

MFS HIGH INCOME MUNICIPAL TRUST

Form N-CSRS

August 04, 2009

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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, 2009

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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Semiannual report

# MFS® High Income Municipal Trust

5/31/09

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 CEO

Dear Shareholders:

The market downturns and economic setbacks of late probably rank among the worst financial declines most of us have experienced. Inevitably, people may be questioning their commitment to investing. Still, it is important to remember that downturns are an inescapable part of the business cycle. Such troughs have been seen before, and if we can use history as a guide, market recoveries typically have followed.

Recent market events have shown the value of certain types of investments. In down markets especially, the benefits that funds offer diversification, professional management, and transparency of operations become even more important for investors.

This year, MFS celebrates the 85th anniversary of its flagship fund, Massachusetts Investors Trust. Founded in 1924, Massachusetts Investors Trust was America's first mutual fund. Over the years, MFS has managed money through wars, recessions, and countless boom and bust market cycles. As dire as today's economic climate may seem, experience has taught us the benefits of maintaining a long-term view. No one can predict when the market will fully recover. Still, we remain fully confident that the hallmarks of funds—diversification, professional management, and transparency—can serve long-term investors well through any type of market climate.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

July 15, 2009

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

**Before investing, consider the fund's investment objectives, risks, charges, and expenses. For a prospectus containing this and other information, contact MFS or view online. Read it carefully.**

MFS Fund Distributors, Inc., 500 Boylston Street, Boston, MA 02116

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**PORTFOLIO COMPOSITION**

**Portfolio structure**

**Top five industries reflecting equivalent exposure of derivative positions (i)**

Healthcare Revenue Hospitals	22.8%
Healthcare Revenue Long Term Care	14.4%
Multi-Family Housing Revenue	6.2%
Tax Assessment	6.1%
Tobacco	5.4%

**Credit quality of bonds (r)**

AAA	12.0%
AA	16.0%
A	9.5%
BBB	23.0%
BB	6.5%
B	1.9%
CCC	1.2%
Not Rated	29.9%

**Portfolio structure reflecting equivalent exposure of derivative positions (i)(j)**

**Portfolio facts**

Average Duration (d)(i)	13.2
Average Effective Maturity (i)(m)	16.8 yrs.
Average Credit Quality of Rated Securities (long-term) (a)	A-
Average Credit Quality of Rated Securities (short-term) (a)	A-1

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*Portfolio Composition continued*

- (a) The average credit quality of rated securities is based upon a market weighted average of portfolio holdings that are rated by public rating 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.
  
- (i) For purposes of this presentation, the bond component includes accrued interest amounts and may be positively or negatively impacted by the equivalent exposure from any derivative holdings, if applicable.
  
- (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (17.9)%, which reduce the fund's interest 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.
  
- (r) Each security is assigned a rating from Moody's Investors Service. If not rated by Moody's, the rating will be that assigned by Standard & Poor's. Likewise, if not assigned a rating by Standard & Poor's, it will be based on the rating assigned by Fitch, Inc. For those portfolios that hold a security which is not rated by any of the three agencies, the security is considered Not Rated. Holdings in U.S. Treasuries and government agency mortgage-backed securities, if any, are included in the AAA-rating category. Percentages are based on the total market value of investments as of 5/31/09.  
Percentages are based on net assets, including the value of auction preferred shares, as of 5/31/09 unless otherwise noted.

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

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# INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND

## **Investment Objective**

The fund's investment objective is to seek high current income exempt from federal income tax, but may also consider capital appreciation. The fund's objective may be changed without shareholder approval.

## **Principal Investment Strategies**

The fund invests, under normal market conditions, at least 80% of its net assets, including assets attributable to preferred shares and borrowings for investment purposes, in tax-exempt bonds and tax-exempt notes. This policy may not be changed without shareholder approval. Tax-exempt bonds and tax-exempt notes are municipal instruments, the interest of which is exempt from federal income tax. Interest from the fund's investments may be subject to the federal alternative minimum tax. MFS may also invest in taxable instruments.

MFS may invest 25% or more of the fund's total assets in municipal instruments that finance similar projects, such as those relating to education, healthcare, housing, utilities, water, or sewers.

MFS may invest up to 100% of the fund's assets in lower quality debt instruments.

MFS may invest a relatively high percentage of the fund's assets in the debt instruments of a single issuer or a small number of issuers.

MFS may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments.

MFS uses a bottom-up investment approach in buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of instruments and their issuers in light of current market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative analysis of the structure of the instrument and its features may also be considered.

The fund uses leverage through the issuance of preferred shares and/or the creation of tender option bonds, and then investing the proceeds pursuant to its investment strategies. If approved by the fund's Board of Trustees, the fund may use leverage by other methods.

MFS may engage in active and frequent trading in pursuing the fund's principal investment strategies.



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### *Investment Objective, Principal Investment Strategies and Risks of the Fund continued*

In response to market, economic, political, or other conditions, MFS may depart from the fund's principal investment strategies by temporarily investing for defensive purposes.

### **Principal Risks**

The portfolio's yield and share prices change daily based on the credit quality of its investments and changes in interest rates. In general, the value of debt securities will decline when interest rates rise and will increase when interest rates fall. Debt securities with longer maturity dates will generally be subject to greater price fluctuations than those with shorter maturities. Municipal instruments can be volatile and significantly affected by adverse tax or court rulings, legislative or political changes and the financial condition of the issuers and/or insurers of municipal instruments. If the Internal Revenue Service determines an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value. Derivatives can be highly volatile and involve risks in addition to those of the underlying indicators upon whose value the derivative is based. Gains or losses from derivatives can be substantially greater than the derivatives' original cost. Lower quality debt securities involve substantially greater risk of default and their value can decline significantly over time. To the extent that investments are purchased with the proceeds from the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. To the extent that the fund participates in the creation of tender option bonds, it will hold more concentrated positions in individual securities and so its performance may be more volatile than the performance of more diversified funds. A tender option bond issue may terminate upon the occurrence of certain enumerated events, which would result in a reduction in the fund's leverage. In connection with the creation of tender option bonds and for other investment purposes, the fund may invest in inverse floating rate instruments, whose potential income return is inversely related to changes in a floating interest rate. Inverse floating rate instruments may provide investment leverage and be more volatile than other debt instruments. When you sell your shares, they may be worth more or less than the amount you paid for them. Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov> and on the MFS Web site at [mfs.com](http://mfs.com).

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.



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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](http://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

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*Dividend Reinvestment and Cash Purchase Plan continued*

www.computershare.com, or by writing to the Plan Agent at P.O. Box 43078, Providence, RI 02940-3078.

The following changes in the Plan will take effect on September 1, 2009:

When dividend reinvestment is being made through purchases in the open market, such purchases will be made on or shortly after the payment date for such distribution (except where temporary limits on purchases are legally required) and in no event more than 15 days thereafter (instead of 45 days as previously specified).

In an instance where the Plan Agent either cannot invest the full amount of the distribution through open market purchases or the fund's shares are no longer selling at a discount to the current net asset value per share, the fund will supplementally issue additional shares at the greater of net asset value per share or 95% of the current market value price per share calculated on the date that such request is made (instead of the distribution date net asset value as previously specified). This price may be greater or lesser than the fund's net asset value per share on the distribution payment date.

