

MFS HIGH YIELD MUNICIPAL TRUST
Form N-CSR
February 03, 2015
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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 811-04992

MFS HIGH YIELD MUNICIPAL TRUST

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: November 30, 2014

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ITEM 1. REPORTS TO STOCKHOLDERS.

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ANNUAL REPORT

November 30, 2014

MFS® HIGH YIELD MUNICIPAL TRUST

CMU-ANN

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MFS® HIGH YIELD MUNICIPAL TRUST

New York Stock Exchange Symbol: **CMU**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CHAIRMAN

Dear Shareholders:

The U.S. economy stands on firmer ground than the rest of the world, expanding at an annualized pace of more than 3%. The labor market has regained momentum,

consumer confidence has improved and gasoline prices have fallen sharply. Accordingly, expectations are strong for continued economic recovery into 2015.

In contrast, all other major economic regions are struggling. The eurozone economy is barely expanding, and deflation is a growing concern. The European Central Bank (ECB) has attempted to stimulate the region's economy, and many market participants believe the ECB will introduce large-scale asset purchases.

Despite Japan's efforts to strengthen its economy, its sales tax increase last spring tipped the country into a technical recession,

leading to additional monetary stimulus from the Bank of Japan. The Chinese economy is slowing down, and its growth rate will likely continue to fall as it transitions to a more sustainable basis.

As always, active risk management is integral to how we at MFS® manage your investments. We use a collaborative process, sharing insights across asset classes, regions and economic sectors. Our global investment team uses a diversified, multidisciplinary, long-term approach.

Applying proven principles, such as asset allocation and diversification, can best serve investors over the long term. We are confident that this approach can help you as you work with your financial advisors to reach your goals in the years ahead.

Respectfully,

Robert J. Manning

Chairman

MFS Investment Management

January 15, 2015

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

Table of Contents**PORTFOLIO COMPOSITION****Portfolio structure at value****Top ten industries reflecting equivalent exposure of derivative positions (i)**

| | |
|-------------------------------------|---------|
| Healthcare Revenue Hospitals | 33.5% |
| Healthcare Revenue Long Term Care | 16.8% |
| Water & Sewer Utility Revenue | 10.6% |
| Universities Colleges | 8.7% |
| Tobacco | 7.7% |
| Toll Roads | 6.8% |
| Miscellaneous Revenue Other | 6.7% |
| General Obligations General Purpose | 6.3% |
| Tax Assessment | 4.8% |
| U.S. Treasury Securities (j) | (19.7)% |

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

| | |
|---------------|---------|
| AAA | 5.5% |
| AA | 31.0% |
| A | 35.9% |
| BBB | 33.6% |
| BB | 9.9% |
| B | 12.1% |
| CC | 0.3% |
| C | 0.4% |
| Not Rated (j) | 5.5% |
| Cash & Other | (34.2)% |

Portfolio facts (i)

| | |
|--------------------------------|-----------|
| Average Duration (d) | 10.2 |
| Average Effective Maturity (m) | 18.0 yrs. |

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Portfolio Composition continued

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. The fund may not hold all of these instruments. The fund is not rated by these agencies.
 - (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
 - (i) For purposes of this presentation, the components include the value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
 - (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (19.7)%, which reduce the fund's interest rate exposure but not its credit exposure.
 - (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- From time to time Cash & Other may be negative due to the aggregate liquidation value of auction rate preferred shares and variable rate municipal term preferred shares, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

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

Cash & Other can include cash, other assets less liabilities, offsets to derivative positions, and short-term securities.

Percentages are based on net assets applicable to common shares as of 11/30/14.

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

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MANAGEMENT REVIEW

Summary of Results

MFS High Yield Municipal Trust (fund) is a closed-end fund. The fund s investment objective is to seek high current income exempt from federal income tax, but may also consider capital appreciation. 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.

For the twelve months ended November 30, 2014, shares of the MFS High Yield Municipal Trust provided a total return of 16.42%, at net asset value and a total return of 16.03%, at market value. This compares with a return of 8.23% for the fund s benchmark, the Barclays Municipal Bond Index.

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

Market Environment

Prior to the reporting period, the decision by the US Federal Reserve (Fed) to postpone the tapering of its quantitative easing (QE) program surprised markets. Favorable market reactions were tempered, however, by tense negotiations over US fiscal policy which resulted in a 16-day partial shutdown of the federal government (from October 1 through October 16, 2013) and a short-term extension in the debt ceiling. The volatility was short-lived, however, as an extension of budget and debt ceiling deadlines allowed the government to re-open, and subsequent economic data reflected moderate but resilient US growth. Also well-received was the decision by the European Central Bank (ECB) to cut its policy rate as inflation pressures waned in the region. In addition, equity investors appeared to have concluded that there would be no major change in US monetary policy as a result of the nomination of Janet Yellen as the new Fed Chair for a term beginning in early 2014 and that tapering would have no major impact on the trajectory.

A generally risk-friendly, carry trade environment persisted from February 2014 until mid-year. While geopolitical tensions flared in the Middle East and Russia/Ukraine, any market setbacks were short-lived, as improving economic growth in the US coupled with prospects for easier monetary policy in regions with slowing growth such as Japan, Europe and China, supported risk assets. For example, the ECB cut policy interest rates into negative territory and, by the end of the period, expectations were for additional rate cuts and the announcement for non-conventional easing measures. Similarly, the Bank of Japan surprised markets late in the period with fresh stimulus measures given lackluster growth trends. The related decline in developed market government bond yields and credit spreads were also supportive for equity markets. At the end of the period, the US equity market was trading at all-time highs. However, credit markets did not fare as well in the second half of 2014, particularly US high yield and emerging market debt. The higher weightings of oil and gas credits in these asset classes resulted in widening spreads and increased volatility as oil prices began to decline in an accelerated fashion in the fourth quarter.

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Management Review continued

The fortunes of the municipal bond market reversed course over the twelve months ended November 30, 2014. The beginning of the period was marked by a continuation of mutual fund outflows driven by Taper Talk (widespread speculation regarding the start of the Fed's QE program pushed Treasury yields sharply higher in May and June of 2013). Investor flight through December 2013 appeared to have been fueled by comparatively weak performance in the asset class, the threat of higher Treasury yields, and worries about troubled high-profile issuers such as Detroit and Puerto Rico. Fund flows turned positive in January, however, and the remainder of the period was marked by steady, moderate inflows as the strong relative performance of municipal bonds appeared to have drawn investors back to the sector. On the supply side, new bond issuance proved manageable, supporting a supply/demand dynamic favorable for municipal bond prices. Concerns about the negative impact of higher interest rates diminished as Treasury yields fell on disappointing first quarter economic growth and generally trended lower over the course of the year as slowing global growth and broadly disinflationary developments including a precipitous drop in oil prices caused the market to push out its timetable for the first Fed Funds rate hike.

For the period, Treasury yields at the front end of the curve rose slightly, while longer yields declined. This was mirrored in the performance of the municipal bond market, where longer-maturity bonds solidly outperformed shorter maturities. Municipal credit spreads tightened significantly, enabling higher-yielding bonds to outperform higher-quality debt. At the end of the period, municipal bonds appeared fairly valued compared to Treasuries, but yields remained quite low versus historical levels.

Municipal credit fundamentals generally improved over the period as state and local tax receipts benefited from a fifth year of economic expansion. Headlines were mixed, however, with Puerto Rico and Detroit sharing attention with underfunded public pension liabilities. Optimism soared on Puerto Rico's successful bond deal in mid-March, but faltered at the end of the second quarter on the passage of legislation paving the way for potential restructuring of the Commonwealth's public corporations. Later, a forbearance agreement for the island's electric utility secured more time to address pressing funding issues. Detroit's bankruptcy proceedings came to a close with both pensioners and bondholders impaired, reinforcing concerns about the priority assigned to general obligation debt.

Contributors to Performance

The fund's greater exposure to BBB and B^(r) securities contributed to relative performance as these credit quality segments outperformed the market during the reporting period. Additionally, strong security selection in *healthcare* and *education* sectors also benefited relative returns.

The fund employs leverage which has been created through the issuance of auction rate preferred shares and variable rate municipal term preferred shares. To the extent that investments are purchased through the use of leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the fund's leverage had a positive impact on performance.

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Management Review continued

Detractors from Performance

Shorter relative duration^(d), especially within AAA rated securities weighed on relative 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.

(r) Bonds rated BBB-, Baa, or higher are considered investment grade; bonds rated BB-, Ba, or below are considered non-investment grade. The source for bond quality ratings is Moody's Investors Service, Standard & Poor's and Fitch, Inc. and are applied using the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned.

Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated. 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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PERFORMANCE SUMMARY THROUGH 11/30/14

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

Price Summary for MFS High Yield Municipal Trust

| | | Date | Price |
|------------|-------------------------------|---------------------|--------|
| | Net Asset Value | 11/30/14 | \$4.85 |
| | | 11/30/13 | \$4.45 |
| | New York Stock Exchange Price | 11/30/14 | \$4.41 |
| Year Ended | | 11/07/14 (high) (t) | \$4.58 |
| 11/30/14 | | 12/05/13 (low) (t) | \$3.96 |
| | | 11/30/13 | \$4.06 |

Total Returns vs Benchmark

| | | |
|------------|---|--------|
| | MFS High Yield Municipal Trust at New York Stock Exchange Price (r) | 16.03% |
| | Net Asset Value (r) | 16.42% |
| Year Ended | Barclays Municipal Bond Index (f) | |
| 11/30/14 | | 8.23% |

(f) Source: FactSet Research Systems Inc.

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

(t) For the period December 1, 2013 through November 30, 2014.

Benchmark Definition

Barclays 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. 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 fund's liquidation.

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Performance Summary continued

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

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

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase 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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PORTFOLIO MANAGERS PROFILES

| Portfolio Manager | Primary Role | Since | Title and Five Year History |
|--------------------------|---------------------|--------------|--|
| Gary Lasman | Portfolio Manager | 2007 | Investment Officer of MFS; employed in the investment management area of MFS since 2002. |
| Geoffrey Schechter | Portfolio Manager | 2007 | Investment Officer of MFS; employed in the investment management area of MFS since 1993. |

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

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

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

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

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11/30/14

The Portfolio of Investments is a complete list of all securities owned by your fund. It is categorized by jurisdiction.

Municipal Bonds - 151.6%

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Alabama - 1.9% | | |
| Alabama Incentives Financing Authority Special Obligation, A, 5%, 9/01/37 | \$ 65,000 | \$ 72,494 |
| Birmingham, AL, Waterworks Board Water Rev., A, ASSD GTY, 5.125%, 1/01/34 | 595,000 | 661,283 |
| Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2/01/29 | 60,000 | 65,781 |
| Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/25 | 10,000 | 6,209 |
| Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/26 | 105,000 | 61,672 |
| Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/29 | 150,000 | 72,059 |
| Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/34 | 210,000 | 68,901 |
| Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/35 | 400,000 | 122,432 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/15 | 20,000 | 20,563 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/16 | 50,000 | 52,910 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/17 | 65,000 | 70,427 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/18 | 70,000 | 77,209 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/21 | 75,000 | 84,491 |
| Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/23 | 115,000 | 129,861 |
| Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 3/01/36 | 825,000 | 844,511 |
| Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 12/01/39 | 175,000 | 186,795 |
| | | \$ 2,597,598 |
| Arizona - 2.3% | | |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Choice Academies, Inc. Project), 5.625%, 9/01/42 | \$ 135,000 | \$ 139,389 |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Eagle College Prep Project), 5%, 7/01/33 | 65,000 | 63,461 |

