

MFS HIGH INCOME MUNICIPAL TRUST

Form N-CSR

February 06, 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: November 30, 2008

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ITEM 1. REPORTS TO STOCKHOLDERS.

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Annual report

MFS® High Income Municipal Trust

11/30/08

CXE-ANN

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MFS® High Income Municipal Trust

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New York Stock Exchange Symbol: CXE

NOT FDIC INSURED MAY LOSE VALUE

NO BANK GUARANTEE

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LETTER FROM THE CEO

Dear Shareholders:

The global economy is not a very welcoming place these days. Headlines tell the story of slowing growth, accelerating inflation, and credit collapse. We have watched the rampant selling that has typified equity and credit markets since the strains in the financial system first became apparent last year.

The volatility in commodity and currency markets has further complicated investment choices. There are so many parts moving in so many directions; it has become very easy to get overwhelmed.

At MFS® we remind investors to keep their eye on the long term and not become panicked by the uncertainty of the day to day.

Remember that what goes down could very easily come back up. And that is where we as money managers like to turn our focus.

Investment opportunities may arise in declining markets. When markets experience substantial selloffs, assets often become undervalued. At MFS, we have a team of global sector analysts located in Boston, London, Mexico City, Singapore, Sydney, and Tokyo working together to do the kind of bottom-up research that will root out these investment opportunities.

In times like these, we encourage our investors to check in with their advisors to ensure they have an investment plan in place that will pay heed to the present, but that is firmly tailored to the future.

Respectfully,

Robert J. Manning

Chief Executive Officer and Chief Investment Officer

MFS Investment Management®

January 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.

Table of Contents**PORTFOLIO COMPOSITION****Portfolio structure****Top five industries (i)**

Healthcare Revenue Hospitals	20.7%
Healthcare Revenue Long-term Care	16.3%
Tax Assessment	8.2%
Universities Colleges	6.6%
Multi-Family Housing Revenue	6.4%

Credit quality of bonds (r)

AAA	12.3%
AA	6.2%
A	10.3%
BBB	26.2%
BB	6.4%
B	1.9%
CCC	1.1%
Not Rated	35.6%

Portfolio structure reflecting equivalent exposure of derivative holdings (i)**Portfolio facts**

Average Duration (d)(i)	11.3
Average Life (i)(m)	14.0 yrs.
Average Maturity (i)(m)	16.7 yrs.
Average Credit Quality of Rated Securities (long-term) (a)	A

(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.

* The fund holds short treasury futures with equivalent bond exposure of (37.1)% for the purposes of managing the fund's duration.

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- (m) The average maturity shown is calculated using the final stated maturity on the portfolio's holdings without taking into account any holdings which have been pre-refunded or pre-paid to an earlier date or which have a mandatory put date prior to the stated maturity. The average life shown takes into account these earlier dates.

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Portfolio Composition continued

(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 11/30/08.

Percentages are based on net assets, including the value of auction preferred shares, as of 11/30/08, unless otherwise noted.

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

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MANAGEMENT REVIEW

The MFS High Income Municipal Trust (the fund) is a closed-end fund investing in investment-grade and high-yield municipal debt.

For the twelve months ended November 30, 2008, shares of the MFS High Income Municipal Trust provided a total return of 29.62%, at net asset value. This compares with a return of 3.61% for the fund's benchmark, the Barclays Capital Municipal Bond Index (formerly the Lehman Brothers Municipal Bond Index).

Market Environment

The U.S. economy and financial markets experienced significant deterioration and extraordinary volatility over the reporting period. U.S. economic growth slowed significantly, despite the short-term bounce from the second quarter fiscal stimulus. Strong domestic headwinds included accelerated deterioration in the housing market, anemic corporate investment, a markedly weaker job market, and a much tighter credit environment. During the second half of the period, a seemingly continuous series of tumultuous financial events hammered markets, including: the distressed sale of failing Bear Stearns to JPMorgan, the conservatorship of Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac, the bankruptcy of investment bank Lehman Brothers, the Federal Reserve Bank's complex intervention of insurance company American International Group (AIG), the nationalization of several large European banks, the failure of Washington Mutual, and the distressed sale of Wachovia. As a result of this barrage of turbulent news, global equity markets pushed significantly lower and credit markets witnessed the worst dislocation since the beginning of the credit crisis.

While reasonably resilient during the first half of the period, the global economy and financial system increasingly experienced considerable negative spillovers from the U.S. slowdown. Not only did Europe and Japan show obvious signs of economic softening, the more powerful engine of global growth—emerging markets—also began to display weakening dynamics.

During the reporting period, the U.S. Federal Reserve Board cut interest rates aggressively and introduced a multitude of new lending facilities to alleviate ever-tightening credit markets, while the U.S. federal government moved quickly to design and implement a meaningful fiscal stimulus package. Although several other global central banks also cut rates, the dilemma of rising energy and food prices heightened concerns among central bankers that inflationary expectations might become unhinged despite weaker growth. Only late in the reporting period did slowing global growth result in a precipitous decline in commodity prices, which began to ease inflation and inflationary

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Management Review continued

expectations. As inflationary concerns diminished in the face of global deleveraging, and equity and credit markets deteriorated more sharply, a coordinated rate cut marked the beginning of much more aggressive easing by the major global central banks.

The municipal bond market faced an unprecedented amount of challenges over the past 15 months, which led to a broad-based decline in bond prices, an increase in yields, and a significant increase in spreads between higher-rated securities and lower-rated or non-rated securities. Among the factors leading to the decline in prices and the widening of spreads were the downgrading from AAA, by at least one of the major rating agencies, the majority of the monoline bond insurers and the unwinding of leverage by non-traditional participants in the municipal bond market.

During the reporting period, demand for municipal debt decreased. This lack of demand for municipal debt was a primary reason behind the increase in interest rates on longer-dated municipal bonds. In recent years, non-traditional buyers of municipal bonds, such as arbitrageurs and leveraged accounts, became important investors in the municipal markets. These investors, in many instances, became net sellers of municipal debt over the investment period. This selling pressure tipped the balance between supply and demand causing rates to rise on the long end of the curve.

Factors Affecting Performance

Credit quality was the primary factor that detracted from the fund's performance relative to the Barclays Capital Municipal Bond Index. The fund's overweight in BBB rated (s) and below-investment-grade securities held back relative returns as spreads between high grade and high yield municipals widened. (The Barclays Capital Municipal Bond Index is composed primarily of higher-grade securities with no bonds rated below BBB).

The fund's duration (d) positioning also held back relative results as interest rates on municipal bonds with maturities beyond seven years increased during the reporting period. This rise in municipal bond rates was in contrast to what took place in the U.S. Treasury market, where rates declined across the maturity spectrum. The fund chose to use U.S. Treasury futures as a hedge to shorten duration. The value of our short position in U.S. Treasury futures decreased in value as Treasury prices rallied, thus negatively impacting the performance of the fund.

Security selection and the fund's greater exposure to bonds in the *health care* and *industrial* sectors detracted from relative performance as these holdings underperformed the broad market. A relative overweight in airline bonds also held back results.

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Management Review continued

The fund employs leverage which has been created through the issuance of auction preferred shares. To the extent that investments are purchased through leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. Therefore, during the reporting period, the fund's use of leverage further hampered the fund's performance.

Over the reporting period, the fund's underweight in the *credit enhanced* sector contributed to performance.

Respectfully,

Gary Lasman
Portfolio Manager

Geoffrey Schechter
Portfolio Manager

(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.

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

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

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The following chart represents the fund's historical performance in comparison to its benchmark(s). Investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than their original cost; current performance may be lower or higher than quoted. The performance shown does not reflect the deduction of taxes, if any, that a shareholder would pay on fund distributions or the sale of fund shares.

Price Summary

Year Ended 11/30/08	Date	Price
Net Asset Value	11/30/08	\$3.94
	11/30/07	\$6.00
New York Stock Exchange Price	11/30/08	\$3.40
	2/12/08 (high) (t)	\$5.70
	10/10/08 (low) (t)	\$2.72
	11/30/07	\$5.57

Total Returns vs Benchmark

Year Ended 11/30/08

New York Stock Exchange Price (r)	(34.58)%
Net Asset Value (r)	(29.62)%
Barclays Capital Municipal Bond Index (f)	(3.61)%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period December 1, 2007 through November 30, 2008.

Benchmark Definition

Barclays Capital Municipal Bond Index (formerly known as Lehman Brothers Municipal Bond Index) a market capitalization-weighted index that measures the performance of the tax-exempt bond market.

It is not possible to invest directly in an index.

Notes to Performance Summary

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the

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Performance Summary continued

fund's liquidation. As a result, the total return that is calculated based on the net asset value and New York Stock Exchange price can be different.

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase 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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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 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 indicator's in 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 to 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>.

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PORTFOLIO MANAGERS PROFILES

Gary Lasman	Investment Officer of MFS; employed in the investment area of MFS since 2002. Portfolio manager of the fund since June 2007.
Geoffrey Schechter	Investment Officer of MFS; employed in the investment area of MFS since 1993. Portfolio manager of the fund since June 2007.

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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. 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 discounted price of either the net asset value or 95% of the market price, whichever is greater. Four times each year you can also buy shares. Investments may be made in any amount of \$100 or more in January, April, July and October on the 15th of the month 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. The automatic reinvestment of distributions does not relieve you of any income tax that may be payable (or required to be withheld) on the distributions.