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5/31/09 (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 - 163.9%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Airport &amp; Port Revenue - 5.0%</b>		
Branson, MO, Regional Airport Transportation Development District Airport Rev., B, 6%, 2037	\$ 610,000	\$ 389,923
Denver, CO, City & County Airport, B, ETM, 6.125%, 2025 (c)(f)	2,840,000	2,840,084
Denver, CO, City & County Airport, C, ETM, 6.125%, 2025 (c)	2,280,000	2,737,253
New York, NY, City Industrial Development Authority Rev. (Terminal One Group Assn.), 5.5%, 2021	750,000	679,619
		\$ 6,646,879
<b>General Obligations - General Purpose - 0.9%</b>		
Commonwealth of Puerto Rico Government Development Bank, B, 5%, 2015	\$ 700,000	\$ 692,740
Luzerne County, PA, FSA, 6.75%, 2023	570,000	570,797
New York, NY, H, 6%, 2017	5,000	5,002
		\$ 1,268,539
<b>General Obligations - Schools - 2.9%</b>		
Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2029	\$ 2,805,000	\$ 950,557
Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2031	350,000	103,589
Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2032	355,000	97,457
Beverly Hills, CA, Unified School District (Election of 2008), 0%, 2033	715,000	183,032
Irving, TX, Independent School District, A, PSF, 0%, 2018	1,000,000	731,889
Los Angeles, CA, Unified School District, D, 5%, 2034	210,000	203,350
Placer, CA, Unified School District, A, FGIC, 0%, 2019	1,700,000	1,056,124
San Jacinto, TX, Community College District, 5.125%, 2038	550,000	554,762
		\$ 3,880,760
<b>Healthcare Revenue - Hospitals - 38.7%</b>		
Allegheny County, PA, Hospital Development Authority Rev. (University of Pittsburgh Medical Center), A, 5.375%, 2029	\$ 560,000	\$ 548,138
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5%, 2028	565,000	357,407
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5.375%, 2040	835,000	498,928
Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 2034	220,000	209,336
California Health Facilities Financing Authority Rev. (Sutter Health), A, 5%, 2042	1,000,000	885,679

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
California Statewide Communities Development Authority Rev. (Catholic Healthcare West) K , ASSD GTY, 5.5%, 2041	\$ 1,545,000	\$ 1,538,000
California Statewide Communities Development Authority Rev. (Catholic Healthcare West) L , ASSD GTY, 5.25%, 2041	1,130,000	1,082,675
California Statewide Communities Development Authority Rev. (Children s Hospital), 5%, 2047	375,000	241,357
California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047	745,000	715,713
Conway, AR, Hospital Rev. (Conway Regional Medical Center), A , 6.4%, 2029	425,000	391,608
Conway, AR, Hospital Rev. (Conway Regional Medical Center), B , 6.4%, 2029	1,000,000	921,430
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2016 (c)	835,000	876,224
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2026 (c)	1,000,000	1,134,950
Dickinson County, MI, Healthcare System Hospital Rev., 5.7%, 2018	750,000	688,395
Douglas County, NE, Hospital Authority Rev. (Methodist Health Partners), 5.75%, 2048	470,000	406,569
Garden City, MI, Hospital Finance Authority Rev. (Garden City Hospital), 5%, 2038	750,000	456,420
Genesee County, NY, Industrial Development Agency Civic Facility Rev. (United Memorial Medical Center), 5%, 2027	120,000	76,582
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B , 7.25%, 2035	235,000	251,290
Idaho Health Facilities Authority Rev. (IHC Hospitals, Inc.), ETM, 6.65%, 2021 (c)	1,750,000	2,224,775
Illinois Finance Authority Rev. (Children s Memorial Hospital), A , ASSD GTY, 5.25%, 2047	2,350,000	2,227,800
Illinois Finance Authority Rev. (Edward Hospital), A , AMBAC, 5.5%, 2040	1,700,000	1,454,010
Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031	550,000	365,393
Illinois Health Facilities Authority Rev. (Swedish American Hospital), 6.875%, 2010 (c)	500,000	526,520
Indiana Health & Educational Facilities Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037	1,445,000	1,202,457
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A , 5%, 2039	2,255,000	1,804,338
Indiana Health & Educational Facilities Financing Authority Rev. (Sisters of St. Francis Health Services, Inc.), E , FSA, 5.25%, 2041	145,000	138,105
Indiana Health Facilities Financing Authority Rev. (Community Foundation of Northwest Indiana ), A , 6%, 2034	575,000	518,317

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - continued</b>		
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health), A , 5.5%, 2031	\$ 1,455,000	\$ 1,310,737
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health), A , 5.5%, 2036	535,000	474,026
Kent Hospital, MI, Finance Authority Rev. (Spectrum Health) A , 5.5%, 2047 (b)	450,000	465,768
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A , 5.375%, 2024	375,000	394,058
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A , 5.625%, 2027	125,000	129,454
Knox County, TN, Health, Educational, Hospital & Housing Facilities Board Rev. (University Health Systems, Inc.), 5.25%, 2036	530,000	444,591
Lake County, OH, Hospital Facilities Rev. (Lake Hospital Systems, Inc.), 5.625%, 2029	565,000	509,189
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034	1,070,000	864,464
Louisville & Jefferson County, KY, Metro Government Health Facilities Rev. (Jewish Hospital & St. Mary s Healthcare), 6.125%, 2037	1,685,000	1,679,625
Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 2036	560,000	488,236
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2032	80,000	60,554
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037	75,000	55,199
Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System), A , 6.75%, 2039	945,000	1,036,174
Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 6%, 2043	150,000	130,002
Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), E , 6.75%, 2033	500,000	371,050
Massachusetts Health & Educational Facilities Authority Rev. (Quincy Medical Center), A , 6.5%, 2038	420,000	306,079
Mississippi Hospital Equipment & Facilities Authority Rev. (South Central Regional Medical Center), 5.25%, 2026	400,000	326,180
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2031	155,000	122,019
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2036	800,000	612,072
New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2012 (c)	350,000	402,077
New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2032	50,000	43,288

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
New Hampshire Health & Educational Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 2036	\$ 800,000	\$ 598,024
New Hanover County, N.C., Hospital Rev., FSA, 5.125%, 2031	1,130,000	1,110,010
New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter s University Hospital), 5.75%, 2037	700,000	572,593
New Mexico State Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5%, 2017	365,000	300,216
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 2030	245,000	257,931
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2035	150,000	154,938
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036	305,000	210,908
North Carolina Medical Care Commission (Stanly Health Services, Inc.), 6.375%, 2029	1,915,000	1,821,778
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D , 6.375%, 2036	1,405,000	1,499,978
Orange County, FL, Health Facilities Authority Hospital Rev. (Orlando Regional Healthcare), 5.75%, 2012 (c)	200,000	228,318
Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Health System), A , 5.5%, 2030	1,615,000	1,245,940
Rhode Island Health & Educational Building Corp. Rev. (Rhode Island Hospital Foundation), A , ASSD GTY, 7%, 2039	840,000	900,262
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 2039	660,000	738,243
Salida, CO, Hospital District Rev., 5.25%, 2036	945,000	626,459
Saline County, MO, Industrial Development Authority Rev. (John Fitzgibbon Memorial Hospital, Inc.), 5.625%, 2035	1,250,000	930,763
Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 2032	120,000	98,095
South Carolina Jobs Economic Development Authority (Bon Secours - Venice Healthcare Corp.), 5.5%, 2012 (c)	380,000	429,275
South Carolina Jobs Economic Development Authority (Bon Secours - Venice Healthcare Corp.), 5.5%, 2023	1,370,000	1,298,952
South Lake County, FL, Hospital District Rev. (South Lake Hospital, Inc.), 6.375%, 2034	500,000	446,885
Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.5%, 2020	225,000	202,628
Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.125%, 2036	1,000,000	759,540
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 2036	225,000	149,042



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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
Tampa, FL, Hospital Rev. (H. Lee Moffitt Cancer Center), A, 5.75%, 2029	\$ 2,000,000	\$ 1,976,440
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 2032	290,000	221,885
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.375%, 2037	235,000	178,725
Washington Health Care Facilities Authority Rev. (Multicare Health Systems), B, ASSD GTY, 6%, 2039	560,000	568,047
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033	525,000	508,132
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc.), 5.75%, 2029	1,000,000	880,360
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Healthcare), 5.25%, 2034	865,000	621,018
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), A, 5.25%, 2025	500,000	397,835
		\$ 51,900,478
Healthcare Revenue - Long Term Care - 24.3%		
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement), A, 5.9%, 2025	\$ 1,000,000	\$ 713,680
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement), A, 7%, 2033	500,000	373,785
Boston, MA, Industrial Development Financing Authority Rev. (Springhouse, Inc.), 5.875%, 2020	255,000	216,487
Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann's Choice, Inc.), A, 6.125%, 2025	1,000,000	772,600
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2027	120,000	88,494
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2037	155,000	105,677
California Statewide Communities Development Authority Rev. (Eskaton Properties, Inc.), 8.25%, 2010 (c)	950,000	1,052,895
Capital Projects Finance Authority, FL (Glenridge on Palmer Ranch), A, 8%, 2012 (c)	750,000	902,235
Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032	1,520,000	1,308,933
Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 2037	530,000	350,765
Colorado Health Facilities Authority Rev. (American Housing Foundation, Inc.), 8.5%, 2011 (c)	455,000	528,669
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), 5%, 2035	1,400,000	995,974