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Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Arizona - continued | | |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Eagle College Prep Project), 5%, 7/01/43 | \$ 125,000 | \$ 116,040 |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Great Hearts Academies Project), A, 5%, 7/01/34 | 350,000 | 367,094 |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Great Hearts Academies Project), A, 5%, 7/01/44 | 220,000 | 224,695 |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 6.5%, 7/01/34 | 115,000 | 130,242 |
| Phoenix, AZ, Industrial Development Authority Education Rev. (Legacy Traditional Schools Project), 6.75%, 7/01/44 | 180,000 | 205,056 |
| Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 9/01/29 | 1,015,000 | 1,018,542 |
| Surprise, AZ, Municipal Property Corp., 4.9%, 4/01/32 | 700,000 | 734,335 |
| Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/42 | 90,000 | 97,398 |
| Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 12/01/46 | 70,000 | 75,625 |
| | | \$ 3,171,877 |
| Arkansas - 0.5% | | |
| Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/39 | \$ 505,000 | \$ 556,768 |
| Pulaski County, AR, Public Facilities Board Healthcare Rev. (Baptist Health), 5%, 12/01/42 | 125,000 | 136,724 |
| | | \$ 693,492 |
| California - 16.4% | | |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/29 | \$ 2,195,000 | \$ 1,378,153 |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/31 | 275,000 | 157,328 |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/32 | 280,000 | 152,771 |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/33 | 560,000 | 291,474 |
| California Department of Water Resources, Center Valley Project Rev., AJ, 5%, 12/01/35 | 1,010,000 | 1,154,390 |
| California Educational Facilities Authority Rev., 5%, 2/01/26 | 235,000 | 247,429 |
| California Educational Facilities Authority Rev. (Chapman University), 5%, 4/01/31 | 145,000 | 158,017 |
| California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 10/01/38 | 1,270,000 | 1,452,105 |
| California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 7/01/39 | 185,000 | 214,147 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| California - continued | | |
| California Health Facilities Financing Authority Rev. (Sutter Health), B , 5.875%, 8/15/31 | \$ 660,000 | \$ 792,772 |
| California Housing Finance Agency Rev. (Home Mortgage), G , 4.95%, 8/01/23 | 1,340,000 | 1,376,662 |
| California Housing Finance Agency Rev. (Home Mortgage), G , 5.5%, 8/01/42 | 120,000 | 127,454 |
| California M-S-R Energy Authority Gas Rev., A , 7%, 11/01/34 | 155,000 | 217,079 |
| California M-S-R Energy Authority Gas Rev., A , 6.5%, 11/01/39 | 335,000 | 456,498 |
| California Municipal Finance Authority Rev. (Biola University), 5.8%, 10/01/28 | 100,000 | 112,550 |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B , 5.25%, 6/01/23 (Put Date 12/01/17) | 135,000 | 147,402 |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C , 5.125%, 11/01/23 | 655,000 | 680,663 |
| California Pollution Control Financing Authority, Water Furnishing Rev. (Poseidon Resources Desalination Project), 5%, 11/21/45 | 470,000 | 500,132 |
| California Pollution Control Financing Authority, Water Furnishing Rev. (San Diego County Water Desalination Project Pipeline), 5%, 11/21/45 | 275,000 | 283,704 |
| California Public Works Board Lease Rev., Department of Corrections and Rehabilitation (Various Correctional Facilities), A , 5%, 9/01/33 | 1,025,000 | 1,174,660 |
| California School Finance Authority, School Facility Rev. (ICEF View Park Elementary and Middle Schools), A , 5.875%, 10/01/44 | 115,000 | 115,047 |
| California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 12/01/38 (a)(d) | 50,491 | 505 |
| California Statewide Communities Development Authority Rev. (899 Charleston Project), A , 5.25%, 11/01/44 | 40,000 | 40,182 |
| California Statewide Communities Development Authority Rev. (899 Charleston Project), A , 5.375%, 11/01/49 | 55,000 | 55,144 |
| California Statewide Communities Development Authority Rev. (American Baptist Homes of the West), 6.25%, 10/01/39 | 215,000 | 242,331 |
| California Statewide Communities Development Authority Rev. (California Baptist University), A , 6.125%, 11/01/33 | 100,000 | 111,895 |
| California Statewide Communities Development Authority Rev. (Catholic Healthcare West), K , ASSD GTY, 5.5%, 7/01/41 | 625,000 | 681,000 |
| California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 6/01/33 | 735,000 | 736,874 |
| California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.625%, 11/01/33 | 110,000 | 116,023 |
| California Statewide Communities Development Authority Rev. (Los Angeles Jewish Home for The Aging - Fountainview at Gonda), D , 4.75%, 8/01/20 | 125,000 | 125,425 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| California - continued | | |
| Chula Vista, CA, Industrial Development Rev. (San Diego Gas & Electric Co.), E , 5.875%, 1/01/34 | \$ 245,000 | \$ 291,067 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 6/01/47 | 300,000 | 250,503 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , FGIC, 5%, 6/01/35 | 110,000 | 112,470 |
| Jurupa, CA, Public Financing Authority, Special Tax Rev., A , 5%, 9/01/42 | 170,000 | 186,910 |
| La Verne, CA, COP (Brethren Hillcrest Homes), 5%, 5/15/36 | 50,000 | 53,399 |
| Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/44 | 65,000 | 71,053 |
| Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), A , CALHF, 5%, 11/15/34 | 35,000 | 39,027 |
| Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), B-2 , CALHF, 3%, 11/15/20 | 35,000 | 35,601 |
| Los Angeles County, CA, Regional Financing Authority Rev. (Montecedro Inc. Project), B-3 , CALHF, 2.5%, 11/15/20 | 85,000 | 86,184 |
| Los Angeles, CA, Department of Water & Power Rev. (Power System), B , 5%, 7/01/38 | 355,000 | 398,704 |
| Los Angeles, CA, Unified School District, D , 5%, 1/01/34 | 165,000 | 186,625 |
| Palomar Pomerado Health Care District, CA, COP, 6.75%, 11/01/39 | 890,000 | 950,253 |
| Rancho Cucamonga, CA, Redevelopment Agency Tax Allocation , AGM, 5%, 9/01/30 | 55,000 | 63,180 |
| Sacramento, CA, Municipal Utility District, X , 5%, 8/15/28 | 365,000 | 415,644 |
| San Francisco, CA, Bay Area Toll Authority, Bridge Rev., B , FRN, 1.5%, 4/01/47 (Put Date 4/02/18) | 355,000 | 359,338 |
| San Francisco, CA, City & County Redevelopment Successor Agency Tax Allocation (Mission Bay South Public Improvements), A , 5%, 8/01/43 | 25,000 | 27,216 |
| San Joaquin Hills, CA, Transportation Corridor Agency, Toll Road Rev., Capital Appreciation, A , NATL, 0%, 1/15/15 | 3,000,000 | 2,999,310 |
| State of California, 5.25%, 10/01/28 | 335,000 | 395,481 |
| State of California, 5.25%, 9/01/30 | 790,000 | 921,369 |
| West Contra Costa, CA, Healthcare District, AMBAC, 5.5%, 7/01/29 | 105,000 | 105,345 |
| Whittier, CA, Health Facility Rev. (PIH Health), 5%, 6/01/44 | 335,000 | 373,006 |
| Yorba Linda, CA, Redevelopment Agency, Tax Allocation Rev., Capital Appreciation, A , NATL, 0%, 9/01/24 | 1,325,000 | 854,718 |
| | | \$ 22,476,219 |
| Colorado - 5.0% | | |
| Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/30 | \$ 40,000 | \$ 44,135 |
| Colorado Educational & Cultural Facilities Authority Rev. (Peak to Peak Charter School Project), 5%, 8/15/34 | 35,000 | 38,290 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Colorado - continued | | |
| Colorado Health Care Facilities Rev. (American Baptist Homes), 8%, 8/01/43 | \$ 375,000 | \$ 443,201 |
| Colorado Health Facilities Authority Rev. (Christian Living Communities Project), A, 5.75%, 1/01/37 | 475,000 | 484,742 |
| Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), 5%, 12/01/35 | 1,100,000 | 1,114,135 |
| Colorado Health Facilities Authority Rev. (Evangelical Lutheran Good Samaritan Society), 5.625%, 6/01/43 | 100,000 | 112,834 |
| Colorado Housing & Finance Authority, A, 5.5%, 11/01/29 | 675,000 | 703,850 |
| Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/34 | 630,000 | 713,084 |
| Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/41 | 300,000 | 336,306 |
| Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 10/01/32 | 475,000 | 493,250 |
| Denver, CO, Health & Hospital Authority Rev., A, 5%, 12/01/39 | 70,000 | 75,081 |
| Denver, CO, Health & Hospital Authority Rev., A, 5.25%, 12/01/45 | 100,000 | 109,682 |
| E-470 Public Highway Authority, CO, Capital Appreciation, B, NATL, 0%, 9/01/18 | 1,500,000 | 1,397,460 |
| Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 11/15/38 | 25,000 | 34,334 |
| Salida, CO, Hospital District Rev., 5.25%, 10/01/36 | 689,000 | 693,720 |
| | | \$ 6,794,104 |
| Delaware - 0.7% | | |
| Delaware Economic Development Authority Rev. (Delaware Military Academy, Inc. Project), 4.625%, 9/01/34 | \$ 85,000 | \$ 84,940 |
| Delaware Economic Development Authority Rev. (Delaware Military Academy, Inc. Project), 5%, 9/01/44 | 95,000 | 96,977 |
| Delaware Economic Development Authority Rev. (Delaware Military Academy, Inc. Project), 5%, 9/01/49 | 110,000 | 112,032 |
| Wilmington, DE, Multi-Family Housing Rev. (Electra Arms Senior Associates), 6.25%, 6/01/28 | 695,000 | 687,522 |
| | | \$ 981,471 |
| District of Columbia - 1.8% | | |
| District of Columbia Housing Finance Agency (Henson Ridge), E, FHA, 5.1%, 6/01/37 | \$ 655,000 | \$ 666,181 |
| District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/43 | 110,000 | 125,666 |
| District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/33 | 45,000 | 52,367 |
| District of Columbia Student Dormitory Rev. (Provident Group - Howard Properties LLC), 5%, 10/01/30 | 130,000 | 139,017 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|---------------------|
| Municipal Bonds - continued | | |
| District of Columbia - continued | | |
| District of Columbia Student Dormitory Rev. (Provident Group - Howard Properties LLC), 5%, 10/01/35 | \$ 670,000 | \$ 699,949 |
| District of Columbia Student Dormitory Rev. (Provident Group - Howard Properties LLC), 5%, 10/01/45 | 775,000 | 796,677 |
| | | \$ 2,479,857 |
| Florida - 7.7% | | |
| Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6%, 11/15/34 | \$ 65,000 | \$ 70,151 |
| Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.25%, 11/15/44 | 170,000 | 185,518 |
| Alachua County, FL, Health Facilities Authority Rev. (East Ridge Retirement Village, Inc.), 6.375%, 11/15/49 | 115,000 | 124,831 |
| Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.375%, 5/01/30 | 85,000 | 85,749 |
| Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.5%, 5/01/33 | 40,000 | 40,612 |
| Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.6%, 5/01/34 | 60,000 | 61,146 |
| Brevard County, FL, Industrial Development Rev. (TUFF Florida Tech LLC Project), 6.75%, 11/01/39 | 540,000 | 597,483 |
| Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A, 7.5%, 7/01/40 (Put Date 7/01/30) | 475,000 | 475,451 |
| Capital Region Community Development District, FL, Capital Improvement Rev., A, 7%, 5/01/39 | 215,000 | 217,786 |
| Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B, 7%, 7/15/32 (d)(q) | 600,000 | 314,622 |
| Collier County, FL, Educational Facilities Authority Rev. (Ave Maria University, Inc. Project), A, 6.125%, 6/01/43 | 335,000 | 368,611 |
| Collier County, FL, Industrial Development Authority Continuing Care Community Rev. (The Arlington of Naples Project), A, 8.125%, 5/15/44 | 485,000 | 538,529 |
| Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5%, 8/01/26 | 980,000 | 980,666 |
| Florida Citizens Property Insurance Corp., A-1, 5%, 6/01/19 | 65,000 | 75,036 |
| Florida Citizens Property Insurance Corp., A-1, 5%, 6/01/20 | 305,000 | 356,188 |
| Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A, 6%, 6/15/32 | 115,000 | 115,135 |
| Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A, 6.125%, 6/15/43 | 240,000 | 233,225 |
| Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A, 8.5%, 6/15/44 | 445,000 | 509,165 |
| Florida State University Board of Governors, System Improvement Rev., 6.25%, 7/01/30 | 1,000,000 | 1,180,100 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Florida - continued | | |
| Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 5/01/38 | \$ 315,000 | \$ 337,122 |
| Homestead, Community Development District, FL, Special Assessment, A, 6%, 5/01/37 | 365,000 | 284,751 |
| Main Street Community Development District, FL, A, 6.8%, 5/01/38 | 280,000 | 284,200 |
| Miami-Dade County, FL, Industrial Development Authority Rev. (Pinecrest Academy Project), 5.25%, 9/15/44 | 195,000 | 201,772 |
| Mid-Bay Bridge Authority, FL, Springing Lien Rev., A, 7.25%, 10/01/40 | 445,000 | 536,830 |
| Midtown Miami, FL, Community Development District Special Assessment (Infrastructure Project), B, 5%, 5/01/29 | 175,000 | 191,046 |
| Palm Beach County, FL, Health Facilities Rev. (Sinai Residences of Boca Raton Project), 7.5%, 6/01/49 | 115,000 | 130,808 |
| Pasco County, FL, Estancia At Wiregrass Community Development District, Capital Improvement, 7%, 11/01/45 | 105,000 | 117,516 |
| Seminole Tribe, FL, Special Obligation Rev., A, 5.25%, 10/01/27 (n) | 280,000 | 297,181 |
| South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6%, 4/01/29 | 85,000 | 95,825 |
| South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6.25%, 4/01/39 | 125,000 | 140,180 |
| St. John's County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A, 6%, 8/01/45 | 610,000 | 675,776 |
| Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5%, 7/01/26 | 20,000 | 22,315 |
| Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5%, 7/01/29 | 20,000 | 21,956 |
| Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5.125%, 7/01/34 | 40,000 | 43,491 |
| Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5.25%, 7/01/44 | 125,000 | 135,210 |
| Tuscany Reserve Community Development District, FL, Special Assessment, B, 5.25%, 5/01/16 | 155,000 | 156,074 |
| Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 5/01/37 (a)(d) | 960,000 | 364,800 |
| | | \$ 10,566,857 |
| Georgia - 2.6% | | |
| Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A, 6.25%, 5/15/33 | \$ 95,000 | \$ 103,031 |
| Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A, 6.375%, 5/15/43 | 95,000 | 102,619 |
| Atlanta, GA, Tax Allocation (Eastside Project), B, 5.4%, 1/01/20 | 500,000 | 513,890 |
| Atlanta, GA, Water & Wastewater Rev., A, 6%, 11/01/22 | 370,000 | 451,681 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Georgia - continued | | |
| Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 8/01/34 | \$ 170,000 | \$ 184,987 |
| Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A , 8.75%, 6/01/29 | 200,000 | 249,350 |
| Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B , 9%, 6/01/35 | 150,000 | 154,415 |
| DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/31 | 15,000 | 17,380 |
| Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5%, 3/15/22 | 660,000 | 774,503 |
| Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 9/15/28 | 335,000 | 404,070 |
| Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 6/15/39 | 265,000 | 277,945 |
| Savannah, GA, Economic Development Authority Rev. (AASU Student Union LLC), ASSD GTY, 5.125%, 6/15/39 | 335,000 | 365,033 |
| | | \$ 3,598,904 |
| Guam - 0.4% | | |
| Guam Government Department of Education (John F. Kennedy High School), A , COP, 6.875%, 12/01/40 | \$ 295,000 | \$ 328,668 |
| Guam Government, A , 7%, 11/15/39 | 90,000 | 104,423 |
| Guam International Airport Authority Rev., C , 5%, 10/01/16 | 25,000 | 26,660 |
| Guam International Airport Authority Rev., C , 5%, 10/01/17 | 45,000 | 49,212 |
| | | \$ 508,963 |
| Hawaii - 0.6% | | |
| Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A , 9%, 11/15/44 | \$ 140,000 | \$ 174,786 |
| Hawaii Department of Budget & Finance, Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 7/01/39 | 390,000 | 452,494 |
| State of Hawaii, DZ , 5%, 12/01/31 | 200,000 | 232,460 |
| | | \$ 859,740 |
| Idaho - 2.9% | | |
| Idaho Health Facilities Authority Rev. (IHC Hospitals, Inc.), ETM, 6.65%, 2/15/21 | \$ 2,750,000 | \$ 3,593,013 |
| Idaho Health Facilities Authority Rev. (The Terraces of Boise Project), B2 , 6%, 10/01/21 | 210,000 | 211,699 |
| Idaho Health Facilities Authority Rev. (The Terraces of Boise Project), B3 , 5.25%, 10/01/20 | 110,000 | 111,211 |
| | | \$ 3,915,923 |
| Illinois - 9.6% | | |
| Annawan, IL, Tax Increment Rev. (Patriot Renewable Fuels LLC), 5.625%, 1/01/18 | \$ 155,000 | \$ 146,686 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Illinois - continued | | |
| Bolingbrook, IL, Sales Tax Rev., 6.25%, 1/01/24 | \$ 500,000 | \$ 481,060 |
| Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/32 | 80,000 | 89,238 |
| Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/33 | 40,000 | 44,530 |
| Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.5%, 1/01/43 | 155,000 | 172,265 |
| Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 6/01/22 | 290,000 | 290,104 |
| Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/29 | 165,000 | 188,154 |
| Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/30 | 330,000 | 373,864 |
| Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/31 | 60,000 | 67,414 |
| Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 3/01/36 | 250,000 | 251,415 |
| Illinois Finance Authority Rev. (Evangelical Retirement Homes of Greater Chicago, Inc.), 7.25%, 2/15/45 | 850,000 | 912,815 |
| Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A , 4.75%, 5/15/33 | 200,000 | 200,686 |
| Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A , 5.125%, 5/15/43 | 215,000 | 221,912 |
| Illinois Finance Authority Rev. (Lutheran Home & Services), 5.625%, 5/15/42 | 185,000 | 190,606 |
| Illinois Finance Authority Rev. (Provena Health), A , 7.75%, 8/15/34 | 485,000 | 607,007 |
| Illinois Finance Authority Rev. (Rehabilitation Institute of Chicago), A , 6%, 7/01/43 | 200,000 | 231,310 |
| Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 4/01/29 | 670,000 | 731,245 |
| Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 8/15/38 | 485,000 | 566,553 |
| Illinois Finance Authority Rev. (Smith Village), A , 6.25%, 11/15/35 | 1,000,000 | 1,007,050 |
| Illinois Finance Authority Student Housing Rev. (Illinois State University), 6.75%, 4/01/31 | 240,000 | 285,264 |
| Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 10/01/31 | 615,000 | 734,495 |
| Illinois Railsplitter Tobacco Settlement Authority, 6%, 6/01/28 | 1,365,000 | 1,595,371 |
| Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 3/01/34 | 198,000 | 202,318 |
| Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 3/01/35 | 1,406,000 | 1,428,538 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|--------------|---------------|
| Municipal Bonds - continued | | |
| Illinois - continued | | |
| University of Illinois Rev. (Auxiliary Facilities Systems), A , 5.125%, 4/01/29 | \$ 1,880,000 | \$ 2,124,024 |
| | | \$ 13,143,924 |
| Indiana - 5.1% | | |
| Indiana Bond Bank Special Program, Gas Rev., A , 5.25%, 10/15/18 | \$ 230,000 | \$ 261,814 |
| Indiana Finance Authority Rev. (BHI Senior Living), A , 6%, 11/15/41 | 275,000 | 310,728 |
| Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/34 | 205,000 | 226,894 |
| Indiana Finance Authority Rev. (I-69 Section 5 Project), 5.25%, 9/01/40 | 305,000 | 330,626 |
| Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/35 | 180,000 | 193,633 |
| Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/40 | 460,000 | 489,330 |
| Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A , 5%, 7/01/44 | 125,000 | 132,321 |
| Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), B , 5%, 1/01/19 | 155,000 | 166,419 |
| Indiana Health & Educational Facilities Finance Authority Rev. (Sisters of St. Francis Health Services, Inc.), E , AGM, 5.25%, 5/15/41 | 660,000 | 709,342 |
| Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A , 5%, 2/15/39 | 1,745,000 | 1,787,002 |
| Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 3/01/37 | 945,000 | 1,000,935 |
| University of Southern Indiana Rev. (Student Fee), J , ASSD GTY, 5.75%, 10/01/28 | 300,000 | 352,425 |
| Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 6.75%, 1/01/34 | 260,000 | 295,711 |
| Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 7%, 1/01/44 | 605,000 | 689,555 |
| | | \$ 6,946,735 |
| Iowa - 0.9% | | |
| Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5%, 12/01/19 | \$ 205,000 | \$ 215,810 |
| Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5.5%, 12/01/22 | 215,000 | 224,937 |
| Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5.25%, 12/01/25 | 215,000 | 227,145 |
| Iowa Student Loan Liquidity Corp., A-2 , 5.5%, 12/01/25 | 145,000 | 155,225 |
| Iowa Student Loan Liquidity Corp., A-2 , 5.6%, 12/01/26 | 145,000 | 155,092 |
| Iowa Student Loan Liquidity Corp., A-2 , 5.7%, 12/01/27 | 20,000 | 21,388 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|--------------|--------------|
| Municipal Bonds - continued | | |
| Iowa - continued | | |
| Iowa Student Loan Liquidity Corp., A-2, 5.75%, 12/01/28 | \$ 275,000 | \$ 293,288 |
| | | \$ 1,292,885 |
| Kansas - 0.6% | | |
| Atchison, KS, Hospital Rev. (Atchison Hospital Assn.), A, 6.75%, 9/01/30 | \$ 320,000 | \$ 344,790 |
| Wichita, KS, Health Care Facilities Rev. (Presbyterian Manors, Inc.), A, 6.375%, 5/15/43 | 170,000 | 184,117 |
| Wichita, KS, Health Care Facilities Rev. (Presbyterian Manors, Inc.), IV-B2, 3.375%, 11/15/20 | 35,000 | 34,785 |
| Wyandotte County/Kansas City, KS, Unified Government Utility System Improvement Rev., A, 5%, 9/01/44 | 200,000 | 221,962 |
| | | \$ 785,654 |
| Kentucky - 3.4% | | |
| Kentucky Counties Single Family Mortgage Rev., A, NATL, 9%, 9/01/16 | \$ 5,000 | \$ 5,029 |
| Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.375%, 11/15/42 | 130,000 | 131,885 |
| Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.5%, 11/15/45 | 80,000 | 81,596 |
| Kentucky Economic Development Finance Authority Health Facilities Rev. (AHF/Kentucky-Iowa, Inc.), 8%, 1/01/29 | 298,000 | 302,041 |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.375%, 8/15/24 | 300,000 | 338,100 |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.625%, 8/15/27 | 100,000 | 111,989 |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A, 6.375%, 6/01/40 | 570,000 | 656,800 |
| Louisville & Jefferson County, KY, Metro Government Health Facilities Rev. (Jewish Hospital & St. Mary's Healthcare), 6.125%, 2/01/37 (Prerefunded 2/01/18) | 1,315,000 | 1,536,735 |
| Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 10/01/36 | 1,265,000 | 1,320,723 |
| Owen County, KY, Waterworks System Rev. (American Water Co. Project), A, 6.25%, 6/01/39 | 205,000 | 234,579 |
| | | \$ 4,719,477 |
| Louisiana - 2.1% | | |
| Beauregard Parish, LA (Boise Cascade Corp.), 6.8%, 2/01/27 | \$ 1,000,000 | \$ 1,010,000 |
| Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 7/01/31 | 300,000 | 338,505 |
| Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.375%, 7/01/41 | 185,000 | 205,441 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Louisiana - continued | | |
| Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 12/01/34 | \$ 605,000 | \$ 662,360 |
| St. Charles Parish, LA, Gulf Zone Opportunity Zone Rev. (Valero Energy Corp.), 4%, 12/01/40 (Put Date 6/01/22) | 605,000 | 655,905 |
| | | \$ 2,872,211 |
| Maine - 0.3% | | |
| Maine Finance Authority Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 6.25%, 1/01/25 (Put Date 2/01/17) | \$ 360,000 | \$ 379,336 |
| Maryland - 0.8% | | |
| Anne Arundel County, MD, Special Obligation (National Business Park-North Project), 6.1%, 7/01/40 | \$ 140,000 | \$ 150,770 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System, Inc.), A, 6.75%, 7/01/39 | 735,000 | 919,147 |
| | | \$ 1,069,917 |
| Massachusetts - 6.9% | | |
| Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 7/01/36 | \$ 300,000 | \$ 342,321 |
| Commonwealth of Massachusetts, General Obligation, B, 5%, 8/01/21 | 910,000 | 1,097,078 |
| Massachusetts College Building Authority Rev., C, 3%, 5/01/42 | 80,000 | 70,062 |
| Massachusetts Development Finance Agency Rev. (Adventcare), A, 6.75%, 10/15/37 | 695,000 | 724,982 |
| Massachusetts Development Finance Agency Rev. (Alliance Health of Brockton, Inc.), A, 7.1%, 7/01/32 | 950,000 | 952,917 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 11/15/31 | 130,267 | 105,316 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 11/15/39 | 31,732 | 24,539 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-2, 5.5%, 11/15/46 | 8,656 | 6,737 |
| Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), Capital Appreciation, B, 0%, 11/15/56 | 43,059 | 212 |
| Massachusetts Development Finance Agency Rev. (North Hill Communities), A, 6.25%, 11/15/33 | 100,000 | 108,627 |
| Massachusetts Development Finance Agency Rev. (North Hill Communities), A, 6.5%, 11/15/43 | 100,000 | 109,131 |
| Massachusetts Development Finance Agency Rev. (The Broad Institute, Inc.), A, 5.25%, 4/01/37 | 580,000 | 656,821 |
| Massachusetts Development Finance Agency Rev. (Tufts Medical Center), I, 7.25%, 1/01/32 | 445,000 | 548,792 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Massachusetts - continued | | |
| Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), A , 4.875%, 11/01/27 | \$ 410,000 | \$ 417,327 |
| Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), C , 5.25%, 11/01/42 | 705,000 | 723,894 |
| Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 12/01/42 (Prerefunded 5/01/19) | 85,000 | 102,135 |
| Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 1/01/30 | 290,000 | 311,103 |
| Massachusetts Educational Financing Authority, Education Loan Rev., I-A , 5.5%, 1/01/22 | 25,000 | 27,893 |
| Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), E , 6.75%, 10/01/33 | 250,000 | 250,528 |
| Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), 8%, 10/01/29 | 150,000 | 159,359 |
| Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 6.25%, 7/01/30 | 725,000 | 851,150 |
| Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 5.75%, 7/01/39 | 455,000 | 501,178 |
| Massachusetts Port Authority Facilities Rev. (Conrac Project), A , 5.125%, 7/01/41 | 40,000 | 43,421 |
| Massachusetts School Building Authority, Dedicated Sales Tax Rev., AMBAC, 4.75%, 8/15/32 | 840,000 | 911,022 |
| Massachusetts School Building Authority, Dedicated Sales Tax Rev., B , 5%, 10/15/32 | 390,000 | 450,091 |
| | | \$ 9,496,636 |
| Michigan - 3.2% | | |
| Detroit, MI, Sewage Disposal System Rev., B , NATL, 5.5%, 7/01/22 | \$ 955,000 | \$ 1,095,509 |
| Detroit, MI, Sewage Disposal System Rev., Senior Lien, A , 5.25%, 7/01/39 | 580,000 | 625,791 |
| Detroit, MI, Water Supply System Rev., Senior Lien, A , AGM, 5%, 7/01/23 | 15,000 | 15,657 |
| Detroit, MI, Water Supply System Rev., Senior Lien, A , AGM, 5%, 7/01/25 | 15,000 | 15,612 |
| Grand Valley, MI, State University Rev., 5.5%, 12/01/27 | 135,000 | 148,550 |
| Grand Valley, MI, State University Rev., 5.625%, 12/01/29 | 65,000 | 71,685 |
| Michigan Finance Authority Rev. (Trinity Health Corp.), 5%, 12/01/35 | 1,000,000 | 1,111,340 |
| Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 5%, 9/01/39 | 475,000 | 522,244 |
| Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 9/01/39 (Prerefunded 9/01/18) | 485,000 | 617,192 |
| Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B , 5%, 12/01/44 | 35,000 | 38,496 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|--------------|--------------|
| Municipal Bonds - continued | | |
| Michigan - continued | | |
| Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), B, BAM, 5%, 12/01/39 | \$ 40,000 | \$ 45,095 |
| Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/39 | 30,000 | 32,477 |
| Wayne County, MI, Airport Authority Rev. (Detroit Metropolitan Wayne County Airport), C, 5%, 12/01/44 | 90,000 | 96,740 |
| | | \$ 4,436,388 |
| Minnesota - 0.1% | | |
| Minneapolis & St. Paul, MN, Housing Authority Rev. (City Living), A-2, GNMA, 5%, 12/01/38 | \$ 69,367 | \$ 70,111 |
| Mississippi - 2.3% | | |
| Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 4/01/22 | \$ 1,500,000 | \$ 1,500,795 |
| Mississippi Development Bank Special Obligation (Marshall County Industrial Development Authority Highway Construction Project), 5%, 1/01/28 | 120,000 | 136,594 |
| Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 11/01/37 | 600,000 | 393,996 |
| Mississippi State University, Educational Building Corp. Rev., 5%, 8/01/36 | 440,000 | 486,323 |
| University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 9/01/32 | 220,000 | 251,238 |
| University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 9/01/36 | 80,000 | 90,956 |
| V Lakes Utility District, MS, Water Systems Rev., 7%, 7/15/37 | 280,000 | 280,185 |
| | | \$ 3,140,087 |
| National - 1.1% | | |
| Charter Mac Equity Issuer Trust, FHLMC, 6%, 10/31/52 (n) | \$ 1,000,000 | \$ 1,109,780 |
| Resolution Trust Corp., Pass-Through Certificates, 1993, 9.75%, 12/01/16 (z) | 455,481 | 454,903 |
| | | \$ 1,564,683 |
| New Hampshire - 0.9% | | |
| New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A, 6%, 10/01/27 | \$ 585,000 | \$ 664,151 |
| New Hampshire Business Finance Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc. Project), FRN, 4%, 4/01/29 (Put Date 10/01/19) | 100,000 | 100,083 |
| New Hampshire Health & Education Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 6/01/21 | 530,000 | 538,899 |
| | | \$ 1,303,133 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| New Jersey - 9.8% | | |
| New Jersey Casino Reinvestment Development Authority, Luxury Tax Rev., AGM, 5%, 11/01/31 | \$ 160,000 | \$ 174,211 |
| New Jersey Casino Reinvestment Development Authority, Luxury Tax Rev., AGM, 5%, 11/01/32 | 65,000 | 70,495 |
| New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 1/01/37 | 1,000,000 | 1,015,390 |
| New Jersey Economic Development Authority Rev. (Kapkowski Road Landfill Project), 6.5%, 4/01/31 | 950,000 | 1,155,580 |
| New Jersey Economic Development Authority Rev. (Lions Gate Project), 5%, 1/01/34 | 30,000 | 30,480 |
| New Jersey Economic Development Authority Rev. (Lions Gate Project), 5.25%, 1/01/44 | 65,000 | 66,457 |
| New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 11/15/26 | 500,000 | 515,295 |
| New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 11/15/36 | 500,000 | 508,690 |
| New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.375%, 1/01/43 | 255,000 | 276,810 |
| New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.5%, 1/01/27 | 40,000 | 46,141 |
| New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5%, 1/01/28 | 40,000 | 44,303 |
| New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), AGM, 5%, 1/01/31 | 125,000 | 136,523 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 9/15/19 | 515,000 | 544,520 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.125%, 9/15/23 | 365,000 | 392,174 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 9/15/29 | 515,000 | 547,368 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), A, 5.625%, 11/15/30 | 105,000 | 114,633 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), B, 5.625%, 11/15/30 | 95,000 | 103,866 |
| New Jersey Tobacco Settlement Financing Corp., 1-A, 4.5%, 6/01/23 | 1,925,000 | 1,920,958 |
| New Jersey Tobacco Settlement Financing Corp., 1-A, 4.75%, 6/01/34 | 3,405,000 | 2,570,128 |
| New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 6/01/41 | 3,355,000 | 2,538,259 |
| New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-B, 0%, 6/01/41 | 2,830,000 | 693,661 |
| New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-C, 0%, 6/01/41 | 35,000 | 8,314 |
| | | \$ 13,474,256 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| New Mexico - 0.5% | | |
| Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 6/01/40 | \$ 500,000 | \$ 555,815 |
| New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A , 5%, 8/15/17 | 110,000 | 113,551 |
| | | \$ 669,366 |
| New York - 9.1% | | |
| Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 7/15/30 | \$ 135,000 | \$ 157,135 |
| Buffalo & Erie County, NY, Industrial Land Development Corp. Rev. (Buffalo State College), A , 5.375%, 10/01/41 | 200,000 | 222,912 |
| Build NYC Resource Corp. Rev. (South Bronx Charter School for International Cultures and the Arts), A , 5%, 4/15/43 | 100,000 | 98,209 |
| Hudson Yards, NY, Infrastructure Corp. Rev., A , 5%, 2/15/47 | 360,000 | 379,534 |
| Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2/15/47 | 370,000 | 424,901 |
| New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 8/15/30 | 190,000 | 225,199 |
| New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2/15/35 | 115,000 | 134,136 |
| New York Dormitory Authority, State Sales Tax Rev., A , 5%, 3/15/37 | 200,000 | 232,898 |
| New York Dormitory Authority, State Sales Tax Rev., A , 5%, 3/15/44 | 690,000 | 793,824 |
| New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 6/15/41 | 685,000 | 770,920 |
| New York Environmental Facilities, C , 5%, 5/15/41 | 945,000 | 1,063,333 |
| New York Liberty Development Corp. Liberty Rev. (3 World Trade Center Project), 1 , 5%, 11/15/44 | 190,000 | 192,974 |
| New York Liberty Development Corp. Liberty Rev. (3 World Trade Center Project), 2 , 5.375%, 11/15/40 | 395,000 | 411,839 |
| New York Liberty Development Corp. Liberty Rev. (3 World Trade Center Project), 3 , 7.25%, 11/15/44 | 220,000 | 245,084 |
| New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 7/15/49 | 545,000 | 620,259 |
| New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.75%, 8/01/31 | 385,000 | 421,198 |
| New York, NY, City Industrial Development Agency Special Facility Rev. (American Airlines, Inc.), B , 8.5%, 8/01/28 | 500,000 | 520,285 |
| New York, NY, City Transitional Finance Authority Building Aid Rev., S-3 , 5.25%, 1/15/39 | 440,000 | 493,451 |
| New York, NY, Municipal Water Finance Authority, Water & Sewer System Rev., AA , 5%, 6/15/34 | 1,980,000 | 2,244,726 |
| New York, NY, Municipal Water Finance Authority, Water & Sewer Systems Rev., DD , 4.75%, 6/15/35 | 790,000 | 848,681 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|------------|---------------|
| Municipal Bonds - continued | | |
| New York - continued | | |
| Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Covanta Energy Project), A, 5.25%, 11/01/42 | \$ 725,000 | \$ 746,431 |
| Onondaga, NY, Civic Development Corp. Rev. (St. Joseph's Hospital Health Center), 5%, 7/01/25 | 30,000 | 31,654 |
| Onondaga, NY, Civic Development Corp. Rev. (St. Joseph's Hospital Health Center), 5.125%, 7/01/31 | 25,000 | 25,922 |
| Onondaga, NY, Civic Development Corp. Rev. (St. Joseph's Hospital Health Center), 5%, 7/01/42 | 255,000 | 256,910 |
| Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/36 | 255,000 | 303,149 |
| Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/42 | 290,000 | 343,873 |
| Ulster County, NY, Capital Resource Corp Rev. (Health Alliance Senior Living- Woodland Pond at New Paltz), B, 7%, 9/15/44 | 330,000 | 333,204 |
| | | \$ 12,542,641 |
| North Carolina - 1.5% | | |
| Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2/01/38 | \$ 892,561 | \$ 890,678 |
| New Hanover County, NC, Hospital Rev., AGM, 5.125%, 10/01/31 | 895,000 | 998,596 |
| University of North Carolina, Greensboro, Rev., 5%, 4/01/39 | 110,000 | 125,759 |
| | | \$ 2,015,033 |
| Ohio - 2.9% | | |
| Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 6/01/31 | \$ 175,000 | \$ 189,077 |
| Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 6%, 6/01/42 | 230,000 | 188,255 |
| Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 6/01/47 | 480,000 | 391,402 |
| Butler County, OH, Hospital Facilities Rev. (UC Health), 5.5%, 11/01/40 | 590,000 | 655,490 |
| Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 11/01/40 | 130,000 | 146,751 |
| Franklin County, OH, Health Care Facilities Improvement Rev. (Friendship Village of Dublin, OH, Inc.), 5%, 11/15/34 | 120,000 | 129,359 |
| Franklin County, OH, Health Care Facilities Improvement Rev. (Friendship Village of Dublin, OH, Inc.), 5%, 11/15/44 | 195,000 | 205,789 |
| Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A, 8%, 7/01/42 | 710,000 | 784,941 |
| Lake County, OH, Hospital Facilities Rev. (Lake Hospital Systems, Inc.), 5.625%, 8/15/29 | 435,000 | 483,877 |
| Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/33 | 195,000 | 200,938 |