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

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

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11/30/08

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 - 171.8%

Issuer	Shares/Par	Value (\$)
Airport & Port Revenue - 5.1%		
Branson, MO, Regional Airport Transportation Development District Airport Rev., B, 6%, 2037	\$ 610,000	\$ 384,824
Denver, CO, City & County Airport, B, ETM, 6.125%, 2025 (c)(f)	2,840,000	2,823,584
Denver, CO, City & County Airport, C, ETM, 6.125%, 2025 (c)	2,280,000	2,446,941
New York, NY, City Industrial Development Authority Rev. (Terminal One Group Assn.), 5.5%, 2021	750,000	665,834
		\$ 6,321,183
General Obligations - General Purpose - 0.6%		
New York, NY, H, 6%, 2017	\$ 5,000	\$ 5,026
Puerto Rico Government Development Bank, B, 5%, 2015	700,000	675,247
		\$ 680,273
General Obligations - Schools - 2.4%		
Irving, TX, Independent School District, A, PSF, 0%, 2018	\$ 1,000,000	\$ 643,469
Montebello, CA, Unified School District, FSA, 0%, 2021	1,435,000	694,912
Montebello, CA, Unified School District, FSA, 0%, 2023	1,505,000	628,999
Placer, CA, Unified School District, A, FGIC, 0%, 2019	1,700,000	961,264
		\$ 2,928,644
Healthcare Revenue - Hospitals - 36.4%		
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5%, 2028	\$ 565,000	\$ 331,581
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5.375%, 2040	835,000	469,244
Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 2034	220,000	176,303
California Statewide Communities Development Authority Rev. (Catholic Healthcare West) K, ASSD GTY, 5.5%, 2041	1,545,000	1,224,272
California Statewide Communities Development Authority Rev. (Catholic Healthcare West) L, ASSD GTY, 5.25%, 2041	1,130,000	858,302
California Statewide Communities Development Authority Rev. (Children's Hospital), 5%, 2047	375,000	221,635
California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047	745,000	647,680
California Statewide Communities Development Authority Rev. (Sutter Health), B, 5.25%, 2048	1,000,000	803,119
Conway, AR, Hospital Rev. (Conway Regional Medical Center), A, 6.4%, 2029	425,000	350,106

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Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Hospitals - continued		
Conway, AR, Hospital Rev. (Conway Regional Medical Center), B , 6.4%, 2029	\$ 1,000,000	\$ 823,779
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2016 (c)	835,000	892,790
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2026 (c)	1,000,000	1,016,690
Dickinson County, MI, Healthcare System Hospital Rev., 5.7%, 2018	750,000	632,955
Douglas County, NE, Hospital Authority Rev. (Methodist Health Partners), 5.75%, 2048	470,000	363,052
Garden City, MI, Hospital Finance Authority Rev. (Garden City Hospital), 5%, 2038	750,000	410,490
Genesee County, NY, Industrial Development Agency Civic Facility Rev. (United Memorial Medical Center), 5%, 2027	120,000	79,336
Georgia Medical Center Hospital Authority Rev. (Columbus Regional Healthcare System, Inc.), ASSD GTY, 6.5%, 2038	1,685,000	1,562,332
Harris County, TX, Health Facilities Development Authority, Hospital Rev. (Memorial Hermann Healthcare Systems), B , 7.25%, 2035	380,000	378,229
Idaho Health Facilities Authority Rev. (IHC Hospitals, Inc.), ETM, 6.65%, 2021 (c)	1,750,000	2,022,895
Illinois Finance Authority Rev. (Children s Memorial Hospital), A , ASSD GTY, 5.25%, 2047	2,450,000	1,831,032
Illinois Finance Authority Rev. (Edward Hospital), A , AMBAC, 5.5%, 2040	1,700,000	1,366,953
Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031	550,000	340,236
Illinois Health Facilities Authority Rev. (Swedish American Hospital), 6.875%, 2010 (c)	500,000	532,670
Indiana Health & Educational Facilities Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037	1,445,000	1,008,697
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A , 5%, 2039	2,255,000	1,492,449
Indiana Health & Educational Facilities Financing Authority Rev. (Sisters of St. Francis Health Services, Inc.), E , FSA, 5.25%, 2041	145,000	127,533
Indiana Health Facilities Financing Authority Rev. (Community Foundation of Northwest Indiana), A , 6%, 2034	575,000	431,210
Jackson, TN, Town Hospital Rev. (Jackson-Madison County General Hospital), 5.75%, 2041	565,000	466,899
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health), 5.5%, 2031	1,455,000	989,444
Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health), A , 5.5%, 2036	535,000	352,014
Kent Hospital, MI, Finance Authority Rev. (Spectrum Health) A , 5.5%, 2047 (a)	1,000,000	1,003,540

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Hospitals - continued		
Knox County, TN, Health Educational & Housing Facilities, Board Rev. (University Health Systems, Inc.), 5.25%, 2036	\$ 530,000	\$ 350,537
Lake County, OH, Hospital Facilities Rev. (Lake Hospital Systems, Inc.), 5.625%, 2029	565,000	451,034
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034	1,070,000	771,534
Louisville & Jefferson County, KY, Metro Government Health Facilities Rev. (Jewish Hospital, St. Mary's Healthcare), 6.125%, 2037	1,685,000	1,430,043
Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 2036	560,000	394,078
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2032	80,000	55,421
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037	75,000	50,356
Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 5.75%, 2038	105,000	72,954
Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 6%, 2043	150,000	106,233
Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), E, 6.75%, 2033	500,000	384,175
Massachusetts Health & Educational Facilities Authority Rev. (Quincy Medical Center), A, 6.5%, 2038	420,000	309,267
Minneapolis & St. Paul, MN, Housing & Redevelopment Authority (Health Partners), 6%, 2021	500,000	412,715
Mississippi Hospital Equipment & Facilities Authority Rev. (South Central Regional Medical Center), 5.25%, 2026	400,000	290,280
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2031	155,000	106,879
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2036	800,000	532,392
New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A, 6.125%, 2012 (c)	350,000	398,167
New Hampshire Health & Educational Facilities Authority Rev. (Catholic Medical Center), A, 6.125%, 2032	50,000	36,445
New Hampshire Health & Educational Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 2036	800,000	526,944
New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter's University Hospital), 5.75%, 2037	700,000	517,860
New Mexico State Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A, 5%, 2017	365,000	300,461

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Hospitals - continued		
North Carolina Medical Care Commission (Stanly Health Services, Inc.), 6.375%, 2029	\$ 1,915,000	\$ 1,747,878
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D, 6.375%, 2036	1,405,000	1,328,301
Orange County, FL, Health Facilities Authority Hospital Rev. (Orlando Regional Healthcare), 5.75%, 2012 (c)	200,000	223,272
Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Hospital), A, 5.5%, 2030	1,615,000	1,066,304
Salida, CO, Hospital District Rev., 5.25%, 2036	945,000	604,488
Saline County, MO, Industrial Development Authority Rev. (John Fitzgibbon Memorial Hospital, Inc.), 5.625%, 2035	1,250,000	814,975
Skagit County, WA, Public Hospital District No. 001, 5.75%, 2032	120,000	82,651
South Carolina Jobs Economic Development Authority (Bon Secours - Venice Healthcare Corp.), 5.5%, 2012 (c)	380,000	421,713
South Carolina Jobs Economic Development Authority (Bon Secours - Venice Healthcare Corp.), 5.5%, 2023	1,370,000	1,207,737
South Lake County, FL, Hospital District Rev. (South Lake Hospital, Inc.), 6.375%, 2034	500,000	395,960
Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.5%, 2020	225,000	184,376
Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.125%, 2036	1,000,000	660,660
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 2036	225,000	145,465
Tampa, FL, Hospital Rev. (H. Lee Moffitt Cancer Center), A, 5.75%, 2029	2,000,000	1,663,720
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 2032	290,000	191,458
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.375%, 2037	235,000	153,173
Tyler, TX, Health Facilities Development Corp. (Mother Frances Hospital), 6%, 2012 (c)	1,000,000	1,109,640
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033	525,000	407,888
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc.), 5.75%, 2029	1,000,000	760,680
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034	865,000	536,084
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), A, 5.25%, 2025	500,000	342,445
		\$ 44,754,110

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Long Term Care - 28.6%		
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement), A, 5.9%, 2025	\$ 1,000,000	\$ 712,000
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement), A, 7%, 2033	500,000	380,610
Boston, MA, Industrial Development Financing Authority Rev. (Springhouse, Inc.), 5.875%, 2020	255,000	198,543
Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann's Choice, Inc.), A, 6.125%, 2025	1,000,000	745,050
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2027	120,000	86,065
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2037	155,000	101,733
California Statewide Communities Development Authority Rev. (Eskaton Properties, Inc.), 8.25%, 2010 (c)	950,000	1,061,483
Capital Projects Finance Authority, FL (Glenridge on Palmer Ranch), A, 8%, 2012 (c)	750,000	865,230
Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032	1,530,000	1,327,306
Colorado Health Facilities Authority Rev. (American Baptist Homes), A, 5.9%, 2037	530,000	351,973
Colorado Health Facilities Authority Rev. (American Housing Foundation, Inc.), 8.5%, 2031	455,000	375,229
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), 5%, 2035	1,400,000	874,314
Columbus, GA, Housing Authority Rev. (Calvary Community, Inc.), 7%, 2019	425,000	348,351
Connecticut Development Authority Rev. (Elim Park Baptist Home, Inc.), 5.85%, 2033	660,000	486,341
Fulton County, GA, Residential Care Facilities (Canterbury Court), A, 6.125%, 2034	750,000	521,363
Fulton County, GA, Residential Care Facilities, (Lenbrook Project), A, 5.125%, 2042	1,000,000	579,890
Fulton County, GA, Residential Care Facilities, First Mortgage (Lenbrook Square Foundation, Inc.), A, 5%, 2029	1,000,000	627,450
HFDC of Central Texas, Inc., Retirement Facilities Rev. (Legacy at Willow Bend), A, 5.75%, 2036	800,000	498,856
Houston, TX, Health Facilities Development Corp. (Buckingham Senior Living Community), A, 7.125%, 2014 (c)	500,000	593,040
Howard County, MD, Retirement Facilities Rev. (Vantage House Corp.), A, 5.25%, 2033	250,000	156,843
Huntington, NY, Housing Authority Rev. (Gurwin Senior Jewish Residences), A, 5.875%, 2019	700,000	560,959