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Long Term Care - continued		
Colorado Health Facilities Authority Rev. (Evangelical Lutheran), A , 6.125%, 2038	\$ 150,000	\$ 148,694
Columbus, GA, Housing Authority Rev. (Calvary Community, Inc.), 7%, 2019	425,000	353,562
Fulton County, GA, Residential Care Facilities (Canterbury Court), A , 6.125%, 2034	750,000	557,985
Fulton County, GA, Residential Care Facilities (Lenbrook Square Foundation, Inc.), A , 5.125%, 2042	1,000,000	599,570
Fulton County, GA, Residential Care Facilities, First Mortgage (Lenbrook Square Foundation, Inc.), A , 5%, 2029	1,000,000	652,960
HFDC of Central Texas, Inc., Retirement Facilities Rev. (Legacy at Willow Bend), A , 5.75%, 2036	800,000	521,488
Houston, TX, Health Facilities Development Corp. (Buckingham Senior Living Community), A , 7.125%, 2014 (c)	500,000	605,625
Howard County, MD, Retirement Facilities Rev. (Vantage House Corp.), A , 5.25%, 2033	250,000	155,218
Huntington, NY, Housing Authority Rev. (Gurwin Senior Jewish Residences), A , 5.875%, 2019	700,000	570,367
Huntington, NY, Housing Authority Rev. (Gurwin Senior Jewish Residences), A , 6%, 2029	775,000	558,566
Illinois Finance Authority Rev. (Hoosier Care, Inc.), A , 7.125%, 2034	1,135,000	892,416
Illinois Finance Authority Rev. (Smith Village), A , 6.25%, 2035	1,250,000	963,075
Illinois Health Facilities Authority Rev. (Smith Crossing), A , 7%, 2032	725,000	591,470
Indiana Health Facilities Financing Authority Rev. (Hoosier Care, Inc.), 7.125%, 2034	150,000	115,610
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), 9.25%, 2011 (c)	895,000	1,055,975
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B , 5.75%, 2018	550,000	462,985
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B , 5.75%, 2028	1,475,000	1,040,524
James City County, VA, Economic Development (WindsorMeade Project), A , 5.5%, 2037	665,000	393,853
Johnson City, TN, Health & Educational Facilities Board (Appalachian Christian Village), A , 6.25%, 2032	250,000	181,583
Juneau, AK, City & Borough Non-Recourse Rev. (St. Ann s Care Project), 6.875%, 2025	1,110,000	857,486
Kent County, DE, Assisted Living (Heritage at Dover LLC), 7.625%, 2030	1,560,000	1,146,834
La Verne, CA, COP (Brethren Hillcrest Homes), B , 6.625%, 2025	690,000	583,616
Lancaster, PA, Industrial Development Authority Rev. (Garden Spot Village), A , 7.625%, 2010 (c)	500,000	537,175

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*Portfolio of Investments (unaudited) continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Long Term Care - continued		
Marion, IA, Health Care Facilities Rev., First Mortgage (AHF/Kentucky-Iowa, Inc.), 8%, 2029	\$ 575,000	\$ 458,982
Massachusetts Development Finance Agency Rev. (Adventcare), A, 6.75%, 2037	895,000	666,005
Massachusetts Development Finance Agency Rev. (Alliance Health of Brockton, Inc.), A, 7.1%, 2032	1,195,000	943,142
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A, 5.5%, 2027	240,000	152,849
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A, 5.75%, 2035	60,000	36,244
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 5.625%, 2015	400,000	369,212
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 6.9%, 2032	100,000	88,448
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Blakeford at Green Hills), 5.65%, 2024	600,000	459,906
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board, First Mortgage, 7.75%, 2029	1,140,000	962,160
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	250,000	156,243
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	750,000	445,103
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.75%, 2025	205,000	166,989
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.875%, 2037	830,000	617,196
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2026	50,000	34,248
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), A, 8.25%, 2010 (c)	925,000	1,022,551
Roseville, MN, Elder Care Facilities (Care Institute, Inc.), 7.75%, 2023	1,740,000	1,318,224
Sartell, MN, Health Care & Housing Authority Rev. (The Foundation for Health Care), A, 6.625%, 2029	1,145,000	971,086
Savannah, GA, Economic Development Authority, First Mortgage (Marshes of Skidway), A, 7.4%, 2034	465,000	383,560
Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A, 7.25%, 2034	450,000	361,670
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2027	365,000	248,134
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2042	335,000	203,817

**Table of Contents***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, Health Facilities Rev. (Wesley Commons), 5.3%, 2036	\$ 300,000	\$ 180,708
St. Johns County, FL, Industrial Development Authority (Glenmoor Project), A, 5.25%, 2026	500,000	343,320
Washington County, PA, Industrial Development Authority Rev., First Mortgage (AHF/Central Project), 7.75%, 2029	1,210,000	1,021,240
		\$ 32,567,868
Healthcare Revenue - Other - 0.8%		
Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A, 9%, 2012 (c)	\$ 900,000	\$ 1,070,460
Industrial Revenue - Airlines - 3.8%		
Alliance Airport Authority, TX (American Airlines, Inc.), 5.25%, 2029	\$ 1,015,000	\$ 477,964
Chicago, IL, O Hare International Airport Special Facilities Rev. (American Airlines, Inc.), 5.5%, 2030	2,255,000	1,205,433
Cleveland, OH, Airport Special Rev. (Continental Airlines, Inc.), 5.7%, 2019	1,125,000	755,426
Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 5.5%, 2030	1,000,000	508,630
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029	485,000	379,105
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 9%, 2033 (b)	750,000	762,773
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.625%, 2025	55,000	50,131
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 2031	1,005,000	938,660
		\$ 5,078,122
Industrial Revenue - Chemicals - 0.9%		
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 2033	\$ 600,000	\$ 443,664
State of Michigan Strategic Fund Limited Obligation Rev. (Dow Chemical Co.), 6.25%, 2014	825,000	832,722
		\$ 1,276,386
Industrial Revenue - Environmental Services - 2.0%		
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B, 5.25%, 2023 (b)	\$ 270,000	\$ 256,676
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C, 5.125%, 2023	845,000	764,446

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Industrial Revenue - Environmental Services - continued</b>		
Carbon County, UT, Solid Waste Disposal Rev. (Laidlaw Environmental), A , 7.45%, 2017	\$ 500,000	\$ 509,530
Gulf Coast Waste Disposal Authority, TX (Waste Management, Inc.), A , 5.2%, 2028	465,000	394,780
New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), 5.2%, 2027	840,000	726,172
		\$ 2,651,604
<b>Industrial Revenue - Metals - 0.7%</b>		
Director of Nevada Department of Business & Industry (Wheeling/Pittsburgh Steel), A , 8%, 2014	\$ 620,000	\$ 597,382
Greenville County, VA, Industrial Development Authority Rev. (Wheeling/Pittsburgh Steel), A , 7%, 2014	295,000	276,840
		\$ 874,222
<b>Industrial Revenue - Other - 4.3%</b>		
Annawan, IL, Tax Increment Rev. (Patriot Renewable Fuels LLC), 5.625%, 2018	\$ 450,000	\$ 342,630
California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 2038	500,000	415,160
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028	500,000	489,465
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023	625,000	488,169
Indianapolis, IN, Airport Authority Rev., Special Facilities (FedEx Corp.), 5.1%, 2017	250,000	223,665
Michigan Strategic Fund Rev. (Michigan Sugar Co.), A , 6.25%, 2015	1,250,000	1,174,525
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B , 6.875%, 2037	1,500,000	1,151,295
Virgin Islands Government Refinery Facilities Rev. (Hovenssa Coker Project), 6.5%, 2021	375,000	361,065
Virgin Islands Public Finance Authority, Refinery Facilities Rev. (Hovenssa Coker Project), 5.875%, 2022	600,000	543,126
Will-Kankakee, IL, Regional Development Authority Rev. (Flanders Corp.), 6.5%, 2017	605,000	533,586
		\$ 5,722,686
<b>Industrial Revenue - Paper - 2.4%</b>		
Bedford County, VA, Industrial Development Authority Rev. (Nekooska Packaging Corp.), 5.6%, 2025	\$ 400,000	\$ 275,364
Camden, AL, Industrial Development Board Exempt Facilities Rev., B (Weyerhaeuser Co.), 6.375%, 2013 (c)	550,000	629,497