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Portfolio of Investments continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|--------------|
| Municipal Bonds - continued | | |
| Ohio - continued | | |
| Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/44 | \$ 100,000 | \$ 101,811 |
| Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/48 | 195,000 | 195,636 |
| Southeastern Ohio Port Authority, Hospital Facilities Rev. (Memorial Health System), 5.75%, 12/01/32 | 300,000 | 311,277 |
| | | \$ 3,984,603 |
| Oklahoma - 1.2% | | |
| Grand River Dam Authority Rev., OK, A, 5%, 6/01/39 | \$ 250,000 | \$ 286,155 |
| Norman, OK, Regional Hospital Authority Rev., 5%, 9/01/27 | 155,000 | 162,308 |
| Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/29 | 90,000 | 92,580 |
| Norman, OK, Regional Hospital Authority Rev., 5.375%, 9/01/36 | 235,000 | 239,780 |
| Oklahoma Development Finance Authority Continuing Care Retirement Community Rev. (Inverness Village), 5.75%, 1/01/37 | 305,000 | 314,717 |
| Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 6/01/35 | 175,000 | 183,962 |
| Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 12/01/35 | 385,000 | 407,195 |
| | | \$ 1,686,697 |
| Oregon - 0.7% | | |
| Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 10/01/26 (n) | \$ 650,000 | \$ 652,906 |
| Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 4.5%, 5/01/29 | 90,000 | 98,284 |
| Forest Grove, OR, Campus Improvement Rev. (Pacific University Project), A, 5%, 5/01/40 | 110,000 | 121,289 |
| Multnomah County, OR, Hospital Facilities Authority Rev. (Mirabella at South Waterfront Project), A, 5.4%, 10/01/44 | 65,000 | 67,660 |
| Multnomah County, OR, Hospital Facilities Authority Rev. (Mirabella at South Waterfront Project), A, 5.5%, 10/01/49 | 85,000 | 87,862 |
| | | \$ 1,028,001 |
| Pennsylvania - 8.8% | | |
| Allegheny County, PA, Hospital Development Authority Rev. (University of Pittsburgh Medical Center), A, 5.375%, 8/15/29 | \$ 440,000 | \$ 500,562 |
| Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/35 | 100,000 | 108,562 |
| Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A, 5%, 5/01/42 | 420,000 | 451,151 |
| Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/27 | 90,000 | 92,980 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Pennsylvania - continued | | |
| Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 1/01/37 | \$ 120,000 | \$ 121,302 |
| Chartiers Valley, PA, Industrial & Commercial Development Authority (Friendship Village), A, 5.75%, 8/15/20 | 1,000,000 | 1,002,110 |
| Clarion County, PA, Industrial Development Authority, Student Housing Rev. (Clarion University Foundation, Inc.), 5%, 7/01/34 | 35,000 | 36,626 |
| Cumberland County, PA, Municipal Authority Rev. (Asbury Atlantic, Inc.), 5.25%, 1/01/41 | 290,000 | 295,130 |
| Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 1/01/29 | 695,000 | 760,705 |
| Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 12/15/16 | 510,000 | 521,868 |
| Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 12/15/26 | 500,000 | 513,045 |
| East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/39 | 40,000 | 41,604 |
| East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/46 | 20,000 | 20,692 |
| Erie, PA, Water Authority Rev., AGM, 5%, 12/01/49 | 355,000 | 394,831 |
| Lebanon County, PA, Health Facilities Authority Rev. (Good Samaritan Hospital), 5.9%, 11/15/28 | 210,000 | 210,078 |
| Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), A, 5%, 12/01/43 | 1,135,000 | 1,242,473 |
| Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B, 0%, 12/01/37 | 955,000 | 354,219 |
| Luzerne County, PA, AGM, 6.75%, 11/01/23 | 435,000 | 503,578 |
| Montgomery County, PA, Higher Education & Health Authority Rev. (AHF/Montgomery), 6.875%, 4/01/36 | 75,000 | 78,232 |
| Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 11/15/28 | 350,000 | 379,621 |
| Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 1/01/32 | 335,000 | 367,060 |
| Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 7/01/30 | 80,000 | 86,882 |
| Philadelphia, PA, Authority for Industrial Development Rev. (MaST Charter School), 6%, 8/01/35 | 50,000 | 54,385 |
| Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.5%, 6/15/33 | 230,000 | 241,622 |
| Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.75%, 6/15/43 | 320,000 | 335,590 |
| Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 6.875%, 6/15/33 | 100,000 | 109,262 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Pennsylvania - continued | | |
| Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), 7.375%, 6/15/43 | \$ 110,000 | \$ 121,373 |
| Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 7%, 6/15/43 | 140,000 | 150,983 |
| Philadelphia, PA, Municipal Authority Rev., 6.5%, 4/01/34 | 135,000 | 156,233 |
| Pittsburgh, PA, Urban Redevelopment Authority Rev., C, GNMA, 4.8%, 4/01/28 | 915,000 | 924,882 |
| Westmoreland County, PA, Industrial Development Authority Rev. (Redstone Retirement Community), A, 5.875%, 1/01/32 (Prerefunded 1/01/16) | 600,000 | 634,752 |
| Westmoreland County, PA, Industrial Development Retirement Authority Rev. (Redstone Retirement Community), A, 5.75%, 1/01/26 (Prerefunded 1/01/16) | 1,250,000 | 1,320,725 |
| | | \$ 12,133,118 |
| Puerto Rico - 1.9% | | |
| Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, ASSD GTY, 5.125%, 7/01/47 | \$ 60,000 | \$ 59,234 |
| Commonwealth of Puerto Rico Highway & Transportation Authority Rev., AGM, 5.5%, 7/01/29 | 5,000 | 5,251 |
| Commonwealth of Puerto Rico, Public Improvement, A, NATL, 5.5%, 7/01/16 | 30,000 | 31,142 |
| Puerto Rico Electric Power Authority Rev., NATL, 5%, 7/01/19 | 65,000 | 66,572 |
| Puerto Rico Electric Power Authority Rev., KK, NATL, 5.5%, 7/01/16 | 15,000 | 15,454 |
| Puerto Rico Electric Power Authority Rev., LL, NATL, 5.5%, 7/01/17 | 10,000 | 10,386 |
| Puerto Rico Electric Power Authority Rev., PP, NATL, 5%, 7/01/24 | 5,000 | 4,955 |
| Puerto Rico Electric Power Authority Rev., UU, NATL, 4.5%, 7/01/18 | 15,000 | 15,143 |
| Puerto Rico Electric Power Authority Rev., UU, AGM, 5%, 7/01/22 | 20,000 | 20,313 |
| Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 6/01/26 | 420,000 | 400,386 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/17 | 45,000 | 44,521 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/18 | 30,000 | 29,520 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 4%, 4/01/20 | 15,000 | 13,887 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/21 | 50,000 | 48,198 |