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Long Term Care - continued		
Huntington, NY, Housing Authority Rev. (Gurwin Senior Jewish Residences), A , 6%, 2029	\$ 775,000	\$ 546,716
Illinois Finance Authority Rev. (Hoosier Care, Inc.), A , 7.125%, 2034	1,145,000	862,242
Illinois Finance Authority Rev. (Smith Village), A , 6.25%, 2035	1,250,000	884,600
Illinois Health Facilities Authority Rev. (Lutheran Senior Ministries, Inc.), 7.375%, 2011 (c)	900,000	1,024,263
Illinois Health Facilities Authority Rev. (Smith Crossing), A , 7%, 2032	725,000	579,848
Indiana Health Facilities Financing Authority Rev. (Hoosier Care, Inc.), 7.125%, 2034	150,000	110,778
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), 9.25%, 2011 (c)	895,000	1,044,805
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B , 5.75%, 2018	550,000	470,223
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B , 5.75%, 2028	1,475,000	1,062,664
James City County, VA, Economic Development (Virginia United Methodist Homes, Inc.), A , 5.5%, 2037	665,000	412,114
Johnson City, TN, Health & Educational Facilities Board (Appalachian Christian Village), A , 6.25%, 2032	250,000	180,295
Juneau, AK, City & Borough Non-Recourse Rev. (St. Ann s Care Project), 6.875%, 2025	1,110,000	901,675
Kent County, DE, Assisted Living (Heritage at Dover LLC), 7.625%, 2030	1,590,000	1,148,028
Kentwood, MI, Economic Development Ltd. (Holland Home), A , 5.375%, 2036	750,000	508,133
La Verne, CA, COP (Brethren Hillcrest Homes), B , 6.625%, 2025	690,000	550,544
Lancaster, PA, Industrial Development Authority Rev. (Garden Spot Village), A , 7.625%, 2010 (c)	500,000	546,155
Marion, IA, Health Care Facilities Rev., First Mortgage (AHF/Kentucky-Iowa, Inc.), 6.5% to 2009, 8% to 2029	575,000	585,718
Massachusetts Development Finance Agency Rev. (Adventcare), A , 6.75%, 2037	895,000	637,115
Massachusetts Development Finance Agency Rev. (Alliance Health of Brockton, Inc.), A , 7.1%, 2032	1,215,000	918,734
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A , 5.5%, 2027	240,000	153,629
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A , 5.75%, 2035	60,000	37,044
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A , 5.625%, 2015	400,000	363,324

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Long Term Care - continued		
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A , 6.9%, 2032	\$ 100,000	\$ 83,007
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Blakeford at Green Hills), 5.65%, 2024	600,000	432,498
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board, First Mortgage, 7.75%, 2029	1,140,000	1,134,596
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	250,000	170,075
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	750,000	491,985
New Jersey Economic Development Authority Rev. (Lions Gate), A , 5.75%, 2025	205,000	148,518
New Jersey Economic Development Authority Rev. (Lions Gate), A , 5.875%, 2037	830,000	550,996
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2026	1,300,000	865,527
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), A , 8.25%, 2010 (c)	925,000	1,037,628
Roseville, MN, Elder Care Facilities (Care Institute, Inc.), 7.75%, 2023	1,740,000	1,295,239
Sartell, MN, Health Care & Housing Authority Rev. (The Foundation for Health Care), A , 6.625%, 2029	1,145,000	869,639
Savannah, GA, Economic Development Authority, First Mortgage (Marshes of Skidway), A , 7.4%, 2034	465,000	378,529
Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A , 7.25%, 2034	450,000	334,746
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 2027	365,000	269,680
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 2042	335,000	224,202
South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Wesley Commons), 5.3%, 2036	300,000	187,209
St. Johns County, FL, Industrial Development Authority (Glenmoor Project), A , 5.25%, 2026	500,000	327,695
St. Johns County, FL, Industrial Development Authority (Glenmoor Project), A , 5.375%, 2040	250,000	146,863
Washington County, PA, Industrial Development Authority Rev., First Mortgage (AHF/Central Project), 7.75%, 2029	1,210,000	1,243,432
		\$ 35,173,340

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Healthcare Revenue - Other - 0.8%		
Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A , 9%, 2012 (c)	\$ 900,000	\$ 1,031,445
Industrial Revenue - Airlines - 3.2%		
Alliance Airport Authority, TX (American Airlines, Inc.), 5.25%, 2029	\$ 1,015,000	\$ 372,891
Chicago, IL, O Hare International Airport Special Facilities Rev. (American Airlines, Inc.), 5.5%, 2030	2,255,000	871,851
Cleveland, OH, Airport Special Rev. (Continental Airlines, Inc.), 5.7%, 2019	1,125,000	746,663
Dallas Fort Worth, TX, International Airport Facility Improvement Corp. (American Airlines, Inc.), 5.5%, 2030	1,000,000	377,140
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029	485,000	247,365
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 9%, 2033 (a)	750,000	541,598
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.625%, 2025	55,000	39,773
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 2031	1,005,000	705,450
		\$ 3,902,731
Industrial Revenue - Chemicals - 0.3%		
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2 , 4.95%, 2033	\$ 600,000	\$ 415,080
Industrial Revenue - Environmental Services - 1.6%		
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C , 5.125%, 2023	\$ 845,000	\$ 617,763
Carbon County, UT, Solid Waste Disposal Rev. (Laidlaw Environmental), A , 7.45%, 2017	500,000	421,550
Gulf Coast Waste Disposal Authority, TX (Waste Management, Inc.), A , 5.2%, 2028	465,000	314,656
New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), 5.2%, 2027	840,000	578,903
		\$ 1,932,872
Industrial Revenue - Metals - 0.7%		
Director of Nevada Department of Business & Industry (Wheeling/Pittsburgh Steel), A , 8%, 2014	\$ 620,000	\$ 583,823
Greenville County, VA, Industrial Development Authority Rev. (Wheeling/Pittsburgh Steel), A , 7%, 2014	340,000	311,253
		\$ 895,076

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Industrial Revenue - Other - 4.5%		
Annawan, IL, Tax Increment Rev. (Patriot Renewable Fuels LLC), 5.625%, 2018	\$ 450,000	\$ 350,982
California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 2038	500,000	422,500
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028	500,000	442,470
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023	650,000	497,634
Indianapolis, IN, Airport Authority Rev., Special Facilities (FedEx Corp.), 5.1%, 2017	250,000	200,228
Michigan Strategic Fund Rev. (Michigan Sugar Co.), A, 6.25%, 2015	1,250,000	1,139,788
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 2037	1,500,000	1,190,700
Virgin Islands Government Refinery Facilities Rev. (Hovensa Coker Project), 6.5%, 2021	375,000	294,083
Virgin Islands Public Finance Authority, Refinery Facilities Rev. (Hovensa Coker Project), 5.875%, 2022	600,000	434,838
Will-Kankakee, IL, Regional Development Authority Rev. (Flanders Corp.), 6.5%, 2017	605,000	513,784
		\$ 5,487,007
Industrial Revenue - Paper - 3.1%		
Bedford County, VA, Industrial Development Authority Rev. (Nekooska Packaging Corp.), 5.6%, 2025	\$ 400,000	\$ 231,180
Camden, AL, Industrial Development Board Exempt Facilities Rev., B (Weyerhaeuser Co.), 6.375%, 2024	550,000	610,445
Camden, AR, Environmental Improvement Rev. (International Paper Co.), A, 5%, 2018	250,000	177,018
Courtland, AL, Industrial Development Board Rev. (International Paper Co.), B, 6.25%, 2025	1,000,000	719,230
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 4.75%, 2030	370,000	197,994
Escambia County, FL, Environmental Improvement Rev. (International Paper Co., Projects), A, 5%, 2026	1,270,000	757,365
Lowndes County, MS, Solid Waste Disposal & Pollution Control Rev. (Weyerhaeuser Co.), B, 6.7%, 2022	850,000	724,226
Phenix City, AL, Industrial Development Board Environmental Improvement Rev., A (MeadWestvaco Coated), 6.35%, 2035	550,000	373,252
		\$ 3,790,710

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Miscellaneous Revenue - Entertainment & Tourism - 2.4%		
Agua Caliente Band of Cahuilla Indians, CA, 5.6%, 2013 (z)	\$ 1,000,000	\$ 943,290
Cabazon Band Mission Indians, CA, 8.375%, 2015 (z)	200,000	187,264
Cabazon Band Mission Indians, CA, 8.75%, 2019 (z)	895,000	829,513
Cow Creek Band of Umpqua Tribe of Indians, OR, C , 5.625%, 2026 (n)	800,000	576,248
New York Liberty Development Corp. Rev. (National Sports Museum), A , 6.125%, 2019	600,000	90,000
Seminole Tribe, FL, Special Obligation, A , 5.25%, 2027 (n)	365,000	268,990
		\$ 2,895,305
Miscellaneous Revenue - Other - 1.4%		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , XLCA, 5.25%, 2024	\$ 150,000	\$ 118,557
Capital Trust Agency, FL (Aero Syracuse LLC), 6.75%, 2032	500,000	373,315
Cleveland-Cuyahoga County, OH, Port Authority Rev. (Columbia National Group), 5%, 2020	710,000	552,905
Massachusetts Development Finance Agency (Boston Biomedical Research), 5.65%, 2019	200,000	163,112
Massachusetts Development Finance Agency (Boston Biomedical Research), 5.75%, 2029	450,000	323,100
V Lakes Utility District Ranking Water Systems Rev., 7%, 2037	300,000	224,715
		\$ 1,755,704
Multi-Family Housing Revenue - 11.3%		
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A , 7.5%, 2040	\$ 750,000	\$ 655,110
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B , 7%, 2032	765,000	625,150
Charter Mac Equity Issuer Trust, FHLMC, 6.3%, 2019 (n)	1,000,000	890,400
Charter Mac Equity Issuer Trust, FRN, FHLMC, 6.625%, 2009 (a)(n)	2,000,000	2,009,300
Clay County, FL, Housing Finance Authority Rev. (Madison Commons Apartments), A , 7.45%, 2040	715,000	600,707
District of Columbia Housing Finance Agency (Henson Ridge), E , FHA, 5.1%, 2037	1,000,000	722,490
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038 (a)	1,492,724	1,155,742
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), D , 10%, 2032	390,000	336,363
El Paso County, TX, Housing Finance Corp. (American Housing Foundation, Inc.), C , 8%, 2032	360,000	301,903
Massachusetts Housing Finance Agency Rev., B , 5%, 2030	500,000	393,990
Massachusetts Housing Finance Agency Rev., E , 5%, 2028	500,000	370,545