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*Portfolio of Investments (unaudited) continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Industrial Revenue - Paper - continued		
Courtland, AL, Industrial Development Board Rev. (International Paper Co.), B, 6.25%, 2025	\$ 1,000,000	\$ 815,560
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 4.75%, 2030	370,000	224,605
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5%, 2026	1,270,000	867,169
Phenix City, AL, Industrial Development Board Environmental Improvement Rev., A (MeadWestvaco Coated Board Project), 6.35%, 2035	550,000	438,356
		\$ 3,250,551
Miscellaneous Revenue - Entertainment & Tourism - 2.0%		
Agua Caliente Band of Cahuilla Indians, CA, 5.6%, 2013 (z)	\$ 1,000,000	\$ 950,670
Cabazon Band Mission Indians, CA, 8.375%, 2015 (z)	200,000	132,072
Cabazon Band Mission Indians, CA, 8.75%, 2019 (z)	895,000	589,608
Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 2026 (n)	800,000	547,624
New York Liberty Development Corp. Rev. (National Sports Museum), A, 6.125%, 2019 (d)	527,999	2,112
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.125%, 2029	40,000	43,549
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.375%, 2039	30,000	32,256
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.5%, 2046	125,000	134,590
Seminole Tribe, FL, Special Obligation, A, 5.25%, 2027 (n)	365,000	303,187
		\$ 2,735,668
Miscellaneous Revenue - Other - 3.1%		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2024	\$ 150,000	\$ 119,808
Capital Trust Agency, FL (Aero Syracuse LLC), 6.75%, 2032	500,000	380,840
Citizens Property Insurance Corp., A-1, ASSD GTY, 5.5%, 2016	1,230,000	1,274,723
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Columbia National Group), 5%, 2020	690,000	539,132
Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 2034	1,065,000	1,060,484
Massachusetts Development Finance Agency (Boston Biomedical Research), 5.65%, 2019	200,000	174,742
Massachusetts Development Finance Agency (Boston Biomedical Research), 5.75%, 2029	450,000	351,194
V Lakes Utility District Ranking Water Systems Rev., 7%, 2037	300,000	240,681
		\$ 4,141,604

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*Portfolio of Investments (unaudited) continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Multi-Family Housing Revenue - 10.5%		
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A , 7.5%, 2040	\$ 750,000	\$ 667,605
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B , 7%, 2032	755,000	629,398
Charter Mac Equity Issuer Trust, FHLMC, 6.3%, 2019 (n)	1,000,000	1,019,850
Charter Mac Equity Issuer Trust, FHLMC, 6.625%, 2049 (b)(n)	2,000,000	2,000,640
Clay County, FL, Housing Finance Authority Rev. (Madison Commons Apartments), A , 7.45%, 2040	710,000	608,498
District of Columbia Housing Finance Agency (Henson Ridge), E , FHA, 5.1%, 2037	1,000,000	923,100
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038 (b)	1,401,099	1,061,123
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), D , 10%, 2032	390,000	341,593
El Paso County, TX, Housing Finance Corp. (American Housing Foundation, Inc.), C , 8%, 2032	360,000	307,530
Massachusetts Housing Finance Agency Rev., B , 5%, 2030	500,000	485,450
Massachusetts Housing Finance Agency Rev., E , 5%, 2028	500,000	472,030
Minneapolis, MN, Student Housing Rev. (Riverton Community Housing Project), A , 5.7%, 2040	750,000	529,245
MuniMae TE Bond Subsidiary LLC, 7.75%, 2050 (b)(z)	2,000,000	1,349,640
New Mexico Mortgage Finance Authority, Multi-Family Housing Rev. (Sun Pointe Apartments), E , FHA, 4.8%, 2040	1,250,000	1,084,963
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 (z)	546,075	503,956
Seattle, WA, Housing Authority Rev., Capped Fund Program (High Rise Rehab), I , FSA, 5%, 2025	500,000	483,665
Texas Department of Housing & Community Affairs (Pebble Brook Apartments), FNMA, 5.5%, 2018	995,000	1,005,069
Wilmington, DE, Multi-Family Housing Rev. (Electra Arms Senior Associates), 6.25%, 2028	830,000	631,364
		\$ 14,104,719
Sales & Excise Tax Revenue - 1.1%		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024	\$ 750,000	\$ 454,380
Massachusetts School Building Authority, Dedicated Sales Tax Rev., AMBAC, 4.75%, 2032	1,075,000	1,065,970
		\$ 1,520,350

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Single Family Housing - Local - 2.1%		
Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2, GNMA, 5%, 2038	\$ 897,359	\$ 826,118
Pittsburgh, PA, Urban Redevelopment Authority Rev., C, GNMA, 4.8%, 2028	2,000,000	1,964,360
		\$ 2,790,478
Single Family Housing - State - 4.5%		
Colorado Housing & Finance Authority, A, 5.5%, 2029	\$ 1,655,000	\$ 1,693,893
Iowa Finance Authority, Single Family Mortgage Rev., E, 5.4%, 2032	1,280,000	1,293,952
North Dakota Housing Finance Agency Rev., A, 4.85%, 2021	1,170,000	1,156,264
Oklahoma Housing Finance Agency Rev. (Homeownership Loan Program), C, GNMA, 5%, 2026	1,230,000	1,189,865
Virginia Housing Development Authority, Commonwealth Mortgage, A-5, 4.4%, 2015	260,000	260,502
Virginia Housing Development Authority, Commonwealth Mortgage, A-5, 4.4%, 2015	435,000	435,905
		\$ 6,030,381
Solid Waste Revenue - 0.4%		
Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 6.7%, 2014	\$ 170,000	\$ 170,037
Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 5.6%, 2019	500,000	427,920
		\$ 597,957
State & Agency - Other - 0.1%		
Commonwealth of Puerto Rico (Mepsi Campus), A, 6.25%, 2024	\$ 100,000	\$ 86,185
State & Local Agencies - 6.9%		
California Public Works Board Lease Rev., Department of Mental Health (Coalinga), A, 5.5%, 2019	\$ 1,000,000	\$ 1,018,320
Chesterfield County, VA, Economic Development Authority Pollution Control Rev., A, 5%, 2023	1,120,000	1,165,248
Louisiana Military Department Custody Receipts, 5%, 2024	1,500,000	1,470,240
New York Metropolitan Transportation Authority, A, 5.125%, 2029	1,025,000	1,023,073
New York Urban Development Corp. (University Facilities Grants), 5.875%, 2021	1,000,000	1,103,670
Newberry, SC, Investing in Children's Education (Newberry County School District Program), 5%, 2030	500,000	421,395
Puerto Rico Public Finance Corp., E, ETM, 6%, 2026 (c)	155,000	186,109
Puerto Rico Public Finance Corp., Unrefunded, E, 6%, 2026	1,645,000	1,975,152
State of Wisconsin General Fund Annual Appropriation Rev., A, 5.75%, 2033	840,000	873,407
		\$ 9,236,614