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Portfolio of Investments continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|--------------|
| Municipal Bonds - continued | | |
| Puerto Rico - continued | | |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/22 | \$ 60,000 | \$ 57,059 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/27 | 100,000 | 88,962 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.125%, 4/01/32 | 40,000 | 34,142 |
| Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 4/01/42 | 55,000 | 45,206 |
| Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 4.375%, 10/01/31 | 45,000 | 35,983 |
| Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 5%, 10/01/42 | 25,000 | 19,564 |
| Puerto Rico Public Finance Corp., E , ETM, 6%, 8/01/26 | 80,000 | 104,016 |
| Puerto Rico Public Finance Corp., E , ETM, 6%, 8/01/26 | 820,000 | 1,066,164 |
| Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C , 5%, 8/01/40 | 450,000 | 350,006 |
| | | \$ 2,566,064 |
| Rhode Island - 0.7% | | |
| Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A , ASSD GTY, 7%, 5/15/39 | \$ 660,000 | \$ 775,810 |
| Rhode Island Tobacco Settlement Authority, 6%, 6/01/23 | 170,000 | 171,008 |
| | | \$ 946,818 |
| South Carolina - 2.7% | | |
| Charleston County, SC, Transportation Sales Tax, 5%, 11/01/22 | \$ 455,000 | \$ 556,647 |
| Laurens County, SC, School District No. 55, Installment Purchase Rev., 5.25%, 12/01/30 | 700,000 | 728,294 |
| Newberry, SC, Investing in Children s Education (Newberry County School District Program), 5%, 12/01/30 | 400,000 | 418,940 |
| Richland County, SC, Environmental Improvement Rev. (International Paper), A , 3.875%, 4/01/23 | 525,000 | 559,808 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 11/15/32 | 199,626 | 192,957 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A , 6%, 11/15/47 | 133,799 | 120,279 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 11/15/47 | 85,554 | 5,138 |
| South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B , 0%, 11/15/47 | 79,443 | 4,771 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|------------|--------------|
| Municipal Bonds - continued | | |
| South Carolina - continued | | |
| South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Lutheran Homes of South Carolina, Inc.), 5.125%, 5/01/48 | \$ 40,000 | \$ 40,420 |
| South Carolina Public Service Authority Rev., A, 5.125%, 12/01/43 | 280,000 | 313,018 |
| South Carolina Public Service Authority Rev., B, 5.125%, 12/01/43 | 675,000 | 754,596 |
| | | \$ 3,694,868 |
| South Dakota - 0.3% | | |
| South Dakota Health & Educational Facilities Authority Rev. (Sanford), B, 5%, 11/01/34 | \$ 235,000 | \$ 266,617 |
| South Dakota Health & Educational Facilities Authority Rev. (Sanford), B, 5%, 11/01/44 | 140,000 | 154,371 |
| | | \$ 420,988 |
| Tennessee - 4.6% | | |
| Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A, 5%, 10/01/44 | \$ 105,000 | \$ 112,137 |
| Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A, 5.25%, 1/01/45 | 1,035,000 | 1,156,054 |
| Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), A, 5.5%, 7/01/31 | 1,120,000 | 1,176,090 |
| Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 9/01/36 | 1,085,000 | 1,135,583 |
| Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/21 | 1,710,000 | 1,976,008 |
| Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/22 | 270,000 | 313,716 |
| Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 9/01/26 | 165,000 | 194,910 |
| Tennessee Energy Acquisition Corp., Gas Rev., C, 5%, 2/01/25 | 240,000 | 277,889 |
| | | \$ 6,342,387 |
| Texas - 12.6% | | |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 1/01/24 | \$ 305,000 | \$ 319,722 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5%, 1/01/34 | 45,000 | 45,493 |
| Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 5/15/33 | 400,000 | 427,556 |
| Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/33 | 105,000 | 124,449 |
| Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 8/15/41 | 75,000 | 83,951 |
| Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 6%, 8/15/43 | 165,000 | 194,479 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Texas - continued | | |
| Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.125%, 12/01/40 | \$ 215,000 | \$ 245,156 |
| Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.25%, 12/01/45 | 135,000 | 154,526 |
| Dallas and Fort Worth, TX, International Airport Rev., B , 5%, 11/01/44 | 370,000 | 404,577 |
| Dallas and Fort Worth, TX, International Airport Rev., C , 5%, 11/01/45 | 780,000 | 853,250 |
| Dallas County, TX, Flood Control District, 7.25%, 4/01/32 | 750,000 | 751,470 |
| Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 8/15/34 | 845,000 | 946,611 |
| Decatur Hospital Authority Rev. (Wise Regional Health System), A , 5.25%, 9/01/44 | 100,000 | 104,651 |
| Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 4.875%, 5/01/25 | 280,000 | 296,699 |
| Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 4/01/28 | 375,000 | 375,401 |
| Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D , 5.625%, 11/15/32 | 540,000 | 619,742 |
| Harris County, TX, Cultural Education Facilities Financial Corp., Thermal Utilities Rev. (Teco Project), A , 5.25%, 11/15/35 | 140,000 | 158,516 |
| Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B , 7.25%, 12/01/35 (Prerefunded 12/01/18) | 205,000 | 255,596 |
| Houston, TX, Airport System Rev., Subordinate Lien, A , 5%, 7/01/31 | 150,000 | 168,038 |
| Houston, TX, Airport Systems Rev., B , 5%, 7/01/26 | 175,000 | 202,185 |
| Houston, TX, Airport Systems Rev., Special Facilities (Continental Airlines, Inc.), 6.5%, 7/15/30 | 445,000 | 504,942 |
| Houston, TX, Airport Systems Rev., Special Facilities Rev. (Continental Airlines, Inc.), B , 6.125%, 7/15/17 | 120,000 | 120,211 |
| Houston, TX, Airport Systems Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.5%, 7/01/20 | 115,000 | 122,036 |
| Houston, TX, Airport Systems Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 4.75%, 7/01/24 | 310,000 | 333,709 |
| Houston, TX, Airport Systems Rev., Special Facilities Rev. (United Airlines, Inc. Terminal E Project), 5%, 7/01/29 | 595,000 | 632,199 |
| Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 3/01/23 | 420,000 | 429,114 |
| La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A , 6.25%, 8/15/39 | 195,000 | 218,310 |
| Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2/15/37 | 60,000 | 64,510 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Texas - continued | | |
| Matagorda County, TX, Pollution Control Rev. (Central Power & Light Co.), A , 6.3%, 11/01/29 | \$ 275,000 | \$ 316,036 |
| New Hope Cultural Education Facilities Finance Corp. Retirement Facility Rev (Wesleyan Homes, Inc. Project), 5.5%, 1/01/35 | 75,000 | 76,981 |
| New Hope Cultural Education Facilities Finance Corp. Retirement Facility Rev (Wesleyan Homes, Inc. Project), 5.5%, 1/01/43 | 80,000 | 80,735 |
| New Hope Cultural Education Facilities Finance Corp. Retirement Facility Rev (Wesleyan Homes, Inc. Project), 5.5%, 1/01/49 | 80,000 | 79,996 |
| North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 5.125%, 12/01/42 | 170,000 | 181,711 |
| North Texas Tollway Authority Rev., 6%, 1/01/38 | 765,000 | 898,118 |
| North Texas Tollway Authority Rev. (Special Projects System), D , 5%, 9/01/31 | 1,200,000 | 1,369,884 |
| Port of Bay, TX, City Authority (Hoechst Celanese Corp.), 6.5%, 5/01/26 | 660,000 | 661,122 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 7.5%, 11/15/34 | 100,000 | 112,873 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 7.75%, 11/15/44 | 185,000 | 210,473 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), A , 8%, 11/15/49 | 135,000 | 155,771 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (MRC The Crossings Project), B-2 , 5%, 11/15/19 | 20,000 | 20,164 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), A , 5.45%, 11/15/38 (a)(d) | 723,000 | 272,390 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), A , 6.05%, 11/15/46 (a)(d) | 147,000 | 55,382 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), C , 6.25%, 5/09/53 (a)(d) | 13,000 | 4,898 |
| Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), D , 6.05%, 11/15/46 (a)(d) | 26,000 | 9,796 |
| San Jacinto, TX, Community College District, 5.125%, 2/15/38 | 430,000 | 478,801 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.125%, 11/15/29 | 550,000 | 598,400 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.375%, 11/15/44 | 415,000 | 448,030 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 11/15/44 | 770,000 | 767,536 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|---|-------------------|-------------------|
| Municipal Bonds - continued | | |
| Texas - continued | | |
| Texas Gas Acquisition & Supply Corp III., Gas Supply Rev., 5%, 12/15/31 | \$ 150,000 | \$ 163,551 |
| Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 7%, 12/31/38 | 170,000 | 210,854 |
| Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 6.75%, 6/30/43 | 135,000 | 163,824 |
| Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/30 | 195,000 | 228,702 |
| Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/31 | 85,000 | 98,714 |
| Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/32 | 80,000 | 92,425 |
| Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 11/01/30 | 130,000 | 150,864 |
| Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 11/01/40 | 195,000 | 227,011 |
| | | \$ 17,292,141 |
| U.S. Virgin Islands - 0.2% | | |
| Virgin Islands Public Finance Authority Rev. (Diageo Project), A, 6.75%, 10/01/37 | \$ 205,000 | \$ 235,131 |
| Vermont - 0.2% | | |
| Burlington, VT, Airport Rev., A, 4%, 7/01/28 | \$ 90,000 | \$ 88,150 |
| Vermont Economic Development Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 4.75%, 4/01/36 (Put Date 4/02/18) | 170,000 | 174,786 |
| | | \$ 262,936 |
| Virginia - 3.0% | | |
| Embrey Mill Community Development Authority, VA, Special Assessment Rev., 7.25%, 3/01/43 | \$ 410,000 | \$ 421,956 |
| Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), A, 6.125%, 1/01/35 | 195,000 | 195,595 |
| Richmond, VA, Public Improvement, A, 5%, 3/01/23 | 1,365,000 | 1,659,731 |
| Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 1/01/37 | 470,000 | 533,868 |
| Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 1/01/42 | 755,000 | 827,865 |
| Virginia Small Business Financing Authority, Hospital Rev. (Wellmont Health Project), A, 5.25%, 9/01/37 | 470,000 | 488,941 |
| | | \$ 4,127,956 |

