111,150
CEVA Group PLC, 8.375%, 2017 (n)	365,000	383,250
Jack Cooper Finance Co., 9.25%, 2020 (n)	180,000	193,500
Navios Maritime Acquisition Corp., 8.125%, 2021 (n)	195,000	197,438
Navios Maritime Holding, Inc., 7.375%, 2022 (z)	175,000	175,875
Navios South American Logistics, Inc., 9.25%, 2019	217,000	234,360
Swift Services Holdings, Inc., 10%, 2018	485,000	540,169
Syncreon Group BV/Syncre, 8.625%, 2021 (n)	200,000	207,500
Ultrapetrol (Bahamas) Ltd., 8.875%, 2021 (n)	19,000	20,283
Ultrapetrol (Bahamas) Ltd., 8.875%, 2021 (n)	90,000	96,075
		\$ 2,619,675

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Electric Power - 3.1%		
AES Corp., 8%, 2017	\$ 29,000	\$ 34,003
AES Corp., 7.375%, 2021	195,000	220,350
Calpine Corp., 7.875%, 2020 (n)	172,000	188,340
Calpine Corp., 6%, 2022 (n)	35,000	35,963
Covanta Holding Corp., 7.25%, 2020	265,000	289,448
Energy Future Holdings Corp., 10%, 2020	333,000	353,813
Energy Future Holdings Corp., 10%, 2020 (n)	200,000	212,000
InterGen N.V., 7%, 2023 (n)	200,000	206,500
NRG Energy, Inc., 8.25%, 2020	280,000	311,500
NRG Energy, Inc., 6.625%, 2023	90,000	92,250
Texas Competitive Electric Holdings Co. LLC, 11.5%, 2020 (n)	125,000	91,563
		\$ 2,035,730
Total Bonds (Identified Cost, \$80,177,665)		\$ 82,806,045
Floating Rate Loans (g)(r) - 2.6%		
Aerospace - 0.1%		
TransDigm, Inc., Term Loan C, 3.75%, 2020	\$ 97,549	\$ 97,969
Conglomerates - 0.1%		
Silver II U.S. Holdings LLC, Term Loan, 4%, 2019	\$ 95,976	\$ 95,902
Consumer Services - 0.1%		
Realogy Corp., Extended Term Loan, 4.5%, 2020	\$ 63,617	\$ 64,200
Energy - Independent - 0.2%		
MEG Energy Corp., Term Loan B, 3.75%, 2020	\$ 120,268	\$ 120,982
Entertainment - 0.1%		
Cedar Fair LP, Term Loan B, 3.25%, 2020	\$ 81,450	\$ 81,603
Food & Beverages - 0.5%		
Aramark Corp., Term Loan D, 4%, 2019	\$ 98,080	\$ 98,447
Darling International, Inc., Bridge Term Loan, 2014 (o)	182,994	182,994
H.J. Heinz Co., Term Loan B2, 3.5%, 2020	59,256	59,626
		\$ 341,067
Gaming & Lodging - 0.2%		
Hilton Worldwide Finance LLC, Term Loan B2, 4%, 2020	\$ 119,546	\$ 119,919
Metals & Mining - 0.2%		
FMG Resources Ltd., New Term Loan B, 4.25%, 2019 (o)	\$ 109,400	\$ 110,397

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Floating Rate Loans (g)(r) - continued		
Retailers - 0.3%		
Rite Aid Corp., 2nd Lien Term Loan, 4.87%, 2021	\$ 79,361	\$ 80,352
Toys R Us Property Co. I LLC, Term Loan B, 6%, 2019	156,073	151,625
		\$ 231,977
Transportation - Services - 0.5%		
Commercial Barge Line Co., 1st Lien Term Loan, 7.5%, 2019	\$ 308,659	\$ 305,186
Utilities - Electric Power - 0.3%		
Calpine Construction Finance Co., Term Loan B1, 3%, 2020	\$ 203,827	\$ 201,570
Total Floating Rate Loans (Identified Cost, \$1,770,942)		\$ 1,770,772
Convertible Bonds - 0.2%		
Network & Telecom - 0.2%		
Nortel Networks Corp., 2.125%, 2014 (Identified Cost, \$133,688) (a)(d)	\$ 135,000	\$ 132,975
Preferred Stocks - 0.4%		
Other Banks & Diversified Financials - 0.4%		
Ally Financial, Inc., 7% (z)	100	\$ 96,097
GMAC Capital Trust I, 8.125%	5,675	152,317
Total Preferred Stocks (Identified Cost, \$237,049)		\$ 248,414
Common Stocks - 0.1%		
Automotive - 0.0%		
Accuride Corp. (a)	4,099	\$ 14,387
Printing & Publishing - 0.1%		
American Media Operations, Inc. (a)	7,229	\$ 35,350
Total Common Stocks (Identified Cost, \$167,543)		\$ 49,737
Money Market Funds - 4.0%		
MFS Institutional Money Market Portfolio, 0.09%, at Cost and Net Asset Value (v)	2,662,511	\$ 2,662,511
Total Investments (Identified Cost, \$85,149,398)		\$ 87,670,454
Other Assets, Less Liabilities - (31.6)%		(21,041,386)
Net Assets - 100.0%		\$ 66,629,068

(a) Non-income producing security.