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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Tax - Other - 1.1%		
Dallas County, TX, Flood Control District, 7.25%, 2032	\$ 1,000,000	\$ 988,870
New York, NY, City Transitional Finance Authority Building Aid Rev., S-3, 5.25%, 2039	560,000	551,690
		\$ 1,540,560
Tax Assessment - 10.4%		
Atlanta, GA, Tax Allocation (Eastside Project), A, 5.625%, 2016	\$ 535,000	\$ 500,519
Ave Maria Stewardship Community District, FL, A, 5.125%, 2038	350,000	176,911
Celebration Community Development District, FL, A, 6.4%, 2034	935,000	831,178
Channing Park Community Development District, FL, 5.3%, 2038	600,000	304,548
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B, 6.75%, 2022	450,000	389,075
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 2036	250,000	156,178
Durbin Crossing Community Development District, FL, Special Assessment, B-1, 4.875%, 2010	205,000	136,397
Grand Bay at Doral Community Development District, FL, A, 6%, 2039	120,000	67,279
Grand Bay at Doral Community Development District, FL, B, 6%, 2017	700,000	514,829
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038	395,000	247,590
Homestead 50 Community Development District, FL, A, 6%, 2037	475,000	274,783
Homestead 50 Community Development District, FL, B, 5.9%, 2013	220,000	180,653
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031	750,000	643,283
Lincoln, CA, Special Tax (Community Facilities District), 2003-1, 5.9%, 2013 (c)	445,000	526,662
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034	500,000	325,955
Magnolia Park Community Development District, FL, Special Assessment, A, 6.15%, 2039	795,000	480,514
Northwest Metropolitan District No. 3, CO, 6.25%, 2035	500,000	287,045
Oakmont Grove Community Development District, CA, A, 5.4%, 2038 (a)	500,000	222,250
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 2034	165,000	120,379
Orlando, FL, Special Assessment Rev. (Conroy Road Interchange Project), A, 5.5%, 2010	35,000	34,455
Orlando, FL, Special Assessment Rev. (Conroy Road Interchange Project), A, 5.8%, 2026	300,000	255,378
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035	1,990,000	1,314,196

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

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Tax Assessment - continued		
Portage, IN, Economic Development Rev. (AmeriPLEX Project), 5%, 2023	\$ 300,000	\$ 246,948
San Diego, CA, Redevelopment Agency, Tax Allocation Rev., FSA, 0%, 2019	1,910,000	1,158,568
San Diego, CA, Redevelopment Agency, Tax Allocation Rev., FSA, 0%, 2022	1,910,000	944,285
Sarasota National Community Development District, FL, Special Assessment Rev., 5.3%, 2039	1,200,000	616,848
Seven Oaks, FL, Community Development District II Special Assessment Rev., A, 5.875%, 2035	265,000	143,018
Sweetwater Creek Community Development District, FL, Capital Improvement Rev., 5.5%, 2038	295,000	165,032
Tolomato Community Development District, FL, Special Assessment, 6.65%, 2040	760,000	507,612
Tuscany Reserve Community Development District, FL, Special Assessment, B, 5.25%, 2016	235,000	152,900
Volo Village, IL, Special Service Area No. 3, Special Tax (Symphony Meadows Project), 1, 6%, 2036	749,000	422,676
West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037	730,000	343,450
Westchester, FL, Community Development District No. 1 (Community Infrastructure), 6.125%, 2035	425,000	275,324
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037 (d)	1,210,000	483,310
Wyandotte County-Kansas City, KS, Unified Government Transportation Development District (Legends Village West Project), 4.875%, 2028	765,000	484,735
		\$ 13,934,763
<b>Tobacco - 9.0%</b>		
Buckeye, OH, Tobacco Settlement Financing Authority Rev., 5.75%, 2034	\$ 635,000	\$ 459,022
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 2030	3,905,000	3,067,104
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 2047	3,030,000	1,988,498
California County, CA, Tobacco Securitization Agency, Tobacco Settlement Rev. (Los Angeles County), 0%, 2046	6,500,000	137,475
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 6.25%, 2013 (c)	1,515,000	1,676,257
Inland Empire, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, C-1, 0%, 2036	2,310,000	178,494

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Tobacco - continued		
Michigan Tobacco Settlement Finance Authority Rev., Asset Backed, A, 6%, 2048	\$ 2,375,000	\$ 1,634,689
New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 2041	230,000	138,593
Rhode Island Tobacco Settlement Authority, 6%, 2023	2,195,000	1,986,168
Tobacco Settlement Authority of Washington Rev., Asset Backed, 6.625%, 2032	250,000	200,505
Virginia Tobacco Settlement Financing Corp., B-1, 5%, 2047	1,020,000	599,974
		\$ 12,066,779
Toll Roads - 2.9%		
Bay Area Toll Authority, CA, Toll Bridge Rev. (San Francisco Bay Area), F1, 5%, 2034	\$ 1,850,000	\$ 1,816,312
E-470 Public Highway Authority, CO, B, 0%, 2010 (c)	8,750,000	1,311,888
E-470 Public Highway Authority, CO, B, NATL, 0%, 2018	1,500,000	805,965
		\$ 3,934,165
Universities - Colleges - 6.7%		
California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 2038	\$ 1,650,000	\$ 1,711,479
California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028	100,000	90,616
Florida State University Board of Governors, System Improvement Rev., 6.25%, 2030	1,500,000	1,632,390
Grand Valley, MI, State University Rev., 5.5%, 2027	175,000	178,768
Grand Valley, MI, State University Rev., 5.625%, 2029	85,000	86,848
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), I, 8%, 2029	315,000	344,093
Savannah, GA, Economic Development Authority Rev. (AASU Student Union LLC), ASSD GTY, 5.125%, 2039	1,680,000	1,703,621
University of Illinois Rev. (Auxiliary Facilities Systems), A, 5.125%, 2029	2,370,000	2,438,991
University of Southern Indiana Rev., Student Fee, J, ASSD GTY, 5.75%, 2028	370,000	398,960
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 2032	330,000	339,996
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 2036	100,000	102,889
		\$ 9,028,651
Universities - Dormitories - 0.5%		
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033	\$ 1,015,000	\$ 639,024

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Universities - Secondary Schools - 1.8%		
California Statewide Communities Development Authority Rev., COP, (Crossroads Schools for the Arts & Sciences), 6%, 2028	\$ 1,170,000	\$ 1,038,808
Colorado Housing Finance Development Rev. (Evergreen Country Day School), 5.875%, 2037	225,000	143,271
Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), A, 5.375%, 2037	695,000	406,867
Massachusetts Industrial Finance Agency (Cambridge Friends School), 5.8%, 2028	1,000,000	761,620
		\$ 2,350,566
Utilities - Cogeneration - 1.3%		
Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), A, 6.5%, 2013	\$ 1,000,000	\$ 695,390
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 2026	645,000	646,316
Suffolk County, NY, Industrial Development Agency Rev. (Nissequoque Cogeneration Partners Facilities), 5.5%, 2023	550,000	443,190
		\$ 1,784,896
Utilities - Investor Owned - 6.6%		
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C, 5.75%, 2036 (b)	\$ 280,000	\$ 214,780
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C, 6.75%, 2038	645,000	335,961
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), D, 5.4%, 2029 (b)	60,000	35,994
Bryant, IL, Pollution Control Rev. (Central Illinois Light Co.), 5.9%, 2023	2,575,000	2,426,320
Clark County, NV, Industrial Development Rev. (Nevada Power Co. Project), B, 5.9%, 2030	1,250,000	1,091,238
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 2042 (b)	105,000	109,011
Matagorda County, TX, Navigation District No. 1 Pollution Control Rev. (AEP - Texas Central Co.), 5.125%, 2030 (b)	1,500,000	1,523,700
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022	2,000,000	1,844,700
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B, NATL, 4.75%, 2021	250,000	226,633
Red River Authority, TX, Pollution Control Rev. (AEP Texas Central Co.), NATL, 4.45%, 2020	530,000	463,008