Table of Contents*Portfolio of Investments continued*

| Issuer | Shares/Par | Value (\$) |
|--|--------------|--------------|
| Municipal Bonds - continued | | |
| Washington - 6.0% | | |
| King County, WA, Sewer Rev., 5%, 1/01/40 | \$ 1,395,000 | \$ 1,530,524 |
| Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D , 6.375%, 10/01/36 | 1,095,000 | 1,279,902 |
| Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 12/01/32 | 90,000 | 98,252 |
| State of Washington, R , 5%, 7/01/22 | 2,350,000 | 2,848,929 |
| Washington Health Care Facilities Authority Rev. (Multicare Health Systems), B , ASSD GTY, 6%, 8/15/39 | 440,000 | 520,080 |
| Washington Health Care Facilities Authority Rev. (Providence Health & Services), A , 5%, 10/01/33 | 1,105,000 | 1,239,280 |
| Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 10/01/34 | 280,000 | 317,531 |
| Washington Housing Finance Community Nonprofit Housing Rev. (Rockwood Retirement Communities), 5.125%, 1/01/20 | 400,000 | 400,996 |
| | | \$ 8,235,494 |
| West Virginia - 0.1% | | |
| Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A , 5.85%, 6/01/34 | \$ 125,000 | \$ 129,268 |
| Wisconsin - 4.7% | | |
| Wisconsin General Fund Annual Appropriation Rev., A , 5.75%, 5/01/33 | \$ 660,000 | \$ 769,151 |
| Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A , 5%, 7/15/26 | 200,000 | 223,456 |
| Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A , 5%, 7/15/28 | 60,000 | 66,430 |
| Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc.), 6.1%, 5/01/34 | 750,000 | 751,020 |
| Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A , 5.5%, 5/01/31 (Prerefunded 5/01/21) | 725,000 | 901,117 |
| Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A , 6%, 5/01/41 (Prerefunded 5/01/21) | 490,000 | 623,951 |
| Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 8/15/34 | 935,000 | 963,761 |
| Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A , 5.125%, 11/15/29 | 110,000 | 110,526 |
| Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A , 5.5%, 11/15/34 | 100,000 | 101,258 |
| Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A , 5.75%, 11/15/44 | 95,000 | 97,090 |
| Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), A , 6%, 11/15/49 | 75,000 | 77,493 |

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Portfolio of Investments continued

| Issuer | Shares/Par | Value (\$) |
|---|------------|-----------------------|
| Municipal Bonds - continued | | |
| Wisconsin - continued | | |
| Wisconsin Public Finance Authority Senior Living Rev. (Rose Villa Project), B-3, 3.75%, 11/15/19 | \$ 75,000 | \$ 75,863 |
| Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/22 | 140,000 | 153,478 |
| Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5.25%, 7/01/28 | 1,325,000 | 1,462,363 |
| Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/42 | 75,000 | 77,675 |
| | | \$ 6,454,632 |
| Total Municipal Bonds (Identified Cost, \$191,390,144) | | \$ 208,108,580 |
| Money Market Funds - 1.3% | | |
| MFS Institutional Money Market Portfolio, 0.09%, at Cost and Net Asset Value (v) | 1,838,375 | \$ 1,838,375 |
| Total Investments (Identified Cost, \$193,228,519) | | \$ 209,946,955 |
| Other Assets, Less Liabilities - 1.7% | | 2,312,667 |
| ARPS, at liquidation value (Issued by the fund) - (2.8)% | | (3,900,000) |
| VMTPS, at liquidation value (Issued by the fund) - (51.8)% | | (71,100,000) |
| Net assets applicable to common shares - 100.0% | | \$ 137,259,622 |

(a) Non-income producing security.