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Multi-Family Housing Revenue - continued		
Minneapolis, MN, Student Housing Rev. (Riverton Community Housing Project), A , 5.7%, 2040	\$ 750,000	\$ 523,583
MuniMae TE Bond Subsidiary LLC, 7.75%, 2050 (a)(z)	2,000,000	2,038,700
New Mexico Mortgage Finance Authority, Multi-Family Housing Rev. (Sun Pointe Apartments), E , FHA, 4.8%, 2040	1,250,000	844,675
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 (z)	546,075	510,880
Seattle, WA, Housing Authority Rev., Capped Fund Program (High Rise Rehab), I , FSA, 5%, 2025	500,000	397,660
Texas Department of Housing & Community Affairs (Pebble Brook Apartments), FNMA, 5.5%, 2018	995,000	936,713
Wilmington, DE, Multi-Family Housing Rev. (Electra Arms Senior Associates), 6.25%, 2028	850,000	633,225
		\$ 13,947,136
Sales & Excise Tax Revenue - 0.5%		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024	\$ 750,000	\$ 622,418
Single Family Housing - Local - 1.9%		
Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2 , GNMA, 5%, 2038	\$ 978,599	\$ 717,284
Pittsburgh, PA, Urban Redevelopment Authority Rev., C , GNMA, 4.8%, 2028	2,000,000	1,611,720
		\$ 2,329,004
Single Family Housing - State - 3.1%		
Iowa Finance Authority, Single Family Mortgage Rev., E , 5.4%, 2032	\$ 1,280,000	\$ 1,122,650
North Dakota Housing Finance Agency Rev., A , 4.85%, 2021	1,170,000	936,445
Oklahoma Housing Finance Agency Rev. (Homeownership Loan Program), C , GNMA, 5%, 2026	1,285,000	990,658
Virginia Housing Development Authority, Commonwealth Mortgage, A-5 , 4.4%, 2015	340,000	315,285
Virginia Housing Development Authority, Commonwealth Mortgage, A-5 , 4.4%, 2015	435,000	395,915
		\$ 3,760,953
Solid Waste Revenue - 1.8%		
Delaware County, PA, Industrial Development Authority, Resource Recovery Facilities Rev. (American Ref-Fuel Co.), A , 6.2%, 2019	\$ 2,000,000	\$ 1,652,560
Massachusetts Development Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A , 6.7%, 2014	170,000	166,483

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Solid Waste Revenue - continued		
Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A , 5.6%, 2019	\$ 500,000	\$ 403,865
		\$ 2,222,908
State & Agency - Other - 0.1%		
Commonwealth of Puerto Rico (Mepsi Campus), A , 6.25%, 2024	\$ 100,000	\$ 82,717
State & Local Agencies - 5.4%		
California Public Works Board Lease Rev., Department of Mental Health (Coalinga), A , 5.5%, 2019	\$ 1,000,000	\$ 1,013,700
Louisiana Military Department Custody Receipts, 5%, 2024	1,500,000	1,387,560
New York Metropolitan Transportation Authority, A , 5.125%, 2029	1,025,000	904,286
New York Urban Development Corp. (University Facilities Grants), 5.875%, 2021	1,000,000	1,015,970
Newberry, SC, Investing in Children s Education (Newberry County School District Program), 5%, 2030	500,000	393,745
Puerto Rico Public Finance Corp., E , ETM, 6%, 2026 (c)	155,000	170,719
Puerto Rico Public Finance Corp., Unrefunded, E , 6%, 2026	1,645,000	1,811,819
		\$ 6,697,799
Tax - Other - 1.2%		
Dallas County, TX, Flood Control District, 7.25%, 2032	\$ 1,000,000	\$ 887,640
New Jersey Economic Development Authority Rev. (Cigarette Tax), 5.75%, 2029	770,000	567,482
		\$ 1,455,122
Tax Assessment - 14.6%		
Atlanta, GA, Tax Allocation (Eastside Project), A , 5.625%, 2016	\$ 600,000	\$ 528,756
Ave Maria Stewardship Community District, FL, A , 5.125%, 2038	350,000	214,683
Celebration Community Development District, FL, A , 6.4%, 2034	950,000	768,436
Channing Park Community Development District, FL, 5.3%, 2038	600,000	375,996
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 2022	450,000	404,424
Colonial Country Club Community Development District, FL, 6.4%, 2033	705,000	571,311
Double Branch Community Development District, FL, A , 6.7%, 2034	660,000	549,239
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 2036	250,000	167,098
Durbin Crossing Community Development District, FL, Special Assessment, B-1 , 4.875%, 2010	265,000	247,656

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Tax Assessment - continued		
Grand Bay at Doral Community Development District, FL, A, 6%, 2039	\$ 120,000	\$ 80,262
Grand Bay at Doral Community Development District, FL, B, 6%, 2017	700,000	571,424
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038	415,000	307,316
Homestead 50 Community Development District, FL, A, 6%, 2037	480,000	336,730
Homestead 50 Community Development District, FL, B, 5.9%, 2013	220,000	197,215
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031	750,000	627,953
Lincoln, CA, Special Tax (Community Facilities District), 2003-1, 5.9%, 2013 (c)	445,000	514,100
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034	500,000	368,345
Magnolia Park Community Development District, FL, Special Assessment, A, 6.15%, 2039	815,000	584,779
Northwest Metropolitan District No. 3, CO, 6.25%, 2035	500,000	326,605
Oakmont Grove Community Development District, CA, A, 5.4%, 2038	500,000	300,490
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 2034	165,000	116,729
Orange County, CA, Community Facilities District, Special Tax (Ladera Ranch), A, 6.7%, 2009 (c)	500,000	528,285
Orlando, FL, Special Assessment Rev. (Conroy Road Interchange Project), A, 5.5%, 2010	70,000	67,497
Orlando, FL, Special Assessment Rev. (Conroy Road Interchange Project), A, 5.8%, 2026	300,000	233,838
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035	2,000,000	1,387,220
Portage, IN, Economic Development Rev. (Ameriplex Project), 5%, 2023	300,000	233,616
Redwood City, CA, Community Facilities District, Special Tax, B, 5.95%, 2028	600,000	459,456
San Diego, CA, Redevelopment Agency, Tax Allocation Rev., FSA, 0%, 2019	1,910,000	1,092,214
San Diego, CA, Redevelopment Agency, Tax Allocation Rev., FSA, 0%, 2022	1,910,000	871,629
Sarasota National Community Development District, FL, Special Assessment Rev., 5.3%, 2039	1,200,000	739,656
Seven Oaks, FL, Community Development District II Special Assessment Rev., A, 5.875%, 2035	270,000	172,938

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Tax Assessment - continued		
Seven Oaks, FL, Community Development District II Special Assessment Rev., B, 5%, 2009	\$ 580,000	\$ 481,029
Sweetwater Creek Community Development District, FL, Capital Improvement Rev., 5.5%, 2038	300,000	185,649
Tolomato Community Development District, FL, Special Assessment, 6.65%, 2040	760,000	610,060
Tuscany Reserve Community Development District, FL, Special Assessment, B, 5.25%, 2016	235,000	174,255
Volo Village, IL, Special Service Area No. 3, Special Tax (Symphony Meadows Project), 1, 6%, 2036	749,000	530,464
West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037	740,000	456,469
Westchester, FL, Community Development District No. 1 (Community Infrastructure), 6.125%, 2035	425,000	304,419
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037	1,230,000	755,515
Wyandotte County-Kansas City, KS, Unified Government Transportation Development District (Legends Village West Project), 4.875%, 2028	770,000	511,103
		\$ 17,954,859
Tobacco - 11.1%		
Buckeye, OH, Tobacco Settlement Financing Authority Rev., 5.75%, 2034	\$ 635,000	\$ 406,406
Buckeye, OH, Tobacco Settlement Rev., Asset Backed, A-2, 5.875%, 2030	3,905,000	2,603,190
Buckeye, OH, Tobacco Settlement Rev., Asset Backed, A-2, 5.875%, 2047	3,030,000	1,882,175
California County, CA, Tobacco Securitization Agency, Tobacco Settlement Rev. (Los Angeles County), 0%, 2046	6,500,000	150,475
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 6.25%, 2013 (c)	1,680,000	1,784,664
Inland Empire, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, C-1, 0%, 2036	2,310,000	163,756
Michigan Tobacco Settlement Finance Authority Rev., Asset Backed, A, 6%, 2048	2,375,000	1,512,495
New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 2041	230,000	128,462
Rhode Island Tobacco Settlement Authority, 6%, 2023	2,740,000	2,470,357
Tobacco Settlement Authority of Washington Rev., Asset Backed, 6.625%, 2032	250,000	202,475
Tobacco Settlement Financing Corp., NJ, 6.75%, 2013 (c)	1,500,000	1,753,425