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Utilities - Investor Owned - continued</b>		
Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.2%, 2028	\$ 240,000	\$ 127,349
Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.75%, 2030 (b)	205,000	157,249
West Feliciana Parish, LA, Pollution Control Rev. (Entergy Gulf States), 6.6%, 2028	270,000	269,981
		\$ 8,825,924
<b>Utilities - Other - 3.4%</b>		
Indiana Bond Bank Special Program, Gas Revenue, A , 5.25%, 2018	\$ 290,000	\$ 287,445
Main Street Natural Gas, Inc., GA, Gas Project Rev., A , 5.5%, 2028	430,000	381,586
Main Street Natural Gas, Inc., GA, Gas Project Rev., B , 5%, 2019	425,000	381,671
Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 2038	35,000	34,413
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2021	2,185,000	2,024,184
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2022	340,000	310,495
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2023	730,000	656,832
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2026	215,000	187,794
Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2025	310,000	267,012
		\$ 4,531,432
<b>Water &amp; Sewer Utility Revenue - 2.8%</b>		
Birmingham, AL, Waterworks Board Water Rev., A , ASSD GTY, 5.125%, 2034	\$ 755,000	\$ 746,129
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A , 6%, 2044	160,000	156,330
Guam Government Waterworks Authority, Water & Wastewater Rev., 5.875%, 2035	1,125,000	929,048
New Hampshire Industrial Development Authority Rev. (Pennichuck Water Works, Inc.), ETM, 7.5%, 2018 (c)	280,000	339,405
New York, NY, City Municipal Water Finance Authority, Water & Sewer Systems Rev. DD , 4.75%, 2035	1,010,000	967,772
Surprise, AZ, Municipal Property Corp., 4.9%, 2032	800,000	555,776
		\$ 3,694,460
<b>Total Municipal Bonds (Identified Cost, \$247,142,643)</b>		<b>\$ 219,763,731</b>
<b>Floating Rate Demand Notes - 5.7%</b>		
East Baton Rouge, LA, Pollution Control Rev. (Exxon Mobil Corp.), 0.05%, due 6/01/09	\$ 1,300,000	\$ 1,300,000
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), 0.05%, due 6/01/09	1,600,000	1,600,000

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Floating Rate Demand Notes - continued</b>		
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), A, 0.08%, due 6/01/09	\$ 1,300,000	\$ 1,300,000
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), C, 0.08%, due 6/01/09	3,430,000	3,430,000
<b>Total Floating Rate Demand Notes, at Cost and Value</b>		<b>\$ 7,630,000</b>
<b>Total Investments (Identified Cost, \$254,772,643)</b>		<b>\$ 227,393,731</b>
<b>Other Assets, Less Liabilities - 3.1%</b>		<b>4,219,773</b>
<b>Preferred Shares (Issued by the Fund) - (72.7)%</b>		<b>(97,500,000)</b>
<b>Net Assets applicable to common shares - 100.0%</b>		<b>\$ 134,113,504</b>

(a) Non-income producing security.

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

(c) Refunded bond.

(d) Non-income producing security in default.

(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 \$3,871,301, representing 2.9% of net assets applicable to common shares.

(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	Current Market Value
Agua Caliente Band of Cahuilla Indians, CA, 5.6%, 2013	7/22/03	\$1,001,195	\$950,670
Cabazon Band Mission Indians, CA, 8.375%, 2015	10/04/04	200,000	132,072
Cabazon Band Mission Indians, CA, 8.75%, 2019	10/04/04	895,000	589,608
MuniMae TE Bond Subsidiary LLC, 7.75%, 2050	5/30/00	2,000,000	1,349,640
Resolution Trust Corp., Pass-Through Certificates, 1993, 8.5%, 2016	8/27/93	556,951	503,956
<b>Total Restricted Securities</b>			<b>\$3,525,946</b>
<b>% of Net Assets Applicable to Common Shares</b>			<b>2.6%</b>

**Table of Contents***Portfolio of Investments (unaudited) continued***Derivative Contracts at 5/31/09****Futures contracts outstanding at 5/31/09**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
<b>Asset Derivatives</b>					
<b>Interest Rate Futures</b>					
U.S. Treasury Note 10 yr (Short)	USD	276	\$32,292,000	Sep-09	\$52,940
<b>Liability Derivatives</b>					
<b>Interest Rate Futures</b>					
U.S. Treasury Bond 30 yr (Short)	USD	78	\$9,177,188	Sep-09	\$(30,741)

At May 31, 2009, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

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

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

**Insurers**

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.
FSA	Financial Security Assurance Inc.
GNMA	Government National Mortgage Assn.
NATL	National Public Finance Guarantee Corp.
PSF	Permanent School Fund
SYNCORA	Syncora Guarantee Inc.

**See Notes to Financial Statements**

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

At 5/31/09 (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, at value (identified cost, \$254,772,643)	\$227,393,731	
Cash	2,064,037	
Receivables for		
Investments sold	889,555	
Interest	4,273,756	
Receivable from investment adviser	11,974	
Other assets	28,853	
<b>Total assets</b>		<b>\$234,661,906</b>
<b>Liabilities</b>		
Payables for		
Distributions on common shares	\$21,642	
Distributions on preferred shares	6,524	
Daily variation margin on open futures contracts	445,594	
Investments purchased	2,500,827	
Payable to affiliates		
Management fee	19,071	
Transfer agent and dividend disbursing costs	6,137	
Administrative services fee	583	
Payable for independent trustees' compensation	11,403	
Accrued expenses and other liabilities	36,621	
<b>Total liabilities</b>		<b>\$3,048,402</b>
<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
<b>Net assets applicable to common shares</b>		<b>\$134,113,504</b>
<b>Net assets consist of</b>		
Paid-in capital - common shares	\$238,539,663	
Unrealized appreciation (depreciation) on investments	(27,356,713)	
Accumulated net realized gain (loss) on investments	(77,631,524)	
Undistributed net investment income	562,078	
<b>Net assets applicable to common shares</b>		<b>\$134,113,504</b>
Preferred shares, at liquidation value (3,900 shares issued and outstanding at \$25,000 per share)		97,500,000
<b>Net assets including preferred shares</b>		<b>\$231,613,504</b>
Common shares of beneficial interest outstanding		31,272,943
Net asset value per common share (net assets of \$134,113,504 / 31,272,943 shares of beneficial interest outstanding)		\$4.29

**See Notes to Financial Statements**



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

Six months ended 5/31/09 (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>		
Interest income		\$7,418,505
<b>Expenses</b>		
Management fee	\$808,535	
Transfer agent and dividend disbursing costs	21,647	
Administrative services fee	25,995	
Independent trustees' compensation	14,483	
Stock exchange fee	14,682	
Preferred shares remarketing agent fee	112,988	
Custodian fee	16,328	
Shareholder communications	24,100	
Auditing fees	38,211	
Legal fees	16,473	
Interest expense and fees	11,553	
Miscellaneous	26,706	
Total expenses		\$1,131,701
Fees paid indirectly	(6,155)	
Reduction of expenses by investment adviser	(95,846)	
Net expenses		\$1,029,700
Net investment income		\$6,388,805
<b>Realized and unrealized gain (loss) on investments</b>		
Realized gain (loss) (identified cost basis)		
Investment transactions	\$(5,589,548)	
Futures contracts	(2,777,450)	
Net realized gain (loss) on investments		\$(8,366,998)
Change in unrealized appreciation (depreciation)		
Investments	\$16,564,831	
Futures contracts	2,317,893	
Net unrealized gain (loss) on investments		\$18,882,724
Net realized and unrealized gain (loss) on investments		\$10,515,726
Distributions declared to preferred shareholders		\$(450,629)
Change in net assets from operations		\$16,453,902
<b>See Notes to Financial Statements</b>		

**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 5/31/09 (unaudited)</b>	<b>Year ended 11/30/08</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$6,388,805	\$14,285,583
Net realized gain (loss) on investments	(8,366,998)	(14,387,538)
Net unrealized gain (loss) on investments	18,882,724	(49,745,084)
Distributions declared to preferred shareholders	(450,629)	(4,151,623)
Change in net assets from operations	\$16,453,902	\$(53,998,662)
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(5,440,719)	\$(10,662,227)
Net asset value of shares issued to common shareholders in reinvestment of distributions	\$21,606	\$
Total change in net assets	\$11,034,789	\$(64,660,889)
<b>Net assets applicable to common shares</b>		
At beginning of period	123,078,715	187,739,604
At end of period (including undistributed net investment income of \$562,078 and \$64,621, respectively)	\$134,113,504	\$123,078,715