(d) In default.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$2,059,867, representing 1.5% of net assets applicable to common shares.

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

(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

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

| Restricted Securities | Acquisition Date | Cost | Value |
|--|------------------|-----------|-----------|
| Resolution Trust Corp., Pass-Through Certificates, 1993, 9.75%, 12/01/16 | 10/17/01-1/14/02 | \$455,481 | \$454,903 |
| % of Net assets applicable to common shares | | | 0.3% |

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Portfolio of Investments continued

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

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

Insurers

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

Derivative Contracts at 11/30/14

Futures Contracts at 11/30/14

| Description | Currency | Contracts | Value | Expiration Date | Unrealized Appreciation (Depreciation) |
|----------------------------------|----------|-----------|--------------|-----------------|--|
| Liability Derivatives | | | | | |
| <i>Interest Rate Futures</i> | | | | | |
| U.S. Treasury Note 10 yr (Short) | USD | 188 | \$23,884,813 | March - 2015 | \$(173,971) |
| U.S. Treasury Bond 30 yr (Short) | USD | 22 | 3,137,750 | March - 2015 | (41,327) |
| | | | | | \$(215,298) |

At November 30, 2014, the fund had cash collateral of \$268,500 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Deposits with brokers in the Statement of Assets and Liabilities.

See Notes to Financial Statements

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

At 11/30/14

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

| | |
|---|---------------|
| Assets | |
| Investments- | |
| Non-affiliated issuers, at value (identified cost, \$191,390,144) | \$208,108,580 |
| Underlying affiliated funds, at cost and value | 1,838,375 |
| Total investments, at value (identified cost, \$193,228,519) | \$209,946,955 |
| Cash | 787 |
| Deposits with brokers | 268,500 |
| Receivables for | |
| Investments sold | 815,000 |
| Interest | 3,116,583 |
| Deferred VMTPS offering costs | 78,216 |
| Other assets | 1,351 |
| Total assets | \$214,227,392 |
| Liabilities | |
| Payables for | |
| Distributions on common shares | \$28,965 |
| Distributions on ARPS | 73 |
| Daily variation margin on open futures contracts | 72,500 |
| Investments purchased | 1,664,473 |
| Interest expense | 75,736 |
| Payable to affiliates | |
| Investment adviser | 19,492 |
| Transfer agent and dividend disbursing costs | 2,075 |
| Payable for independent Trustees' compensation | 11 |
| Accrued expenses and other liabilities | 104,445 |
| VMTPS, at liquidation value | 71,100,000 |
| Total liabilities | \$73,067,770 |
| ARPS, at liquidation value | \$3,900,000 |
| Net assets applicable to common shares | \$137,259,622 |
| Net assets consist of | |
| Paid-in capital - common shares | \$165,481,774 |
| Unrealized appreciation (depreciation) on investments | 16,503,138 |
| Accumulated net realized gain (loss) on investments | (45,373,568) |
| Undistributed net investment income | 648,278 |
| Net assets applicable to common shares | \$137,259,622 |
| ARPS, at liquidation value (156 shares of Series F issued and outstanding at \$25,000 per share) | \$3,900,000 |
| VMTPS, at liquidation value (2,844 shares of Series 2016/9 issued and outstanding at \$25,000 per share) | 71,100,000 |
| Total preferred shares | \$75,000,000 |
| Net assets including preferred shares | \$212,259,622 |
| Common shares of beneficial interest issued and outstanding | 28,299,692 |
| Net asset value per common share (net assets of \$137,259,622 / 28,299,692 shares of beneficial interest outstanding) | \$4.85 |

See Notes to Financial Statements

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

Year ended 11/30/14

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

| | |
|---|---------------|
| Net investment income | |
| Income | |
| Interest | \$11,019,834 |
| Dividends from underlying affiliated funds | 2,777 |
| Total investment income | \$11,022,611 |
| Expenses | |
| Management fee | \$1,350,410 |
| Transfer agent and dividend disbursing costs | 30,499 |
| Administrative services fee | 38,135 |
| Independent Trustees' compensation | 22,109 |
| Stock exchange fee | 25,128 |
| ARPS service fee | 5,816 |
| Custodian fee | 20,109 |
| Shareholder communications | 30,493 |
| Audit and tax fees | 82,732 |
| Legal fees | 6,826 |
| Amortization of VMTPS offering costs | 43,855 |
| Interest expense | 931,552 |
| Miscellaneous | 85,151 |
| Total expenses | \$2,672,815 |
| Fees paid indirectly | (9) |
| Reduction of expenses by investment adviser | (229) |
| Net expenses | \$2,672,577 |
| Net investment income | \$8,350,034 |
| Realized and unrealized gain (loss) on investments | |
| Realized gain (loss) (identified cost basis) | |
| Investments | \$(266,058) |
| Futures contracts | (1,092,112) |
| Net realized gain (loss) on investments | \$(1,358,170) |
| Change in unrealized appreciation (depreciation) | |
| Investments | \$12,750,961 |
| Futures contracts | (283,857) |
| Net unrealized gain (loss) on investments | \$12,467,104 |
| Net realized and unrealized gain (loss) on investments | \$11,108,934 |
| Distributions declared to shareholders of ARPS | \$(4,154) |
| Change in net assets from operations | \$19,454,814 |
| 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 | |
|---|--------------------------|----------------|
| | 2014 | 2013 |
| Change in net assets | | |
| From operations | | |
| Net investment income | \$8,350,034 | \$8,516,860 |
| Net realized gain (loss) on investments | (1,358,170) | 78,954 |
| Net unrealized gain (loss) on investments | 12,467,104 | (16,905,361) |
| Distributions declared to shareholders of ARPS | (4,154) | (6,790) |
| Change in net assets from operations | \$19,454,814 | \$(8,316,337) |
| Distributions declared to common shareholders | | |
| From net investment income | \$(8,263,175) | \$(8,145,263) |
| Share transactions applicable to common and preferred shares | | |
| Net asset value of shares issued to common shareholders in reinvestment of distributions | \$30,405 | \$183,809 |
| Total change in net assets | \$11,222,044 | \$(16,277,791) |
| Net assets applicable to common shares | | |
| At beginning of period | 126,037,578 | 142,315,369 |
| At end of period (including undistributed net investment income of \$648,278 and \$734,925, respectively) | \$137,259,622 | \$126,037,578 |
| See Notes to Financial Statements | | |

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

Year ended 11/30/14

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

| | |
|--|---------------|
| Cash flows from operating activities: | |
| Change in net assets from operations | \$19,454,814 |
| Distributions to shareholders of ARPS | 4,154 |
| Change in net assets from operations excluding distributions declared to shareholders of ARPS | \$19,458,968 |
| Adjustments to reconcile change in net assets from operations to net cash provided by operating activities: | |
| Purchase of investment securities | (25,911,603) |
| Proceeds from disposition of investment securities | 24,479,658 |
| Payments for futures contracts | (1,092,112) |
| Proceeds from disposition of short-term investments, net | 3,027,459 |
| Realized gain/loss on investments | 266,058 |
| Realized gain/loss on futures contracts | 1,092,112 |
| Unrealized appreciation/depreciation on investments | (12,750,961) |
| Net amortization/accretion of income | (533,490) |
| Amortization of VMTPS offering costs | 43,855 |
| Increase in interest receivable | (5,516) |
| Increase in accrued expenses and other liabilities | 6,553 |
| Decrease in receivable for daily variation margin on open futures contracts | 20,563 |
| Increase in payable for daily variation margin on open futures contracts | 72,500 |
| Decrease in deposits with brokers | 63,800 |
| Decrease in other assets | 648 |
| Decrease in payable for interest expense | (1,024) |
| Net cash provided by operating activities | \$8,237,468 |
| Cash flows from financing activities: | |
| Cash distributions paid on common shares | (8,234,937) |
| Cash distributions paid on ARPS | (4,144) |
| Net cash used by financing activities | \$(8,239,081) |
| Net decrease in cash | \$(1,613) |
| Cash: | |
| Beginning of period | \$2,400 |
| End of period | \$787 |
| Supplemental disclosure of cash flow information: | |

Non-cash financing activities not included herein consist of reinvestment of dividends and distributions of \$30,405.

Cash paid during the year ended November 30, 2014 for interest was \$932,576.

See Notes to Financial Statements

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

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

| Common Shares | Years ended 11/30 | | | | |
|---|--------------------------|-------------|-------------|-------------|-------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Net asset value, beginning of period | \$4.45 | \$5.04 | \$4.25 | \$4.25 | \$4.18 |
| Income (loss) from investment operations | | | | | |
| Net investment income (d) | \$0.30 | \$0.30 | \$0.32 | \$0.35 | \$0.37 |
| Net realized and unrealized gain (loss) on investments | 0.39 | (0.60) | 0.68 | 0.02 | 0.06 |
| Distributions declared to shareholders of ARPS | (0.00)(w) | (0.00)(w) | (0.01) | (0.01) | (0.01) |
| Total from investment operations | \$0.69 | \$(0.30) | \$0.99 | \$0.36 | \$0.42 |
| Less distributions declared to common shareholders | | | | | |
| From net investment income | \$(0.29) | \$(0.29) | \$(0.33) | \$(0.36) | \$(0.35) |
| Net increase resulting from tender and repurchase of ARPS | \$ | \$ | \$0.13 | \$ | \$ |
| Net asset value, end of period (x) | \$4.85 | \$4.45 | \$5.04 | \$4.25 | \$4.25 |
| Market value, end of period | \$4.41 | \$4.06 | \$5.25 | \$4.57 | \$4.45 |
| Total return at market value (%) (p) | 16.03 | (17.59) | 23.01 | 11.82 | 13.69 |
| Total return at net asset value (%) (j)(r)(s)(x) | 16.42 | (5.91) | 26.98(y) | 8.88 | 10.14 |
| Ratios (%) (to average net assets applicable to common shares) and Supplemental data: | | | | | |
| Expenses before expense reductions (f)(p) | 2.01 | 2.02 | 1.61 | 1.43 | 1.41 |
| Expenses after expense reductions (f)(p) | 2.01 | 2.02 | 1.61 | 1.43 | 1.40 |
| Net investment income (p) | 6.29 | 6.35 | 6.89 | 8.49 | 8.57 |
| Portfolio turnover | 12 | 18 | 15 | 21 | 11 |
| Net assets at end of period (000 omitted) | \$137,260 | \$126,038 | \$142,315 | \$119,846 | \$119,373 |
| Supplemental Ratios (%): | | | | | |
| Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p) | 1.31 | 1.30 | 1.32 | N/A | N/A |
| Ratio of expenses to average net assets applicable to common shares, ARPS, and VMTPS after expense reductions and excluding interest expense and fees (f)(l)(p) | 0.84 | 0.84 | 0.84 | 0.87 | 0.87 |
| Net investment income available to common shares | 6.28 | 6.34 | 6.78 | 8.29 | 8.32 |

Table of Contents*Financial Highlights continued*

| | Years ended 11/30 | | | | |
|--|-------------------|----------|----------|----------|----------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Senior Securities: | | | | | |
| ARPS | 156 | 156 | 156 | 3,000 | 3,000 |
| VMTPS | 2,844 | 2,844 | 2,844 | | |
| Total preferred shares outstanding | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Asset coverage per preferred share (k) | \$70,753 | \$67,013 | \$72,438 | \$64,949 | \$64,791 |
| Involuntary liquidation preference per preferred share (m) | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Average market value per preferred share (m)(u) | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |

- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including liquidation preference of ARPS and VMTPS) from the fund's total assets and dividing this number by the total number of preferred shares outstanding.
- (l) Interest expense and fees relate to payments made to the holders of the floating rate certificates from trust assets and interest expense paid to shareholders of VMTPS. For the year ended November 30, 2012, the expense ratio also excludes fees and expenses related to the tender and repurchase of a portion of the fund's ARPS.
- (m) Amount excludes accrued unpaid distributions on ARPS and accrued interest on VMTPS.
- (p) Ratio excludes dividend payment on ARPS.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (u) Average market value represents the approximate fair value of each of the fund's ARPS and VMTPS.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values per share and total returns at net asset value per share have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.
- (y) Included in the total return at net asset value for the year ended November 30, 2012 is the impact of the tender and repurchase by the fund of a portion of its ARPS at 95% of the ARPS per share liquidation preference. Had this transaction not occurred, the total return at net asset value for the year ended November 30, 2012 would have been lower by 2.52%.

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(1) Business and Organization

MFS High Yield 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 diversified closed-end management investment company.

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

(2) Significant Accounting Policies

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

In June 2014, FASB issued Accounting Standards Update 2014-11, Transfers and Servicing (Topic 860) – Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures (ASU 2014-11). ASU 2014-11 changes the accounting for repurchase-to-maturity transactions (i.e., repurchase agreements that settle at the same time as the maturity of the transferred financial asset) and enhances the required disclosures for repurchase agreements and other similar transactions. Although still evaluating the potential impacts of ASU 2014-11 to the fund, management expects

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Notes to Financial Statements continued

that the impact of the fund's adoption will be limited to additional financial statement disclosures which would first be effective for interim reporting periods beginning after March 15, 2015.