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

(g) The rate shown represents a weighted average coupon rate on settled positions at period end, unless otherwise indicated.

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Portfolio of Investments continued

- (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 \$29,227,634 representing 43.9% of net assets.
- (o) All or a portion of this position has not settled. Upon settlement date, interest rates for unsettled amounts will be determined. The rate shown, if any, represents the weighted average coupon rate for settled amounts.
- (p) Payment-in-kind security.
- (r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.
- (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:

	Acquisition		
Restricted Securities	Date	Cost	Value
Ally Financial, Inc., 7% (Preferred Stock)	4/13/11-4/14/11	\$93,750	\$96,097
American Media, Inc., 13.5%, 2018	12/22/10	28,530	30,323
Appvion, Inc., 9%, 2020	11/13/13	172,387	171,063
Banc of America Commercial Mortgage, Inc., FRN, 6.438%, 2051	6/19/08	331,037	187,605
G-Force LLC, CDO, A2, 4.83%, 2036	1/20/11	12,391	12,986
IAC/InterActive Corp., 4.875%, 2018	11/12/13	45,000	45,956
Lifepoint Hospitals, Inc., 5.5%, 2021	11/21/13-11/22/13	165,150	165,825
Navios Maritime Holding, Inc., 7.375%, 2022	11/14/13	175,000	175,875
WESCO Distribution, Inc., 5.375%, 2021	11/21/13	35,000	35,263
Total Restricted Securities			\$920,993
% of Net assets			1.4%

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

CDO Collateralized Debt Obligation

FRN Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.

PLC Public Limited Company

REIT Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

EUR Euro

Table of Contents*Portfolio of Investments continued***Derivative Contracts at 11/30/13****Forward Foreign Currency Exchange Contracts at 11/30/13**

Type	Currency	Counter-party	Contracts to Deliver/Receive	Settlement Date Range	In Exchange for	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives							
BUY	EUR	Goldman Sachs International	116,768	1/17/14	\$157,838	\$158,631	\$793
Liability Derivatives							
SELL	EUR	Deutsche Bank AG	416,590	1/17/14	\$562,368	\$565,944	\$(3,576)
SELL	EUR	JPMorgan Chase Bank N.A.	416,590	1/17/14	562,368	565,944	(3,576)
							\$(7,152)

Swap Agreements at 11/30/13

Expiration	Notional Amount	Counterparty	Cash Flows to Receive	Cash Flows to Pay	Fair Value
Asset Derivatives					
Credit Default Swap Agreements					
12/20/17	USD 690,000	Goldman Sachs International (a)	5.0% (fixed rate)	(1)	\$69,072

(1) Fund, as protection seller, to pay notional amount upon a defined credit event by a reference obligation specified in the CDX. NA. HY.19 Index, a B+ rated credit default index. The fund entered into the contract to manage market/sector exposure.

(a) Net unamortized premiums paid by the fund amounted to \$25,109.

The credit ratings presented here are an indicator of the current payment/performance risk of the related swap agreement, the reference obligation for which may be either a single security or, in the case of a credit default index, a basket of securities issued by corporate or sovereign issuers. Ratings are assigned to each reference security, including each individual security within a reference basket of 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). The ratings for a credit default index are calculated by MFS as a weighted average of the external credit ratings of the individual securities that compose the index's reference basket of securities.

See Notes to Financial Statements

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

At 11/30/13

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

Assets	
Investments-	
Non-affiliated issuers, at value (identified cost, \$82,486,887)	\$85,007,943
Underlying affiliated funds, at cost and value	2,662,511
Total investments, at value (identified cost, \$85,149,398)	\$87,670,454
Cash	161,693
Receivables for	
Forward foreign currency exchange contracts	793
Investments sold	23,242
Interest	1,391,599
Swaps, at value (net unamortized premiums paid, \$25,109)	69,072
Other assets	1,955
Total assets	\$89,318,808
Liabilities	
Notes payable	\$22,000,000
Payables for	
Distributions	16,497
Forward foreign currency exchange contracts	7,152
Investments purchased	513,878
Payable to affiliates	
Investment adviser	27,956
Transfer agent and dividend disbursing costs	805
Payable for independent Trustees' compensation	21
Accrued interest expense	33,647
Accrued expenses and other liabilities	89,784
Total liabilities	\$22,689,740
Net assets	\$66,629,068
Net assets consist of	
Paid-in capital	\$79,253,786
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	2,558,761
Accumulated net realized gain (loss) on investments and foreign currency	(15,221,015)
Undistributed net investment income	37,536
Net assets	\$66,629,068
Shares of beneficial interest outstanding	21,092,613
Net asset value per share (net assets of \$66,629,068 / 21,092,613 shares of beneficial interest outstanding)	\$3.16