**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 5/31/09	2008	2007	Years ended 11/30 2006	2005	2004
	(unaudited)					
Net asset value, beginning of period	\$3.94	\$6.00	\$6.73	\$6.47	\$6.39	\$6.57
<b>Income (loss) from investment operations</b>						
Net investment income (d)	\$0.20	\$0.46	\$0.52(z)	\$0.52	\$0.53	\$0.52
Net realized and unrealized gain (loss) on investments	0.33	(2.05)	(0.74)(z)	0.27	0.09	(0.18)
Distributions declared to preferred shareholders	(0.01)	(0.13)	(0.14)	(0.13)	(0.08)	(0.04)
Total from investment operations	\$0.52	\$(1.72)	\$(0.36)	\$0.66	\$0.54	\$0.30
<b>Less distributions declared to common shareholders</b>						
From net investment income, common shares	\$(0.17)	\$(0.34)	\$(0.37)	\$(0.40)	\$(0.46)	\$(0.48)
Net asset value, end of period	\$4.29	\$3.94	\$6.00	\$6.73	\$6.47	\$6.39
Common share market value, end of period	\$4.12	\$3.40	\$5.57	\$6.62	\$6.42	\$6.43
Total return at common market value (%) (p)	27.14(n)	(34.58)	(10.83)	9.63	7.18	7.44
Total return at net asset value (%) (p)(r)(s)(t)	14.25(n)	(29.62)	(5.52)	10.60	8.69	4.82
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>						
Expenses before expense reductions (f)(p)	1.91(a)	1.79	1.55	1.54	1.55	1.58
Expenses after expense reductions (f)(p)	1.75(a)	1.70	1.55	N/A	N/A	N/A
Expenses after expense reductions and excluding interest expense and fees (f)(l)(p)	1.73(a)	1.61	1.55	N/A	N/A	N/A
Net investment income (p)	10.77(a)	8.54	8.06(z)	7.97	8.17	8.04
Portfolio turnover	16	39	31	32	15	13
Net assets at end of period (000 Omitted)	\$134,114	\$123,079	\$187,740	\$210,148	\$201,666	\$199,098

**Table of Contents***Financial Highlights continued*

	Six months ended 5/31/09	2008	2007	2006	2005	2004
(unaudited)						
<b>Supplemental Ratios (%):</b>						
Net investment income available to common shares	10.01(a)	6.06	5.88	6.01	6.88	7.39
<b>Senior Securities:</b>						
Total preferred shares outstanding	3,900	3,900	4,800	4,800	4,800	4,800
Asset coverage per preferred share (k)	\$59,388	\$56,559	\$64,112	\$68,781	\$67,014	\$66,479
Involuntary liquidation preference per preferred share (o)	\$25,000	\$25,000	\$25,000	\$25,004	\$25,009	\$25,008
Average market value per preferred share (m)(x)	\$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.

(k) Calculated by subtracting the fund's total liabilities 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.

(o) Effective November 30, 2007, amount excludes accrued unpaid distributions to Auction Preferred Shareholders.

(p) 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.

(t) Prior to November 30, 2007, total return at net asset value is unaudited.

(x) Average market value represents the approximate fair value of the fund's liability.

(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. The fund can invest up to 100% of its portfolio 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. 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.

**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

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*Notes to Financial Statements (unaudited) continued*

provided by a third-party pricing service on the market on which such futures contracts are primarily traded. 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 pricing services can utilize both dealer-supplied valuations and electronic data processing techniques, which take into account factors such as institutional-size trading in similar groups of securities, 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 depending on the source and method used to determine value. When fair valuation is used, the value of investments used to determine the fund's net asset value may differ from quoted or published prices for the same investments. 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 carried at market value. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into

**Table of Contents***Notes to Financial Statements (unaudited) continued*

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, forwards, swap contracts and written options. The following is a summary of the levels used as of May 31, 2009 in valuing the fund's assets or liabilities carried at market value:

	Level 1	Level 2	Level 3	Total
Investments in Securities	\$	\$227,393,731	\$	\$227,393,731
Other Financial Instruments	\$22,199	\$	\$	\$22,199

In April 2009, FASB Staff Position (FSP) 157-4 was issued and is effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009. FSP 157-4 clarifies FASB Statement No. 157, Fair Value Measurements and requires an entity to evaluate certain factors to determine whether there has been a significant decrease in volume and level of activity for the asset or liability such that recent transactions and quoted prices may not be determinative of fair value and further analysis and adjustment may be necessary to estimate fair value. The FSP also requires enhanced disclosure regarding the inputs and valuation techniques used to measure fair value in those instances as well as expanded disclosure of valuation levels for major security types. Management is evaluating the application of the FSP to the fund, and believes the impact resulting from the adoption of this FSP will be limited to expanded disclosure in the fund's financial statements.

**Derivatives** The fund may use derivatives for different purposes, including to earn income and enhance returns, to increase or decrease exposure to a particular market, to manage or adjust the risk profile of the fund, or as alternatives to direct investments. Derivatives may be 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.

In this reporting period the fund adopted FASB Statement No. 161, Disclosure about Derivative Instruments and Hedging Activities ( FAS 161 ), and FASB

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*Notes to Financial Statements (unaudited) continued*

Staff Position FAS No. 133-1 and FIN 45-4, Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FAS 161 ( FSP FAS 133-1 ).

FAS 161 amends FASB Statement No. 133, Accounting for Derivatives and Hedging Activities ( FAS 133 ). FAS 161 provides enhanced disclosures about the fund's use of and accounting for derivative instruments and the effect of derivative instruments on the fund's results of operations and financial position. Under FAS 161, tabular disclosure regarding derivative fair value and gain/loss by contract type (e.g., interest rate contracts, foreign exchange contracts, credit contracts, etc.) is required and derivatives accounted for as hedging instruments under FAS 133 must be disclosed separately from derivatives that do not qualify for hedge accounting under FAS 133. Because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings, the fund's derivatives are not accounted for as hedging instruments under FAS 133. As such, even though the fund may use derivatives in an attempt to achieve an economic hedge, the fund's derivatives are not considered to be hedging instruments under FAS 133.

FSP FAS 133-1 amends FAS 133 to require sellers of credit derivatives to make disclosures that will enable financial statement users to assess the potential effects of those credit derivatives on an entity's financial position, financial performance and cash flows. As defined by FSP FAS 133-1, a credit derivative is a derivative instrument (a) in which one or more of the derivative's underlyings are related to the credit risk of a specified entity (or group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit-risk-related events specified in the derivative contract. The seller (or writer) is the party that provides the credit protection and assumes the credit risk on a credit derivatives contract, such as a credit default swap. There was no impact from implementing FSP 133-1 as the fund did not hold any of these credit derivatives at period end.

As defined under FAS 133, derivative instruments include written options, purchased options, futures contracts, forward foreign currency exchange contracts, and swap agreements.



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Notes to Financial Statements (unaudited) continued

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, 2009:

		<b>Asset Derivatives</b>		<b>Liability Derivatives</b>	
		<b>Location on Statement of Assets and Liabilities</b>	<b>Fair Value</b>	<b>Location on Statement of Assets and Liabilities</b>	<b>Fair Value</b>
<b>Interest Rate Contracts</b>	<b>Interest Rate Futures</b>	Unrealized appreciation on investments	\$52,940(a)	Unrealized depreciation on investments	\$(30,741)(a)

(a) Includes cumulative appreciation/depreciation of futures contracts as reported in the fund's Portfolio of Investments. Only the current day's variation margin for futures contracts is 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, 2009 as reported within the Statement of Operations:

<b>Interest Rate Contracts</b>	<b>Futures Contracts</b> \$(2,777,450)
--------------------------------	---

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, 2009 as reported within the Statement of Operations:

<b>Interest Rate Contracts</b>	<b>Futures Contracts</b> \$2,317,893
--------------------------------	---

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 by entering into an 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 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

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*Notes to Financial Statements (unaudited) continued*

not result in an offset of reported balance sheet 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 and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forwards, swaps 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 will be reported separately on the Statement of Assets and Liabilities as restricted cash. Securities collateral pledged for the same purpose is noted in the Portfolio of Investments.

**Futures Contracts** The fund may use futures contracts to gain or to hedge against broad market, interest rate or currency exposure. 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 is realized.

The fund bears the risk of interest rates, exchange 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 may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, there is still counterparty credit risk due to the insolvency of the broker. The fund's maximum risk of loss due to counterparty credit risk is equal to the margin posted by the fund to the broker plus any gains or minus any losses on the outstanding futures contracts.