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

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

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

Table of Contents*Notes to Financial Statements continued*

in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts. The following is a summary of the levels used as of November 30, 2014 in valuing the fund's assets or liabilities:

| Investments at Value | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|--------------------|----------------------|----------------|----------------------|
| Municipal Bonds | \$ | \$208,108,580 | \$ | \$208,108,580 |
| Mutual Funds | 1,838,375 | | | 1,838,375 |
| Total Investments | \$1,838,375 | \$208,108,580 | \$ | \$209,946,955 |
| Other Financial Instruments | | | | |
| Futures Contracts | \$(215,298) | \$ | \$ | \$(215,298) |

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

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

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

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Notes to Financial Statements continued

The following table presents, by major type of derivative contract, the fair value, on a gross basis, of the asset and liability components of derivatives held by the fund at November 30, 2014 as reported in the Statement of Assets and Liabilities:

| Risk | Derivative Contracts | Fair Value (a) Liability Derivatives |
|---------------|-----------------------------|---|
| Interest Rate | Interest Rate Futures | \$(215,298) |

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

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended November 30, 2014 as reported in the Statement of Operations:

| Risk | Futures Contracts |
|---------------|--------------------------|
| Interest Rate | \$(1,092,112) |

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the year ended November 30, 2014 as reported in the Statement of Operations:

| Risk | Futures Contracts |
|---------------|--------------------------|
| Interest Rate | \$(283,857) |

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

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the broker or clearing house for cleared derivatives (i.e., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, uncleared swap agreements, and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to

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Notes to Financial Statements continued

cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

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

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

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

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

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

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

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Notes to Financial Statements continued

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

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

Fees Paid Indirectly The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the year ended November 30, 2014, is shown as a reduction of total expenses in 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's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

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

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

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Notes to Financial Statements continued

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

| | 11/30/14 | 11/30/13 |
|--|--------------------|--------------------|
| Ordinary income (including any short-term capital gains) | \$102,738 | \$54,999 |
| Tax-exempt income | 9,096,143 | 9,056,396 |
| Total distributions | \$9,198,881 | \$9,111,395 |

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

| As of 11/30/14 | |
|--|---------------|
| Cost of investments | \$192,129,196 |
| Gross appreciation | 19,800,725 |
| Gross depreciation | (1,982,966) |
| Net unrealized appreciation (depreciation) | \$17,817,759 |
| Undistributed ordinary income | 16,424 |
| Undistributed tax-exempt income | 1,192,198 |
| Capital loss carryforwards | (46,363,342) |
| Post-October capital loss deferral | (324,847) |
| Other temporary differences | (560,344) |

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

As of November 30, 2014, the fund had capital loss carryforwards available to offset future realized gains as follows:

| | |
|--|-----------------------|
| Pre-enactment losses which expire as follows: | |
| 11/30/15 | \$(11,048,097) |
| 11/30/16 | (11,728,477) |
| 11/30/17 | (10,848,523) |
| 11/30/18 | (3,454,980) |
| 11/30/19 | (4,608,836) |
| Total | \$(41,688,913) |
| Post-enactment losses which are characterized as follows: | |
| Short-Term | \$(1,186,962) |
| Long-Term | (3,487,467) |
| Total | \$(4,674,429) |

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Notes to Financial Statements continued

(3) Transactions with Affiliates

Investment Adviser The fund has an investment advisory agreement with MFS to provide overall investment management and related administrative services and facilities to the fund. The management fee is computed daily and paid monthly at an annual rate of 0.65% of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term 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 auction rate preferred shares service fees, such that total fund operating expenses do not exceed 0.87% annually of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term 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, 2015. For the year ended November 30, 2014, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

Transfer Agent The fund engages Computershare Trust Company, N.A. (Computershare) as the sole transfer agent for the fund's common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the year ended November 30, 2014, these fees paid to MFSC amounted to \$8,119.

Administrator MFS provides certain financial, legal, shareholder communications, compliance, and other administrative services to the fund. Under an administrative services agreement, the fund partially reimburses MFS the costs incurred to provide these services. The fund is charged an annual fixed amount of \$17,500 plus a fee based on average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares). The administrative services fee incurred for the year ended November 30, 2014 was equivalent to an annual effective rate of 0.0183% of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares).

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

Other Effective November 1, 2014, this fund and certain other funds managed by MFS (the funds) have entered into a service agreement (the ISO Agreement) which provides for payment of fees solely by the funds to Tarantino LLC in return for the provision of services of an Independent Senior Officer (ISO) for the funds. Frank L. Tarantino serves as the ISO and is an officer of the funds and the sole member of Tarantino LLC. The funds can terminate the ISO Agreement with Tarantino LLC at any time under the terms of the ISO Agreement. Prior to November 1, 2014, the funds

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Notes to Financial Statements continued

had entered into services agreements (the ICCO Agreements) which provided 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. Prior to November 1, 2014, Frank L. Tarantino served as the ICCO. Effective October 31, 2014, Mr. Tarantino resigned as ICCO and the ICCO Agreement between the funds and Tarantino LLC was terminated. Prior to June 1, 2014, Robyn L. Griffin served as the Assistant ICCO and was an officer of the funds. Ms. Griffin is the sole member of Griffin Compliance LLC. Effective May 31, 2014, Ms. Griffin resigned as Assistant ICCO and the ICCO Agreement between the funds and Griffin Compliance LLC was terminated. For the year ended November 30, 2014, the aggregate fees paid by the fund under these agreements were \$611 and are included in Miscellaneous expense in the Statement of Operations. MFS had agreed to reimburse the fund for a portion of the payments made by the fund for the services under the ICCO Agreements in the amount of \$229, which is included in the 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, Assistant ICCO, and ISO.

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

(4) Portfolio Securities

For the year ended November 30, 2014, purchases and sales of investments, other than short-term obligations, aggregated \$26,897,446 and \$27,774,071, respectively.

(5) Shares of Beneficial Interest

The fund's Declaration of Trust permits the Trustees to issue an unlimited number of full and fractional shares of beneficial interest. The fund reserves the right to repurchase shares of beneficial interest of the fund subject to Trustee approval. During the years ended November 30, 2014 and November 30, 2013, the fund did not repurchase any shares. Other transactions in fund shares were as follows:

| | Year ended 11/30/14 | | Year ended 11/30/13 | |
|--|------------------------|----------|------------------------|-----------|
| | Shares | Amount | Shares | Amount |
| Shares issued to shareholders in reinvestment of distributions | 6,697 | \$30,405 | 37,021 | \$183,809 |

(6) Line of Credit

The fund and certain other funds managed by MFS participate in a \$1.1 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Federal Reserve funds rate or one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds

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managed by MFS have established unsecured uncommitted borrowing arrangements with certain banks for temporary financing needs. Interest is charged to each fund, based on its borrowings, at a rate equal to the Federal Reserve funds rate plus an agreed upon spread. For the year ended November 30, 2014, the fund's commitment fee and interest expense were \$478 and \$0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

(7) Transactions in Underlying Affiliated Funds-Affiliated Issuers

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

| Underlying Affiliated Fund | Beginning Shares/Par Amount | Acquisitions Shares/Par Amount | Dispositions Shares/Par Amount | Ending Shares/Par Amount |
|---|--|---|---|---|
| MFS Institutional Money Market Portfolio | 4,865,834 | 30,527,023 | (33,554,482) | 1,838,375 |

| Underlying Affiliated Fund | Realized Gain (Loss) | Capital Gain Distributions | Dividend Income | Ending Value |
|---|---------------------------------|---------------------------------------|----------------------------|-------------------------|
| MFS Institutional Money Market Portfolio | \$ | \$ | \$2,777 | \$1,838,375 |

(8) Preferred Shares

The fund has 156 shares issued and outstanding of Auction Rate Preferred Shares (ARPS), series F. Dividends are cumulative at a rate that is reset every seven days for the series through an auction process. If the ARPS 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 ARPS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on ARPS rated aa3/AA- or better is equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate.

Since February 2008, regularly scheduled auctions for ARPS issued by closed end funds, including this fund, have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the previously defined maximum rate. During the year ended November 30, 2014, the ARPS dividend rates ranged from 0.07% to 0.23% for series F. For the year ended November 30, 2014, the average dividend rate was 0.11% for series F. These developments with respect to ARPS 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.

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Notes to Financial Statements continued

The fund pays an annual service fee to broker-dealers with customers who are beneficial owners of the ARPS. The service fee is equivalent to 0.25% of the applicable ARPS liquidation value while the ARPS auctions are successful or to 0.15% or less, varying by broker-dealer, while the auctions are failing. The outstanding ARPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends. The ARPS are also subject to mandatory redemption if certain requirements relating to its asset maintenance coverage are not satisfied.

In addition to ARPS, the fund has 2,844 shares issued and outstanding of Variable Rate Municipal Term Preferred Shares (VMTPS), series 2016/9. The outstanding VMTPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends, but generally solely for the purpose of decreasing the leverage of the fund. The VMTPS are subject to a mandatory term redemption date of September 30, 2016 unless extended through negotiation with the private investors. There is no assurance that the term of the VMTPS will be extended or that the VMTPS will be replaced with any other preferred shares or other form of leverage upon the redemption of the VMTPS. Six months prior to the term date of the VMTPS, the fund is required to begin to segregate liquid assets with the fund's custodian to fund the redemption. Dividends on the VMTPS are cumulative and are set weekly to a fixed spread against the Securities Industry and Financial Markets Association Municipal Swap Index. During the year ended November 30, 2014, the VMTPS dividend rates ranged from 1.28% to 1.37%. For the year ended November 30, 2014, the average dividend rate was 1.30%.

In the fund's Statement of Assets and Liabilities, the VMTPS aggregate liquidation preference is shown as a liability since they have a stated mandatory redemption date. Dividends paid to VMTPS are treated as interest expense and recorded as incurred. For the year ended November 30, 2014, interest expense related to VMTPS amounted to \$931,552 and is included in Interest expense in the Statement of Operations. Costs directly related to the issuance of the VMTPS are considered debt issuance costs which have been deferred and are being amortized into expense over the life of the VMTPS. The period-end carrying value for the VMTPS in the fund's Statement of Assets and Liabilities is its liquidation value which approximates its fair value and would be considered level 2 under the fair value hierarchy.

Under the terms of a purchase agreement between the fund and the investor in VMTPS, there are investment-related requirements that are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies. In addition, the fund is subject to certain restrictions on its investments imposed by guidelines of the rating agencies that rate the ARPS and the VMTPS, which guidelines may be changed by the applicable rating agency, in its sole discretion, from time to time. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on the fund by the Investment Company Act of 1940 (the 1940 Act). Such restrictions may limit the investment flexibility that might otherwise be pursued by the fund if the VMTPS were not outstanding.

The fund is required to maintain certain asset coverage with respect to the ARPS and VMTPS as defined in the fund's governing documents and the 1940 Act and, as such,

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Notes to Financial Statements continued

is not permitted to declare common share dividends unless the fund's ARPS and VMTPS have a minimum asset coverage ratio of 200% after declaration of the common share dividends. With respect to the payment of dividends and as to the distribution of assets of the fund, ARPS and VMTPS rank on parity with each other, and are both senior in priority to the fund's outstanding common shares. To the extent that investments are purchased by the fund with proceeds from the issuance of preferred shares, including ARPS and VMTPS, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. Changes in the value of the fund's portfolio will be borne entirely by the common shareholders. It is possible that the fund will be required to sell assets at a time when it may be disadvantageous to do so in order to redeem preferred shares to comply with asset coverage or other restrictions including those imposed by the rating agencies that rate the preferred shares. There is no assurance that the fund's leveraging strategy will be successful.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS High Yield Municipal Trust (the Fund), as of November 30, 2014, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. 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, 2014, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others 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 Yield Municipal Trust at November 30, 2014, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts

January 15, 2015

Table of Contents**RESULTS OF SHAREHOLDER MEETING**

(unaudited)

At the annual meeting of shareholders of MFS High Yield Municipal Trust, which was held on October 2, 2014, the following actions were taken:

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

| Nominee | Number of Shares | |
|------------------|------------------|--------------------|
| | For | Withheld Authority |
| Steven E. Buller | 23,425,306.356 | 975,235.638 |
| William R. Gutow | 23,407,139.356 | 993,402.638 |
| Michael Hegarty | 23,406,740.356 | 993,801.638 |
| Robert W. Uek | 23,361,633.919 | 1,038,908.075 |

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

| Nominee | Number of Shares | |
|-------------------|------------------|--------------------|
| | For | Withheld Authority |
| John P. Kavanaugh | 2,977 | 0 |
| Laurie J. Thomsen | 2,977 | 0 |

Table of Contents**TRUSTEES AND OFFICERS IDENTIFICATION AND BACKGROUND**

The Trustees and Officers of the Trust, as of January 1, 2015, are listed below, together with their principal occupations during the past five years. (Their titles may have varied during that period.) The address of each Trustee and Officer is 111 Huntington Avenue, Boston, Massachusetts 02199-7618.

| Name, Age | Position(s) | | Term | Principal Occupations During the Past Five Years | Other |
|--|-------------------------------|--------------------------------------|------|--|--|
| | Held with Fund | Trustee/Officer Since ^(h) | | | |
| INTERESTED TRUSTEES | | | | | |
| Robert J. Manning ^(k) (age 51) | Trustee | February 2004 | 2016 | Massachusetts Financial Services Company, Chairman, Co-Chief Executive Officer and Director; President (until 2009); Chief Investment Officer (until 2010) | N/A |
| Robin A. Stelmach ^(k) (age 53) | Trustee and President | January 2014 | 2015 | Massachusetts Financial Services Company, Executive Vice President and Chief Operating Officer | N/A |
| INDEPENDENT TRUSTEES | | | | | |
| David H. Gunning (age 72) | Trustee and Chair of Trustees | January 2004 | 2015 | Private investor | Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/Non-Executive Chairman |

Table of Contents*Trustees and Officers continued*

| Name, Age | Position(s) | | Term | Principal Occupations During the Past Five Years | Other Directorships ⁽ⁱ⁾ |
|-------------------------------------|----------------|--------------------------------------|------|--|---|
| | Held with Fund | Trustee/Officer Since ^(h) | | | |
| Steven E. Buller (age 63) | Trustee | February 2014 | 2014 | Chairman, Financial Accounting Standards Advisory Council; Standing Advisory Group, Public Company Accounting Oversight Board, Member (until 2014); BlackRock, Inc. (investment management), Managing Director (until 2014), BlackRock Finco UK (investment management), Director (until 2014) | N/A |
| Robert E. Butler (age 73) | Trustee | January 2006 | 2015 | Consultant investment company industry regulatory and compliance matters | N/A |
| Maureen R. Goldfarb (age 59) | Trustee | January 2009 | 2016 | Private investor | N/A |
| William R. Gutow (age 73) | Trustee | December 1993 | 2014 | Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman | Texas Donuts (donut franchise), Vice Chairman (until 2010) |
| Michael Hegarty (age 70) | Trustee | December 2004 | 2014 | Private investor | Brookfield Office Properties, Inc. (real estate), Director; Rouse Properties Inc. (real estate), Director; Capmark Financial Group Inc. (real estate), Director |
| John P. Kavanaugh (age 60) | Trustee | January 2009 | 2014 | Private investor | N/A |