See Notes to Financial Statements

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

Year ended 11/30/13

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

Net investment income	
Income	
Interest	\$5,902,619
Dividends	23,256
Dividends from underlying affiliated funds	3,198
Foreign taxes withheld	(3,186)
Total investment income	\$5,925,887
Expenses	
Management fee	\$696,324
Transfer agent and dividend disbursing costs	12,786
Administrative services fee	19,488
Independent Trustees' compensation	12,460
Stock exchange fee	23,924
Custodian fee	13,209
Interest expense	213,149
Shareholder communications	40,044
Audit and tax fees	77,787
Legal fees	7,530
Miscellaneous	20,129
Total expenses	\$1,136,830
Fees paid indirectly	(120)
Reduction of expenses by investment adviser	(32,264)
Net expenses	\$1,104,446
Net investment income	\$4,821,441
Realized and unrealized gain (loss) on investments and foreign currency	
Realized gain (loss) (identified cost basis)	
Investments	\$1,982,159
Swap agreements	13,776
Foreign currency	(46,476)
Net realized gain (loss) on investments and foreign currency	\$1,949,459
Change in unrealized appreciation (depreciation)	
Investments	\$(940,584)
Swap agreements	43,963
Translation of assets and liabilities in foreign currencies	1,935
Net unrealized gain (loss) on investments and foreign currency translation	\$(894,686)
Net realized and unrealized gain (loss) on investments and foreign currency	\$1,054,773
Change in net assets from operations	\$5,876,214

See Notes to Financial Statements

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

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

	Years ended 11/30	
	2013	2012
Change in net assets		
From operations		
Net investment income	\$4,821,441	\$5,416,041
Net realized gain (loss) on investments and foreign currency	1,949,459	(695,478)
Net unrealized gain (loss) on investments and foreign currency translation	(894,686)	7,183,445
Change in net assets from operations	\$5,876,214	\$11,904,008
Distributions declared to shareholders		
From net investment income	\$(5,069,865)	\$(6,023,250)
Change in net assets from fund share transactions	\$136,596	\$394,240
Total change in net assets	\$942,945	\$6,274,998
Net assets		
At beginning of period	65,686,123	59,411,125
At end of period (including undistributed net investment income of \$37,536 and \$13,936, respectively)	\$66,629,068	\$65,686,123
See Notes to Financial Statements		

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

Year ended 11/30/13

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

Cash flows from operating activities:	
Change in net assets from operations	\$5,876,214
Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(48,359,663)
Proceeds from disposition of investment securities	48,727,806
Proceeds from swap agreements	13,776
Purchases of short-term investments, net	(739,818)
Realized gain/loss on investments	(1,982,159)
Realized gain/loss on swap agreements	(13,776)
Unrealized appreciation/depreciation on investments	940,584
Unrealized appreciation/depreciation on foreign currency contracts	(2,024)
Unrealized appreciation/depreciation on swaps	(43,963)
Net amortization/accretion of income	212,366
Decrease in interest and dividends receivable	166,804
Increase in accrued expenses and other liabilities	6,946
Decrease in other assets	1,545
Decrease in interest payable	(6,644)
Net cash provided by operating activities	\$4,797,994
Cash flows from financing activities:	
Distributions paid in cash	\$(4,917,111)
Net decrease in cash	\$(119,117)
Cash:	
Beginning of period	\$280,810
End of period	\$161,693
Supplemental disclosure of cash flow information:	

Non-cash financing activities not included herein consist of reinvestment of dividends and distributions of \$136,596.

Cash paid during the year ended November 30, 2013 for interest was \$219,793.

See Notes to Financial Statements

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

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

	Years ended 11/30				
	2013	2012	2011	2010	2009
Net asset value, beginning of period	\$3.12	\$2.84	\$3.02	\$2.72	\$1.72
Income (loss) from investment operations					
Net investment income (d)	\$0.23	\$0.26	\$0.27	\$0.29	\$0.28
Net realized and unrealized gain (loss) on investments and foreign currency	0.05	0.31	(0.14)	0.28	1.01
Total from investment operations	\$0.28	\$0.57	\$0.13	\$0.57	\$1.29
Less distributions declared to shareholders					
From net investment income	\$(0.24)	\$(0.29)	\$(0.31)	\$(0.27)	\$(0.29)
Net increase from repurchase of capital shares	\$	\$	\$	\$	\$0.00(w)
Net asset value, end of period (x)	\$3.16	\$3.12	\$2.84	\$3.02	\$2.72
Market value, end of period	\$2.80	\$3.08	\$2.85	\$3.01	\$2.42
Total return at market value (%)	(1.49)	18.81	4.90	36.61	107.88
Total return at net asset value (%) (j)(r)(s)(x)	9.75	20.77	4.19	21.94	83.39
Ratios (%) (to average net assets) and Supplemental data:					
Expenses before expense reductions (f)	1.72	1.89	1.92	2.31	2.85
Expenses after expense reductions (f)	1.67	1.73	1.81	1.88	2.16
Net investment income	7.28	8.55	8.83	9.85	12.69
Portfolio turnover	46	38	60	57	45
Net assets at end of period (000 omitted)	\$66,629	\$65,686	\$59,411	\$63,092	\$56,684
Supplemental Ratios (%):					
Ratio of expenses to average net assets after expense reductions and excluding interest expense (f)	1.35				