**Inverse Floaters** The fund invests in municipal inverse floating rate securities which are structured by the issuer (known as primary market inverse floating rate securities) or by an investment banker utilizing municipal bonds which have already been issued (known as secondary market inverse floating rate securities) to have variable rates of interest which typically move in the opposite direction of short term interest rates. A secondary market inverse

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*Notes to Financial Statements (unaudited) continued*

floating rate security is created when an investment banker transfers a fixed rate municipal bond to a special purpose trust, and causes the trust to (a) issue floating rate certificates to third parties, in an amount equal to a fraction of the par amount of the deposited bonds (these certificates usually pay tax-exempt interest at short-term interest rates that typically reset weekly; and the certificate holders typically, on seven days notice, have the option to tender their certificates to the investment banker or another party for redemption at par plus accrued interest), and (b) issue inverse floating rate certificates (sometimes referred to as inverse floaters). If the holder of the inverse floater transfers the municipal bonds to an investment banker for the purpose of depositing the municipal bonds into the special purpose trust, the inverse floating rate certificates that are issued by the trust are referred to as self-deposited inverse floaters. If the bonds held by the trust are purchased by the investment banker for deposit into the trust from someone other than the purchasers of the inverse floaters, the inverse floating rate certificates that are issued by the trust are referred to as externally deposited inverse floaters. Such self-deposited inverse floaters held by the fund are accounted for as secured borrowings, with the municipal bonds reflected in the investments of the fund and amounts owed to the holder of the floating rate certificate under the provisions of the trust, which amounts are paid solely from the assets of the trust, reflected as liabilities of the fund in the Statement of Assets and Liabilities under the caption, Payable to the holder of the floating rate certificate from trust assets. At May 31, 2009, the fund did not hold any floating rate certificates. For the six months ended May 31, 2009, the average daily payable to the holder of the floating rate certificate from trust assets was \$659,341 at a weighted average interest rate of 3.51%. Interest expense and fees relate to interest payments made to the holder of certain floating rate certificates and associated fees, both of which are made from trust assets. Interest expense and fees are recorded as incurred. For the six months ended May 31, 2009, interest expense and fees in connection with self-deposited inverse floaters held during the year was \$11,553. Primary and externally deposited inverse floaters held by the fund are not accounted for as secured borrowings.

**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

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*Notes to Financial Statements (unaudited) continued*

premium and discount is amortized or accreted for financial statement purposes in accordance with U.S. generally accepted accounting principles. 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, 2009, is shown as a reduction of total expenses on the Statement of Operations.

**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 taxes is required. The fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

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 and derivative transactions.

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*Notes to Financial Statements (unaudited) continued*

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>11/30/08</b>
Ordinary income (including any short-term capital gains)	\$25,139
Tax-exempt income	14,788,711
<b>Total distributions</b>	<b>\$14,813,850</b>

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

<b>As of 5/31/09</b>	
Cost of investments	\$254,389,145
Gross appreciation	7,009,589
Gross depreciation	(34,005,003)
Net unrealized appreciation (depreciation)	\$(26,995,414)
<b>As of 11/30/08</b>	
Undistributed ordinary income	\$142,541
Undistributed tax-exempt income	94,766
Capital loss carryforwards	(63,046,879)
Post-October capital loss deferral	(8,787,925)
Other temporary differences	(172,686)
Net unrealized appreciation (depreciation)	(43,669,159)

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

As of November 30, 2008, the fund had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

11/30/09	\$(4,198,716)
11/30/10	(12,980,738)
11/30/11	(4,761,736)
11/30/12	(4,055,363)
11/30/14	(9,352,747)
11/30/15	(6,016,727)
11/30/16	(21,680,852)
	<b>\$(63,046,879)</b>

**(3) Transactions with Affiliates**

**Investment Adviser** The fund has an investment advisory agreement with Massachusetts Financial Services Company (MFS) to provide overall investment management and related administrative services and facilities to the fund.

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*Notes to Financial Statements (unaudited) continued*

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 remarketing fees, such that total annual fund operating expenses do not exceed 0.95% 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, 2009. For the six months ended May 31, 2009, this reduction amounted to \$95,412 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, 2009, these fees paid to MFSC amounted to \$7,545. MFSC also receives payment from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the six months ended May 31, 2009, the fund did not pay any out-of-pocket expenses to MFSC.

**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. The administrative services fee incurred for the six months ended May 31, 2009 was equivalent to an annual effective rate of 0.0241% 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 to 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** The fund's former independent trustees participated in a Deferred Compensation Plan (the Plan). The fund's current independent trustees are not allowed to defer compensation under the Plan. Deferred amounts represent an unsecured obligation of the fund until distributed.

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*Notes to Financial Statements (unaudited) continued*

in accordance with the Plan. Included in other assets and payable for independent trustees compensation is \$11,377 of deferred trustees compensation.

**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 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, 2009, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$907 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 \$434, 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.

**(4) Portfolio Securities**

Purchases and sales of investments, other than U.S. Government securities, purchased option transactions, and short-term obligations, aggregated \$32,065,505 and \$31,702,353, 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, 2009, the fund did not repurchase any shares. Transactions in fund shares were as follows:

	Six months ended 5/31/09		Year ended 11/30/08	
	Shares	Amount	Shares	Amount
Shares issued to shareholders in reinvestment of distributions	5,415	\$21,606		\$

**(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 1.25%. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the

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*Notes to Financial Statements (unaudited) continued*

participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the Federal Reserve funds rate plus an agreed spread. For the six months ended May 31, 2009, the fund's commitment fee and interest expense were \$456 and \$0, respectively, and are included in miscellaneous expense on the Statement of Operations.

**(7) Auction Preferred Shares**

The fund has 1,950 shares each of Auction Preferred Shares (APS), series T and APS, series W issued and outstanding. 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 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 MFS High Income Municipal Trust, 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, 2009, the APS dividend rates ranged from 0.44% to 2.69%. For the six months ended May 31, 2009, the average dividend rate was 0.90%. 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 fee equivalent to 0.25% of the preferred share liquidation value for remarketing efforts associated with the preferred auction. Effective May 1, 2009, this fee will be reduced to 0.15% when auctions fail. 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



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*Notes to Financial Statements (unaudited) continued*

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.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the 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, 2009, and the related statements of operations, changes in net assets, and financial highlights for the six-month period ended May 31, 2009. 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, 2008, and the financial highlights for each of the two years in the period ended November 30, 2008, and in our report dated January 20, 2009, we expressed an unqualified opinion on such statement of changes in net assets and financial highlights. The financial highlights for each of the three years in the period ended November 30, 2006 were audited by another independent registered public accounting firm whose report, dated January 25, 2007, expressed an unqualified opinion on those financial highlights.

Boston, Massachusetts

July 17, 2009

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**BOARD REVIEW OF INVESTMENT ADVISORY AGREEMENT**

A discussion regarding the Board's two most recent reviews and renewals 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 most recent twelve-month period ended June 30, 2008 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. The fund's Form N-Q 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. The fund's Form N-Q is available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and copies of this information 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.

A shareholder can also obtain the quarterly portfolio holdings report at *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

500 Boylston Street, Boston, MA 02116

New York Stock Exchange Symbol: CXE

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**ITEM 2. CODE OF ETHICS.**

The Registrant has not amended any provision in its Code of Ethics (the Code ) that relates to any element of the Code s definition enumerated in paragraph (b) of Item 2 of this Form N-CSR.

**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>
12/01/08-12/31/08	0	N/A	0	3,126,753
1/01/09-1/31/09	0	N/A	0	3,126,753
2/01/09-2/28/09	0	N/A	0	3,126,753
3/01/09-3/31/09	0	N/A	0	3,126,753
4/01/09-4/30/09	0	N/A	0	3,126,753
5/01/09-5/31/09	0	N/A	0	3,126,753
<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, 2009 plan year is 3,126,753.

**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 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)\* MARIA F. DWYER  
Maria F. Dwyer, President

Date: July 17, 2009

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)\* MARIA F. DWYER  
Maria F. Dwyer, President

(Principal Executive Officer)

Date: July 17, 2009

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

(Principal Financial Officer

and Accounting Officer)

Date: July 17, 2009

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