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Tobacco - continued		
Virginia Tobacco Settlement Financing Corp., B-1, 5%, 2047	\$ 1,020,000	\$ 582,318
		\$ 13,640,198
Toll Roads - 3.4%		
E-470 Public Highway Authority, CO, B, 0%, 2010 (c)	\$ 8,750,000	\$ 1,270,938
E-470 Public Highway Authority, CO, B, MBIA, 0%, 2018	3,000,000	1,631,430
Northwest Parkway, CO, Public Highway Authority (First Tier), D, 7.125%, 2011 (c)	1,245,000	1,315,666
		\$ 4,218,034
Universities - Colleges - 11.4%		
California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028	\$ 100,000	\$ 79,041
New York Dormitory Authority Rev. (Columbia University), 5.0%, 2038 (u)	15,000,000	13,930,350
		\$ 14,009,391
Universities - Dormitories - 0.5%		
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033	\$ 1,015,000	\$ 648,981
Universities - Secondary Schools - 2.1%		
California Statewide Communities Development Authority Rev., COP, (Crossroads Schools for the Arts & Sciences), 6%, 2028	\$ 1,170,000	\$ 1,093,049
Colorado Housing Finance Development Rev. (Evergreen Country Day School), 5.875%, 2037	545,000	381,102
Lee County, FL, Industrial Development Authority Rev. (Lee Charter Foundation), A, 5.375%, 2037	695,000	419,022
Massachusetts Industrial Finance Agency (Cambridge Friends School), 5.8%, 2028	1,000,000	752,850
		\$ 2,646,023
Utilities - Cogeneration - 1.6%		
Pennsylvania Economic Development Financing Authority Rev., Resources Recovery Rev. (Northampton Generating), A, 6.5%, 2013	\$ 1,000,000	\$ 934,790
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 2026	645,000	580,668
Suffolk County, NY, Industrial Development Agency Rev. (Nissequoque Cogeneration Partners Facilities), 5.5%, 2023	550,000	421,581
		\$ 1,937,039

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Utilities - Investor Owned - 6.9%		
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 5.75%, 2036 (a)	\$ 280,000	\$ 228,903
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 2038	645,000	362,090
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), D , 5.4%, 2029 (a)	60,000	45,425
Bryant, IL, Pollution Control Rev. (Central Illinois Light Co.), 5.9%, 2023	2,575,000	2,368,176
Clark County, NV, Industrial Development Rev. (Nevada Power Co. Project), B , 5.9%, 2030	1,250,000	768,075
Matagorda County, TX, Navigation District No. 1 Pollution Control Rev. (AEP - Texas Central Co.), 5.125%, 2030 (a)	1,500,000	1,496,010
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022	2,000,000	1,577,660
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B , MBIA, 4.75%, 2021	250,000	198,620
Pennsylvania Economic Development Financing Authority Rev. (Reliant Energy Seward), A , 6.75%, 2036	600,000	370,992
Red River Authority, TX, Pollution Control Rev. (AEP Texas Central Co.), MBIA, 4.45%, 2020	530,000	437,441
Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.2%, 2028	240,000	122,069
Sabine River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), 5.75%, 2030 (a)	205,000	167,590
West Feliciana Parish, LA, Pollution Control Rev. (Entergy Gulf States), 6.6%, 2028	500,000	400,100
		\$ 8,543,151
Utilities - Municipal Owned - 0.4%		
North Carolina Eastern Municipal Power Agency, D , 6.7%, 2019	\$ 500,000	\$ 511,355
Utilities - Other - 1.4%		
Main Street Natural Gas, Inc. Gas Rev., B , 5%, 2019	\$ 425,000	\$ 329,048
Main Street Natural Gas, Inc., GA, Gas Project Rev., A , 5.5%, 2028	430,000	311,698
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2022	340,000	252,698
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2023	730,000	533,367
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2026	215,000	149,683
Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2025	310,000	201,457
		\$ 1,777,951

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Water & Sewer Utility Revenue - 2.0%		
Guam Government Waterworks Authority, Water & Wastewater Rev., 5.875%, 2035	\$ 1,125,000	\$ 880,504
New Hampshire Industrial Development Authority Rev. (Pennichuck Water Works, Inc.), ETM, 7.5%, 2018 (c)	310,000	366,327
Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 2038	550,000	481,322
Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 2044	160,000	139,331
Surprise, AZ, Municipal Property Corp., 4.9%, 2032	800,000	573,472
		\$ 2,440,956
Total Investments (Identified Cost, \$255,353,218)		\$ 211,409,475
Other Assets, Less Liabilities - 7.4%		9,169,240
Preferred Shares (Issued by the Fund) - (79.2)%		(97,500,000)
Net assets applicable to common shares - 100.0%		\$ 123,078,715

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

(c) Refunded bond.

(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 \$3,744,938, representing 3.0% of net assets applicable to common shares.

(u) Underlying security deposited into special purpose trust (the trust) by investment banker upon creation of self-deposited inverse floaters.

(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	\$1,001,324	\$943,290
Cabazon Band Mission Indians, CA, 8.375%, 2015	10/04/04	200,000	187,264
Cabazon Band Mission Indians, CA, 8.75%, 2019	10/04/04	895,000	829,513
MuniMae TE Bond Subsidiary LLC, 7.75%, 2050	5/30/00	2,000,000	2,038,700
Resolution Trust Corp., Pass-Through Certificates, 1993, 8.5%, 2016	8/27/93	556,951	510,880
Total Restricted Securities			\$4,509,647
% of Net Assets Applicable to Common Shares			3.7%

Table of Contents*Portfolio of Investments continued***Derivative Contracts at 11/30/08****Futures contracts outstanding at 11/30/08**

Description	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
U.S. Treasury Note 10 yr (Short)	496	\$60,000,500	Mar-09	\$(1,768,736)
U.S. Treasury Bond 30 yr (Short)	171	21,799,828	Mar-09	(526,958)
				\$(2,295,694)

At November 30, 2008, 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
 FRN Floating Rate Note. Interest rate resets periodically and may not be the rate reported at period end.

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.
 MBIA MBIA Insurance Corp.
 PSF Permanent School Fund
 XLCA XL Capital Insurance Co.

See Notes to Financial Statements

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

At 11/30/08

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

Assets		
Investments, at value (identified cost, \$255,353,218)	\$211,409,475	
Cash	10,032,264	
Receivable for investments sold	4,065,487	
Interest receivable	4,715,476	
Receivable from investment adviser	98,397	
Other assets	23,432	
Total assets		\$230,344,531
Liabilities		
Distributions payable on common shares	\$20,715	
Distributions payable on preferred shares	19,996	
Payable for daily variation margin on open futures contracts	366,641	
Payable for investments purchased	1,580,058	
Payable to the holder of the floating rate certificate from trust assets	7,500,000	
Payable to affiliates		
Management fee	22,731	
Transfer agent and dividend disbursing costs	3,948	
Administrative services fee	838	
Payable for independent trustees' compensation	21,213	
Payable for interest expense and fees	83,732	
Accrued expenses and other liabilities	145,944	
Total liabilities		\$9,765,816
Preferred shares		
Series T and Series W auction preferred shares (4,800 shares issued, 3,900 outstanding at \$25,000 per share) at liquidation value		\$97,500,000
Net assets applicable to common shares		\$123,078,715
Net assets consist of		
Paid-in capital - common shares	\$238,518,057	
Unrealized appreciation (depreciation) on investments	(46,239,437)	
Accumulated net realized gain (loss) on investments	(69,264,526)	
Undistributed net investment income	64,621	
Net assets applicable to common shares		\$123,078,715
Preferred shares, at value (4,800 shares issued, 3,900 outstanding at \$25,000 per share)		97,500,000
Net assets including preferred shares		\$220,578,715
Common shares of beneficial interest outstanding		31,267,528
Net asset value per common share (net assets of \$123,078,715 / 31,267,528 shares of beneficial interest outstanding)		\$3.94
See Notes to Financial Statements		

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

Year ended 11/30/08

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

Net investment income		
Interest income		\$17,095,467
Expenses		
Management fee	\$2,120,767	
Transfer agent and dividend disbursing costs	32,832	
Administrative services fee	49,469	
Independent trustees' compensation	26,945	
Stock exchange fee	25,511	
Preferred shares remarketing agent fee	290,240	
Custodian fee	41,783	
Shareholder communications	815	
Auditing fees	86,030	
Legal fees	66,561	
Interest expense and fees	154,443	
Miscellaneous	98,375	
Total expenses		\$2,993,771
Fees paid indirectly	(32,165)	
Reduction of expenses by investment adviser	(151,722)	
Net expenses		\$2,809,884
Net investment income		\$14,285,583
Realized and unrealized gain (loss) on investments		
Realized gain (loss) (identified cost basis)		
Investment transactions	\$(6,443,525)	
Futures contracts	(7,944,013)	
Net realized gain (loss) on investments		\$(14,387,538)
Change in unrealized appreciation (depreciation)		
Investments	\$(47,439,126)	
Futures contracts	(2,305,958)	
Net unrealized gain (loss) on investments		\$(49,745,084)
Net realized and unrealized gain (loss) on investments		\$(64,132,622)
Distributions declared to preferred shareholders		\$(4,151,623)
Change in net assets from operations		\$(53,998,662)
See Notes to Financial Statements		

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

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

	Years ended 11/30	
	2008	2007
Change in net assets		
From operations		
Net investment income	\$14,285,583	\$16,361,037
Net realized gain (loss) on investments	(14,387,538)	(9,737,308)
Net unrealized gain (loss) on investments	(49,745,084)	(13,261,053)
Distributions declared to preferred shareholders	(4,151,623)	(4,438,166)
Change in net assets from operations	\$(53,998,662)	\$(11,075,490)
Distributions declared to common shareholders		
From net investment income	\$(10,662,227)	\$(11,563,284)
Net asset value of shares issued to common shareholders in reinvestment of distributions	\$	\$230,658
Total change in net assets	\$(64,660,889)	\$(22,408,116)
Net assets applicable to common shares		
At beginning of period	187,739,604	210,147,720
At end of period (including undistributed net investment income of \$64,621 and \$258,227, respectively)	\$123,078,715	\$187,739,604
See Notes to Financial Statements		

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

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

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

Table of Contents*Financial Highlights continued*

	Years ended 11/30				
	2008	2007	2006	2005	2004
Supplemental Ratios (%):					
Net investment income available to common shares	6.06	5.88(z)	6.01	6.88	7.39
Senior Securities:					
Total preferred shares outstanding	3,900	4,800	4,800	4,800	4,800
Asset coverage per preferred share (k)	\$56,559	\$64,112	\$68,781	\$67,014	\$66,479
Involuntary liquidation preference per preferred share (m)(o)	\$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

(d) Per share data are 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.

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

(p) Excludes dividend payment on auction preferred shares.

(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

(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 reported by a third party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as reported 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 reported 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

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Notes to Financial Statements continued

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 may rely 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.

The fund adopted FASB Statement No. 157, Fair Value Measurements (the Statement). This Statement provides a single definition of fair value, a hierarchy for measuring fair value and expanded disclosures about fair value measurements.

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. Level 1 includes 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

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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, which are valued at the unrealized appreciation/depreciation on the instrument. The following is a summary of the levels used as of November 30, 2008 in valuing the fund's assets or liabilities carried at market value:

	Level 1	Level 2	Level 3	Total
Investments in Securities	\$	\$211,409,475	\$	\$211,409,475
Other Financial Instruments	\$(2,295,694)	\$	\$	\$(2,295,694)

Derivative Risk The fund may invest in derivatives 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 gain market exposure, or for hedging purposes, gains and losses from derivative instruments may be substantially greater than the derivative's original cost. Cash that has been segregated on behalf of certain derivative contracts will be reported separately on the Statement of Assets and Liabilities as restricted cash. On some 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 the fund the right, upon an event of default by the applicable counterparty, 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, the ISDA Master Agreement does not result in an offset of reported balance sheet assets and liabilities across transactions between the fund and the applicable counterparty. Derivative instruments include futures contracts and inverse floaters.

In March 2008, FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities (the Standard) was issued, and is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. This Standard 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. Management is evaluating the application of the Standard to the fund, and has not at this time determined the impact, if any, resulting from the adoption of this Standard on the fund's financial statements.

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Notes to Financial Statements continued

Futures Contracts The fund may enter into futures contracts for the delayed delivery of securities or currency, or contracts based on financial indices at a fixed price on a future date. In entering such contracts, the fund is required to deposit with the broker either in cash or securities an amount equal to a certain percentage of the contract amount. Subsequent payments 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 gains or losses by the fund. Upon entering into such contracts, the fund bears the risk of interest or 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.

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 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 November 30, 2008, the fund's payable to the holder of the floating rate certificate from trust assets was \$7,500,000 and the interest rate on these floating rate certificates issued by the trust was 0.89%.

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Notes to Financial Statements continued

For the year ended November 30, 2008, the average daily payable to the holder of the floating rate certificate from trust assets was \$5,562,801 at a weighted average interest rate of 2.78%. 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 year ended November 30, 2008, interest expense and fees in connection with self-deposited inverse floaters was \$154,443. 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 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.

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 year ended November 30, 2008, 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 tax is required. The fund adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (the Interpretation) on the first day of the fund's fiscal year. The Interpretation prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. There was no impact resulting from the adoption of this Interpretation on the fund's financial statements. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

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Notes to Financial Statements continued

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.

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

	11/30/08	11/30/07
Ordinary income (including any short-term capital gains)	\$25,139	\$
Tax-exempt income	14,788,711	16,001,450
Total distributions	\$14,813,850	\$16,001,450

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

As of 11/30/08

Cost of investments	\$247,578,634
Gross appreciation	3,192,645
Gross depreciation	(46,861,804)
Net unrealized appreciation (depreciation)	\$(43,669,159)
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)

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)
	\$(63,046,879)

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Notes to Financial Statements continued

(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. 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 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 year ended November 30, 2008, this reduction amounted to \$150,903 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 year ended November 30, 2008, these fees paid to MFSC amounted to \$15,991. MFSC also receives payment from the fund for out-of-pocket expenses paid by MFSC on behalf of the fund. For the year ended November 30, 2008, 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 a fixed amount plus a fee based on average daily net assets. The fund's annual fixed amount is \$17,500. The administrative services fee incurred for the year ended November 30, 2008 was equivalent to an annual effective rate of 0.0175% of the fund's average daily net assets including 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.

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Notes to Financial Statements continued

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 in accordance with the Plan. Included in other assets and payable for independent trustees' compensation is \$21,213 of deferred trustees' compensation.

Other This fund and certain other MFS funds (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 year ended November 30, 2008, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$1,386 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 \$819, 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 \$101,570,331 and \$123,437,580, 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 year ended November 30, 2008 and November 30, 2007, the fund did not repurchase any shares. Transactions in fund shares were as follows:

	Year ended		Year ended	
	11/30/08		11/30/07	
	Shares	Amount	Shares	Amount
Shares issued to shareholders in reinvestment of distributions		\$	35,279	\$230,658

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Notes to Financial Statements continued

(6) Line of Credit

The fund and other funds managed by MFS participate in a \$1 billion unsecured committed line of credit provided by a syndication of banks under a credit agreement. In addition, the fund and other funds managed by MFS have established uncommitted borrowing arrangements with certain banks. 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 Federal Reserve funds rate plus 0.30%. In addition, a commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. For the year ended November 30, 2008, the fund's commitment fee and interest expense were \$385 and \$0, respectively, and are included in miscellaneous expense and interest expenses and fees, respectively, on the Statement of Operations.

(7) Auction Preferred Shares

The fund issued 2,400 shares of Auction Preferred Shares (APS), series T and 2,400 of APS, series W; at November 30, 2008, 1,950 shares of each series are 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 year ended November 30, 2008, the APS dividend rates ranged from 1.56% to 12.57%. For the year ended November 30, 2008, the average dividend rate was 3.62%. 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.

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The fund made the following redemptions of APS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

APS Series	Redemption Date	APS Redeemed	Aggregate Price
T	9/15/08	450	\$11,250,000
W	9/16/08	450	11,250,000

The fund financed the APS redemptions through the creation of tender option bonds, whereby the fund transferred highly rated fixed rate municipal bonds held in its portfolio to a special purpose trust that issued floating rate certificates and inverse floating rate certificates. The fund held the inverse floating rate certificates and used the proceeds from the sale of the floating rate certificates to redeem a portion of the APS.

The fund pays an annual fee equivalent to 0.25% of the preferred share liquidation value for remarketing efforts associated with the preferred auction. The APS are redeemable at the option of the fund in whole or in part at the redemption price equal to \$25,000 per share, plus accumulated and unpaid dividends. The APS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied. The fund is required to maintain certain asset coverage with respect to the APS as defined in the fund's By-Laws and the Investment Company Act of 1940, and, as such is not permitted to declare common share dividends unless the fund's APS have a minimum asset coverage ratio of 200% after declaration of the common share dividends.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statement of assets and liabilities of MFS High Income Municipal Trust (the Fund), including the portfolio of investments, as of November 30, 2008, and the related statement of operations for the year then ended and the statements of changes in net assets and the financial highlights for each of the two years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. 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.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2008, by correspondence with the Fund's custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS High Income Municipal Trust at November 30, 2008, the results of its operations for the year then ended and the changes in its net assets and the financial highlights for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

January 20, 2009

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(unaudited)

At the annual meeting of shareholders of MFS High Income Municipal Trust, which was held on October 9, 2008, the following actions were taken:

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

Nominee	Number of Shares	
	Affirmative	Abstain
William R. Gutow	25,833,564.03	1,236,994.34
Michael Hegarty	25,779,564.09	1,290,994.29
Robert W. Uek	25,852,492.03	1,218,066.34

Item 1b. To elect the following individuals as Trustees, elected by the holders of preferred shares only:

Nominee	Number of Shares	
	Affirmative	Abstain
William R. Gutow	4,402.91	345.09
Michael Hegarty	4,402.91	345.09
Robert W. Uek	4,402.91	345.09
J. Atwood Ives	4,402.91	345.09
Laurie J. Thomsen	4,402.91	345.09

Item 2. To approve an amended and restated Declaration of Trust as further described in the proxy statement:

	Number of Common Shares	Number of Preferred Shares
For	17,092,732.22	1,906
Against	850,754.84	200
Abstain	632,634.32	294

Item 3. To amend or remove certain fundamental investment policies as further described in the proxy statement:

	Number of Common Shares	Number of Preferred Shares
For	16,831,027.82	1,921
Against	1,037,908.41	185
Abstain	707,185.15	294

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TRUSTEES AND OFFICERS

IDENTIFICATION AND BACKGROUND

The Trustees and officers of the Trust, as of January 1, 2009, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and officer is 500 Boylston Street, Boston, Massachusetts 02116.

Name, Date of Birth	Position(s) Held with Fund	Trustee/Officer Since (h)	Principal Occupations During the Past Five Years & Other Directorships (j)
INTERESTED TRUSTEES			
Robert J. Manning (k) (born 10/20/63)	Trustee	February 2004	Massachusetts Financial Services Company, Chief Executive Officer, President, Chief Investment Officer and Director
Robert C. Pozen (k) (born 8/08/46)	Trustee	February 2004	Massachusetts Financial Services Company, Chairman (since February 2004); Harvard Business School (education), Senior Lecturer (since 2008); Bell Canada Enterprises (telecommunications), Director (since March 2002); The Bank of New York, Director (finance), (March 2004 to May 2005); The Commonwealth of Massachusetts, Secretary of Economic Affairs (January 2002 to December 2002); Fidelity Investments, (investment advisor), Vice Chairman (until December 2001); Fidelity Management & Research Company (investment adviser), President (until July 2001); Telesat (satellite communications), Director (until November 2007)
INDEPENDENT TRUSTEES			
David H. Gunning (born 5/30/42)	Trustee and Chair of Trustees	January 2004	Retired; Cleveland-Cliffs Inc. (mining products and service provider), Vice Chairman/Director (until May 2007); Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/Non Executive Chairman; Portman Limited (mining), Director (since 2005); Southwest Gas Corp. (natural gas distribution), Director (until May 2004)

Table of Contents*Trustees and Officers continued*

Name, Date of Birth	Position(s) Held with Fund	Trustee/Officer Since (h)	Principal Occupations During the Past Five Years & Other Directorships (j)
Robert E. Butler (n) (born 11/29/41)	Trustee	January 2006	Consultant – regulatory and compliance matters (since July 2002); PricewaterhouseCoopers LLP (professional services firm), Partner (until 2002)
Lawrence H. Cohn, M.D. (born 3/11/37)	Trustee	August 1993	Brigham and Women’s Hospital, Senior Cardiac Surgeon (since 2005); Harvard Medical School, Professor of Cardiac Surgery; Partners HealthCare, Physician Director of Medical Device Technology (since 2006); Brigham and Women’s Hospital, Chief of Cardiac Surgery (until 2005)
Maureen R. Goldfarb (born 4/06/55)	Trustee	January 2009	Private investor; John Hancock Financial Services, Inc., Executive Vice President (until 2004); John Hancock Mutual Funds, Trustee and Chief Executive Officer (until 2004)
William R. Gutow (born 9/27/41)	Trustee	December 1993	Private investor and real estate consultant; Capital Entertainment Management Company (video franchise), Vice Chairman; Texas Donuts (donut franchise), Vice Chairman (since 2007); Atlantic Coast Tan (tanning salons), Vice Chairman (until 2007)
Michael Hegarty (born 12/21/44)	Trustee	December 2004	Retired; AXA Financial (financial services and insurance), Vice Chairman and Chief Operating Officer (until 2001); The Equitable Life Assurance Society (insurance), President and Chief Operating Officer (until 2001)
J. Atwood Ives (born 5/01/36)	Trustee	February 1992	Private investor; KeySpan Corporation (energy related services), Director until 2004; Woodstock Corporation (investment advisory firm), Director until 2003

Table of Contents*Trustees and Officers continued*

Name, Date of Birth	Position(s) Held with Fund	Trustee/Officer Since (h)	Principal Occupations During the Past Five Years & Other Directorships (j)
John P. Kavanaugh (born 11/04/54)	Trustee	January 2009	Private investor; The Hanover Insurance Group, Inc., Vice President and Chief Investment Officer (until 2006); Allmerica Investment Trust, Allmerica Securities Trust and Opus Investment Trust (investment companies), Chairman, President and Trustee (until 2006)
J. Dale Sherratt (born 9/23/38)	Trustee	August 1993	Insight Resources, Inc. (acquisition planning specialists), President; Wellfleet Investments (investor in health care companies), Managing General Partner
Laurie J. Thomsen (born 8/05/57)	Trustee	March 2005	New Profit, Inc. (venture philanthropy), Partner (since 2006); Private investor; Prism Venture Partners (venture capital), Co-founder and General Partner (until June 2004); The Travelers Companies (commercial property liability insurance), Director
Robert W. Uek (born 5/18/41)	Trustee	January 2006	Consultant to investment company industry; PricewaterhouseCoopers LLP (professional services firm), Partner (until 1999); TT International Funds (mutual fund complex), Trustee (until 2005); Hillview Investment Trust II Funds (mutual fund complex), Trustee (until 2005)
OFFICERS			
Maria F. Dwyer (k) (born 12/01/58)	President	November 2005	Massachusetts Financial Services Company, Executive Vice President and Chief Regulatory Officer (since March 2004) Chief Compliance Officer (since December 2006); Fidelity Management & Research Company, Vice President (prior to March 2004); Fidelity Group of Funds, President and Treasurer (until March 2004)

Table of Contents*Trustees and Officers continued*

Name, Date of Birth	Position(s) Held with Fund	Trustee/Officer Since (h)	Principal Occupations During the Past Five Years & Other Directorships (j)
Christopher R. Bohane (k) (born 1/18/74)	Assistant Secretary and Assistant Clerk	July 2005	Massachusetts Financial Services Company, Vice President and Senior Counsel
John M. Corcoran (k) (born 4/13/65)	Treasurer	October 2008	Massachusetts Financial Services Company, Senior Vice President (since October 2008); State Street Bank and Trust (financial services provider), Senior Vice President, (until September 2008)
Ethan D. Corey (k) (born 11/21/63)	Assistant Secretary and Assistant Clerk	July 2005	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel (since 2004); Dechert LLP (law firm), Counsel (prior to December 2004)
David L. DiLorenzo (k) (born 8/10/68)	Assistant Treasurer	July 2005	Massachusetts Financial Services Company, Vice President (since June 2005); JP Morgan Investor Services, Vice President (until June 2005)
Timothy M. Fagan (k) (born 7/10/68)	Assistant Secretary and Assistant Clerk	September 2005	Massachusetts Financial Services Company, Vice President and Senior Counsel (since September 2005); John Hancock Advisers, LLC, Vice President, Senior Attorney and Chief Compliance Officer (until August 2005)
Mark D. Fischer (k) (born 10/27/70)	Assistant Treasurer	July 2005	Massachusetts Financial Services Company, Vice President (since May 2005); JP Morgan Investment Management Company, Vice President (until May 2005)
Robyn L. Griffin (born 7/04/75)	Assistant Independent Chief Compliance Officer	August 2008	Griffin Compliance LLC (provider of compliance services), Principal (since August 2008); State Street Corporation (financial services provider), Mutual Fund Administration Assistant Vice President (October 2006 July 2008); Liberty Mutual Group (insurance), Personal Market Assistant Controller (April 2006 October 2006); Deloitte & Touche LLP (professional services firm), Senior Manager (prior to April 2006)

Table of Contents*Trustees and Officers continued*

Name, Date of Birth	Position(s) Held with Fund	Trustee/Officer Since (h)	Principal Occupations During the Past Five Years & Other Directorships (j)
Brian E. Langenfeld (k) (born 3/07/73)	Assistant Secretary and Assistant Clerk	June 2006	Massachusetts Financial Services Company, Vice President and Senior Counsel (since May 2006); John Hancock Advisers, LLC, Assistant Vice President and Counsel (until April 2006)
Ellen Moynihan (k) (born 11/13/57)	Assistant Treasurer	April 1997	Massachusetts Financial Services Company, Senior Vice President
Susan S. Newton (k) (born 3/07/50)	Assistant Secretary and Assistant Clerk	May 2005	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel (since April 2005); John Hancock Advisers, LLC, Senior Vice President, Secretary and Chief Legal Officer (until April 2005)
Susan A. Pereira (k) (born 11/05/70)	Assistant Secretary and Assistant Clerk	July 2005	Massachusetts Financial Services Company, Vice President and Senior Counsel (since June 2004); Bingham McCutchen LLP (law firm), Associate (until June 2004)
Mark N. Polebaum (k) (born 5/01/52)	Secretary and Clerk	January 2006	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary (since January 2006); Wilmer Cutler Pickering Hale and Dorr LLP (law firm), Partner (until January 2006)
Frank L. Tarantino (born 3/07/44)	Independent Chief Compliance Officer	June 2004	Tarantino LLC (provider of compliance services), Principal (since June 2004); CRA Business Strategies Group (consulting services), Executive Vice President (until June 2004)
Richard S. Weitzel (k) (born 7/16/70)	Assistant Secretary and Assistant Clerk	October 2007	Massachusetts Financial Services Company, Vice President and Assistant General Counsel (since 2004); Massachusetts Department of Business and Technology, General Counsel (until April 2004)
James O. Yost (k) (born 6/12/60)	Assistant Treasurer	September 1990	Massachusetts Financial Services Company, Senior Vice President

(h) Date first appointed to serve as Trustee/officer of an MFS fund. Each Trustee has served continuously since appointment unless indicated otherwise. For the period from December 15, 2004 until February 22, 2005, Messrs. Pozen and Manning served as Advisory Trustees. For the period March 2008 until October 2008, Ms. Dwyer served as Treasurer of the Funds.

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Trustees and Officers continued

- (j) Directorships or trusteeships of companies required to report to the Securities and Exchange Commission (i.e., public companies).
- (k) Interested person of the Trust within the meaning of the Investment Company Act of 1940 (referred to as the 1940 Act), which is the principal federal law governing investment companies like the fund, as a result of position with MFS. The address of MFS is 500 Boylston Street, Boston, Massachusetts 02116.
- (n) In 2004 and 2005, Mr. Butler provided consulting services to the independent compliance consultant retained by MFS pursuant to its settlement with the SEC concerning market timing and related matters. The terms of that settlement required that compensation and expenses related to the independent compliance consultant be borne exclusively by MFS and, therefore, MFS paid Mr. Butler for the services he rendered to the independent compliance consultant. In 2004 and 2005, MFS paid Mr. Butler a total of \$351,119.29.

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

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

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of January 1, 2009, the Trustees served as board members of 105 funds within the MFS Family of Funds.

The Statement of Additional Information for the Fund and further information about the Trustees are available without charge upon request by calling 1-800-225-2606.

On November 5, 2008, Maria F. Dwyer, as President and Chief Executive Officer of the Trust, certified to the New York Stock Exchange that as of the date of her certification she was not aware of any violation by the Trust of the corporate governance listing standards of the New York Stock Exchange.

The Fund filed with the Securities and Exchange Commission the certifications of its principal executive officer and principal financial officer under Section 302 of the Sarbanes-Oxley Act of 2003 as an exhibit to the Fund's Form N-CSR for the period covered by this report.

Investment Adviser

Massachusetts Financial Services Company
500 Boylston Street, Boston, MA 02116-3741

Portfolio Managers

Gary Lasman
Geoffrey Schechter

Custodian

State Street Bank and Trust Company
225 Franklin Street, Boston, MA 02110

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street, Boston, MA 02116

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BOARD REVIEW OF INVESTMENT

ADVISORY AGREEMENT

The Investment Company Act of 1940 requires that both the full Board of Trustees and a majority of the non-interested (independent) Trustees, voting separately, annually approve the continuation of the Fund s investment advisory agreement with MFS. The Trustees consider matters bearing on the Fund and its advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting. In addition, the independent Trustees met several times over the course of three months beginning in May and ending in July, 2008 (contract review meetings) for the specific purpose of considering whether to approve the continuation of the investment advisory agreement for the Fund and the other investment companies that the Board oversees (the MFS Funds). The independent Trustees were assisted in their evaluation of the Fund s investment advisory agreement by independent legal counsel, from whom they received separate legal advice and with whom they met separately from MFS during various contract review meetings. The independent Trustees were also assisted in this process by the MFS Funds Independent Chief Compliance Officer, a full-time senior officer appointed by and reporting to the independent Trustees.

In June 2007, shareholders approved an investment advisory agreement between the Fund and MFS. Effective June 30, 2007, in connection with the consummation of the asset purchase agreement between MFS and Columbia Management Advisors LLC, MFS assumed investment management responsibilities for the Fund.

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

In connection with their contract review meetings, the Trustees received and relied upon materials that included, among other items: (i) information provided by Lipper Inc., an independent third party, on the investment performance (based on net asset value) of the Fund for various time periods ended December 31, 2007 and the investment performance (based on net asset value) of a group of funds with substantially similar investment classifications/objectives (the Lipper performance universe), (ii) information provided by

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Board Review of Investment Advisory Agreement continued

Lipper Inc. on the Fund's advisory fees and other expenses and the advisory fees and other expenses of comparable funds identified by Lipper Inc. (the "Lipper expense group"), (iii) information provided by MFS on the advisory fees of comparable portfolios of other clients of MFS, including institutional separate accounts and other clients, (iv) information as to whether and to what extent applicable expense waivers, reimbursements or fee breakpoints are observed for the Fund, (v) information regarding MFS' financial results and financial condition, including MFS' and certain of its affiliates' estimated profitability from services performed for the Fund and the MFS Funds as a whole, (vi) MFS' views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS' senior management and other personnel providing investment advisory, administrative and other services to the Fund and the other MFS Funds. The comparative performance, fee and expense information prepared and provided by Lipper Inc. was not independently verified and the independent Trustees did not independently verify any information provided to them by MFS.

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

Based on information provided by Lipper Inc. and MFS, the Trustees reviewed the Fund's total return investment performance as well as the performance of peer groups of funds over various time periods. The Trustees placed particular emphasis on the total return performance of the Fund's common shares in comparison to the performance of funds in its Lipper performance universe over the three-year period ended December 31, 2007, which the Trustees believed was a long enough period to reflect differing market conditions. The total return performance of the Fund's common shares ranked 8th out of a total of 9 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the

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Board Review of Investment Advisory Agreement continued

total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 8th out of a total of 9 funds for the one-year period and 5th out of a total of 6 funds for the five-year period ended December 31, 2007. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to the Lehman Brothers Municipal Bond Index. The Fund under-performed the Lehman Brothers Municipal Bond Index each of the one- and three-year periods ended December 31, 2007 (one-year: 7.23% total return for the Fund versus 3.36% total return for the benchmark; three-year: 2.99% total return for the Fund versus 3.91% total return for the benchmark) and out-performed the Lehman Brothers Municipal Bond Index for the five-year period ended December 31, 2007 (five-year: 4.94% total return for the Fund versus 4.30% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

The Trustees expressed concern to MFS about the substandard investment performance of the Fund. In the course of their deliberations, the Trustees took into account information provided by MFS in connection with the contract review meetings, as well as during investment review meetings conducted with portfolio management personnel during the course of the year as to MFS' efforts to improve the Fund's performance, including that MFS became the Fund's investment advisor in June 2007. In addition, the Trustees requested that they receive a separate update on the Fund's performance at each of their regular meetings. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that MFS' responses and efforts and plans to improve investment performance were sufficient to support approval of the continuance of the investment advisory agreement for an additional one-year period, but that they would continue to closely monitor the performance of the Fund.

In assessing the reasonableness of the Fund's advisory fee, the Trustees considered, among other information, the Fund's advisory fee and the total expense ratio of the Fund's common shares as a percentage of average daily net assets and the advisory fee and total expense ratios of peer groups of funds based on information provided by Lipper Inc. The Trustees noted that MFS currently observes an expense limitation for the Fund. The Trustees considered that, according to the Lipper data, the Fund's effective advisory fee rate and the Fund's total expense ratio were each higher than the Lipper expense group median.

The Trustees also considered the advisory fees charged by MFS to institutional accounts. In comparing these fees, the Trustees considered information

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provided by MFS as to the generally broader scope of services provided by MFS to the Fund in comparison to institutional accounts and the impact on MFS and expenses associated with the more extensive regulatory regime to which the Fund is subject in comparison to institutional accounts.

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

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

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

In addition, the Trustees considered MFS resources and related efforts to continue to retain, attract and motivate capable personnel to serve the Fund. The Trustees also considered current and developing conditions in the financial services industry, including the entry into the industry of large and well-capitalized companies which are spending, and appear to be prepared to continue to spend, substantial sums to engage personnel and to provide services to competing investment companies. In this regard, the Trustees also considered the financial resources of MFS and its ultimate parent, Sun Life Financial Inc. The Trustees also considered the advantages and possible disadvantages to the Fund of having an adviser that also serves other investment companies as well as other accounts.

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

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Board Review of Investment Advisory Agreement continued

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

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including a majority of the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2008.

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

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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 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 or by writing the Public Reference Section at the above address.

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

FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2008 income tax forms in January 2009. The following information is provided pursuant to provisions of the Internal Revenue Code.

Of the dividends paid from net investment income during the fiscal year, 99.83% is designated as exempt interest dividends for federal income tax purposes. If the fund has earned income on private activity bonds, a portion of the dividends paid may be considered a tax preference item for purposes of computing a shareholder's alternative minimum tax.

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MFS® PRIVACY NOTICE

Privacy is a concern for every investor today. At MFS Investment Management® and the MFS funds, we take this concern very seriously. We want you to understand our policies about the investment products and services that we offer, and how we protect the nonpublic personal information of investors who have a direct relationship with us and our wholly owned subsidiaries.

Throughout our business relationship, you provide us with personal information. We maintain information and records about you, your investments, and the services you use. Examples of the nonpublic personal information we maintain include

- data from investment applications and other forms
- share balances and transactional history with us, our affiliates, or others
- facts from a consumer reporting agency

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may share nonpublic personal information with third parties or certain of our affiliates in connection with servicing your account or processing your transactions. We may share information with companies or financial institutions that perform marketing services on our behalf or with other financial institutions with which we have joint marketing arrangements, subject to any legal requirements.

Authorization to access your nonpublic personal information is limited to appropriate personnel who provide products, services, or information to you. We maintain physical, electronic, and procedural safeguards to help protect the personal information we collect about you.

If you have any questions about the MFS privacy policy, please call 1-800-225-2606 any business day between 8 a.m. and 8 p.m. Eastern time.

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

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CONTACT INFORMATION

Investor Information

Transfer Agent, Registrar and Dividend Disbursing Agent

Call 1-800-637-2304 any business day from 9 a.m. to 5 p.m. Eastern time

Write to: Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

500 Boylston Street, Boston, MA 02116

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The Registrant has adopted a Code of Ethics pursuant to Section 406 of the Sarbanes-Oxley Act and as defined in Form N-CSR that applies to the Registrant's principal executive officer and principal financial and accounting officer. The Registrant has not amended any provision in its Code of Ethics (the Code) that relates to an element of the Code's definitions enumerated in paragraph (b) of Item 2 of this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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

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

Prior to June 29, 2007, the Board of Trustees had appointed PricewaterhouseCoopers (PWC) to serve as independent accountants to the Registrant (hereinafter the Registrant or the Fund). The tables below set forth the audit fees billed to the Fund as well as fees for non-audit services provided to the Fund and/or to the Fund's former investment adviser, Columbia Management Advisors, LLC (Columbia), and to various entities either controlling, controlled by, or under common control with Columbia that provide ongoing services to the Fund (Columbia Related Entities). On June 29, 2007, the Board of Trustees appointed Ernst & Young LLP (E&Y) to serve as independent accountants to the Registrant. The tables below set forth the audit fees billed to the Fund as well as fees for non-audit services provided to the Fund and/or to the Fund's investment adviser as of June 29, 2007, Massachusetts Financial Services Company (MFS), and to various entities either controlling, controlled by, or under common control with MFS that provide ongoing services to the Fund (MFS Related Entities).

For the fiscal years ended November 30, 2008 and 2007, audit fees billed to the Fund by PWC and E&Y, as the case may be, were as follows:

	Audit Fees	
	2008	2007
Fees billed by PWC:		
MFS High Income Municipal Trust	0	0
	2008	2007
Fees billed by E&Y:		
MFS High Income Municipal Trust	47,054	45,200

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For the fiscal years ended November 30, 2008 and 2007, fees billed by PWC for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to Columbia and Columbia Related Entities were as follows

	Audit-Related Fees ¹		Tax Fees ²		All Other Fees ³	
	2008	2007	2008	2007	2008	2007
Fees billed by PWC:						
To MFS High Income Municipal Trust	0	5,600	0	3,500	0	0
To Columbia and Columbia Related Entities of MFS High Income Municipal Trust*	0	0	0	0	0	357,970

	2008	2007
Aggregate fees for non-audit services:		
To MFS High Income Municipal Trust, Columbia and Columbia Related Entities [#]	0	367,070

For the fiscal years ended November 30, 2008 and 2007, billed by E&Y for audit-related, tax and other services provided to the Fund and for audit-related, tax and other services provided to MFS and MFS Related Entities were as follows:

	Audit-Related Fees ¹	Tax Fees ²	All Other Fees ³
&nbs			