Table of Contents*Trustees and Officers continued*

| Name, Age | Position(s) | | Term | Principal Occupations During the Past Five Years | Other |
|--|---|--------------------------------------|------|--|---|
| | Held with Fund | Trustee/Officer Since ^(h) | | | |
| Maryanne L. Roepke (age 58) | Trustee | May 2014 | 2016 | American Century Investments (investment management), Senior Vice President and Chief Compliance Officer (until 2014) | N/A |
| Laurie J. Thomsen (age 57) | Trustee | March 2005 | 2014 | Private investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010) | The Travelers Companies (insurance), Director |
| Robert W. Uek (age 73) | Trustee | January 2006 | 2014 | Consultant to investment company industry | N/A |
| OFFICERS | | | | | |
| Christopher R. Bohane ^(k) (age 40) | Assistant Secretary and Assistant Clerk | July 2005 | N/A | Massachusetts Financial Services Company, Vice President and Assistant General Counsel | N/A |
| Kino Clark ^(k) (age 46) | Assistant Treasurer | January 2012 | N/A | Massachusetts Financial Services Company, | N/A |
| Thomas H. Connors ^(k) (age 55) | Assistant Secretary and Assistant Clerk | September 2012 | N/A | Vice President Massachusetts Financial Services Company, Vice President and Senior Counsel; Deutsche Investment Management Americas Inc. (financial service provider), Director and Senior Counsel (until 2012) | N/A |
| Ethan D. Corey ^(k) (age 51) | Assistant Secretary and Assistant Clerk | July 2005 | N/A | Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel | N/A |

Table of Contents*Trustees and Officers continued*

| Name, Age | Position(s) | | | Principal Occupations During the Past Five Years | Other Directorships ⁽ⁱ⁾ |
|--|---|--------------------------------------|---------------|---|------------------------------------|
| | Held with Fund | Trustee/Officer Since ^(h) | Term Expiring | | |
| David L. DiLorenzo ^(k) (age 46) | Treasurer | July 2005 | N/A | Massachusetts Financial Services Company, Senior Vice President | N/A |
| Timothy M. Fagan ^(k) (age 46) | Chief Compliance Officer | November 2014 | N/A | Massachusetts Financial Services Company, Chief Compliance Officer; Vice President and Senior Counsel (until 2012) | N/A |
| Brian E. Langenfeld ^(k) (age 41) | Assistant Secretary and Assistant Clerk | June 2006 | N/A | Massachusetts Financial Services Company, Vice President and Senior Counsel | N/A |
| Susan S. Newton ^(k) (age 64) | Assistant Secretary and Assistant Clerk | May 2005 | N/A | Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel | N/A |
| Susan A. Pereira ^(k) (age 44) | Assistant Secretary and Assistant Clerk | July 2005 | N/A | Massachusetts Financial Services Company, Vice President and Senior Counsel | N/A |
| Kasey L. Phillips ^(k) (age 44) | Assistant Treasurer | September 2012 | N/A | Massachusetts Financial Services Company, Vice President; Wells Fargo Funds Management, LLC, Senior Vice President, Fund Treasurer (until 2012) | N/A |
| Mark N. Polebaum ^(k) (age 62) | Secretary and Clerk | January 2006 | N/A | Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary | N/A |
| Matthew A. Stowe ^(k) (age 40) | Assistant Secretary and Assistant Clerk | October 2014 | N/A | Massachusetts Financial Services Company, Vice President and Senior Counsel | N/A |

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Trustees and Officers continued

| Name, Age | Position(s) | | | Principal Occupations During the Past Five Years | Other Directorships ⁽ⁱ⁾ |
|---|---|--------------------------------------|---------------|---|------------------------------------|
| | Held with Fund | Trustee/Officer Since ^(h) | Term Expiring | | |
| Frank L. Tarantino (age 70) | Independent Senior Officer | June 2004 | N/A | Tarantino LLC (provider of compliance services), Principal | N/A |
| Richard S. Weitzel ^(k) (age 44) | Assistant Secretary and Assistant Clerk | October 2007 | N/A | Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel | N/A |
| James O. Yost ^(k) (age 54) | Deputy Treasurer | September 1990 | N/A | Massachusetts Financial Services Company, Senior Vice President | N/A |

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

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

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

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

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

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of January 1, 2015, the Trustees served as board members of 135 funds within the MFS Family of Funds.

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Trustees and Officers continued

Investment Adviser

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

Portfolio Managers

Gary Lasman
Geoffrey Schechter

Custodian

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

Independent Registered Public Accounting Firm

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, 2014 (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 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, 2013 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 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, and compared to MFS institutional business, (vi) MFS views regarding the outlook for the mutual fund industry and the strategic business plans of MFS, (vii) descriptions of various functions performed by MFS for the Funds, such as compliance monitoring and portfolio trading practices, and (viii) information regarding the overall organization of MFS, including information about MFS senior management and other personnel providing investment

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Board Review of Investment Advisory Agreement continued

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, 2013, 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 2nd out of a total of 10 funds in the Lipper performance universe for this three-year period (a ranking of first place out of the total number of funds in the performance universe indicating the best performer and a ranking of last place out of the total number of funds in the performance universe indicating the worst performer). The total return performance of the Fund's common shares ranked 4th out of a total of 10 funds for the one-year period and 2nd out of a total of 10 funds for the five-year period ended December 31, 2013. Given the size of the Lipper performance universe and information previously provided by MFS regarding differences between the Fund and other funds in its Lipper performance universe, the Trustees also reviewed the Fund's performance in comparison to the Barclays Municipal Bond Index. The Fund under-performed the Barclays Municipal Bond Index for the one-year period (4.7% total return for the Fund versus 2.6% total return for the benchmark) and out-performed the Barclays Municipal Bond Index for each of the three- and five-year periods ended December 31, 2013 (three-year: 10.0% total return for the Fund versus 4.8% total return for the benchmark; five-year: 16.5% total return for the Fund versus 5.9% total return for the benchmark). Because of the passage of time, these performance results may differ from the performance results for more recent periods, including those shown elsewhere in this report.

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

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Board Review of Investment Advisory Agreement continued

related factors, the Trustees concluded, within the context of their overall conclusions regarding the investment advisory agreement, that they were satisfied with MFS' responses and efforts relating to investment performance.

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

The Trustees also considered the advisory fees charged by MFS to any comparable institutional accounts. In comparing these fees, the Trustees considered information provided by MFS as to the generally broader scope of services provided by MFS to the Fund 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, such as through a material increase in the market value of the Fund's portfolio securities.

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

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

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

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Board Review of Investment Advisory Agreement continued

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

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

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Board of Trustees, including the independent Trustees, concluded that the Fund's investment advisory agreement with MFS should be continued for an additional one-year period, commencing August 1, 2014.

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PROXY VOTING POLICIES AND INFORMATION

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting 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. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund's Form N-Q is also available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

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

FURTHER INFORMATION

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

FEDERAL TAX INFORMATION (unaudited)

The fund will notify shareholders of amounts for use in preparing 2014 income tax forms in January 2015. 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, 98.88% is designated as exempt interest dividends for federal income tax purposes. If the fund has earned income on private activity bonds, a portion of the dividends paid may be considered a tax preference item for purposes of computing a shareholder's alternative minimum tax.

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FACTS

WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?

Why?

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

What?

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

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

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

How?

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

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

For nonaffiliates to market to you

No

We don't share

Questions?

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

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Who we are

Who is providing this notice?

MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., MFS Fund Distributors, Inc., MFS Heritage Trust Company, and MFS Service Center, Inc.

What we do

How does MFS protect my personal information?

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

How does MFS collect my personal information?

We collect your personal information, for example, when you

open an account or provide account information

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

make a wire transfer

Why can't I limit all sharing?

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

Federal law gives you the right to limit only

sharing for affiliates everyday business purposes information about your creditworthiness

affiliates from using your information to market to you

sharing for nonaffiliates to market to you

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

Definitions

Affiliates

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

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

Nonaffiliates

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

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

Joint Marketing

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

MFS doesn't jointly market.

Other important information

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

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CONTACT US

TRANSFER AGENT, REGISTRAR, AND

DIVIDEND DISBURSING AGENT

CALL

1-800-637-2304

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

WRITE

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **CMU**

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ITEM 2. CODE OF ETHICS.

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

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

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Messrs. Robert E. Butler, John P. Kavanaugh and Robert W. Uek and Mses. Maryanne L. Roepke and 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, Kavanaugh and Uek, and Mses. Roepke and 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):

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

For the fiscal years ended November 30, 2014 and 2013, audit fees billed to the Fund by E&Y were as follows:

| | Audit Fees | |
|--------------------------------|-------------------|-------------|
| | 2014 | 2013 |
| Fees billed by E&Y: | | |
| MFS High Yield Municipal Trust | 55,730 | 55,079 |

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For the fiscal years ended November 30, 2014 and 2013, fees 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 | |
|-----------------------------------|---------------------------------|--------|-----------------------|-------|-----------------------------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Fees billed by E&Y: | | | | | | |
| To MFS High Yield Municipal Trust | 10,843 | 10,714 | 9,787 | 9,670 | 0 | 0 |

| | Audit-Related Fees ¹ | | Tax Fees ² | | All Other Fees ³ | |
|---|---------------------------------|------|-----------------------|------|-----------------------------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Fees billed by E&Y: | | | | | | |
| To MFS and MFS Related Entities of MFS High Yield Municipal Trust * | 0 | 0 | 0 | 0 | 0 | 0 |

Aggregate Fees for Non-audit

| | Services | |
|--|----------|--------|
| | 2014 | 2013 |
| Fees Billed by E&Y: | | |
| To MFS High Yield Municipal Trust, MFS and MFS Related Entities [#] | 95,630 | 78,384 |

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

This amount reflects the aggregate fees billed by E&Y for non-audit services rendered to the Fund and for non-audit services rendered to MFS and the MFS Related Entities.

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

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

³ The fees under **All Other Fees** are fees for products and services provided by E&Y other than those reported under **Audit Fees**, **Audit-Related Fees** and **Tax Fees**.

Item 4(e)(1):

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

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

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

Item 4(e)(2):

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

Item 4(f): Not applicable.

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

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

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

ITEM 6. SCHEDULE OF INVESTMENTS

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

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

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PROXY VOTING POLICIES AND PROCEDURES

February 1, 2014

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

The MFS Proxy Voting Policies and Procedures include:

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

A. VOTING GUIDELINES

1. General Policy; Potential Conflicts of Interest

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

MFS reviews corporate governance issues and proxy voting matters that are presented for shareholder vote by either management or shareholders of public companies. Based on the overall principle that all votes cast by MFS on behalf of its clients must be in what MFS believes to be the best long-term economic interests of such clients, MFS has adopted proxy voting guidelines, set forth below, that govern how MFS generally will vote on specific matters presented for shareholder vote.

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

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

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

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

2. MFS Policy on Specific Issues

Election of Directors

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

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

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

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

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

Majority Voting and Director Elections

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

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Classified Boards

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

Proxy Access

MFS believes that the ability of qualifying shareholders to nominate a certain number of directors on the company's proxy statement (Proxy Access) may have corporate governance benefits. However, such potential benefits must be balanced by its potential misuse by shareholders. Therefore, we support Proxy Access proposals at U.S. issuers that establish an ownership criteria of 3% of the company held continuously for a period of 3 years. MFS analyzes all other proposals seeking Proxy Access on a case-by-case basis. In its analysis, MFS will consider the proposed ownership criteria for qualifying shareholders (such as ownership threshold and holding period) as well as the proponent's rationale for seeking Proxy Access.

Stock Plans

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

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

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

Shareholder Proposals on Executive Compensation

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

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

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Advisory Votes on Executive Compensation

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

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

Golden Parachutes

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

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

Anti-Takeover Measures

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

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

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

Reincorporation and Reorganization Proposals

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

Issuance of Stock

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

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Repurchase Programs

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

Cumulative Voting

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

Written Consent and Special Meetings

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

Independent Auditors

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

Other Business

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

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Adjourn Shareholder Meeting

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

Environmental, Social and Governance (ESG) Issues

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

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

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

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

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

Foreign Issuers

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

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

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

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

In accordance with local law or business practices, some foreign companies or custodians prevent the sales of shares that have been voted for a certain period beginning prior to the shareholder meeting and ending on the day following the meeting (share blocking). Depending on the country in which a company is domiciled, the blocking period may begin a stated number of days prior or subsequent to the meeting (e.g. one, three or five days) or on a date established by the company. While practices vary, in many countries the block period can be continued for a longer period if the shareholder meeting is adjourned and postponed to a later date. Similarly, practices vary widely as to the ability of a shareholder to have the block restriction lifted early (e.g. in some countries shares generally can be unblocked up to two days prior to the meeting whereas in other countries the removal of the block appears to be discretionary with the issuer's transfer agent). Due to these restrictions, MFS must balance the benefits to its clients of voting proxies against the potentially serious portfolio management consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. For companies in countries with share blocking periods or in markets where some custodians may block shares, the disadvantage of being unable to sell the stock regardless of changing conditions generally outweighs the advantages of voting at the shareholder meeting for routine items. Accordingly, MFS will not vote those proxies in the absence of an unusual, significant vote that outweighs the disadvantage of being unable to sell the stock.

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

B. ADMINISTRATIVE PROCEDURES

1. MFS Proxy Voting Committee

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

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

2. Potential Conflicts of Interest

The MFS Proxy Voting Committee is responsible for monitoring potential material conflicts of interest on the part of MFS or its subsidiaries that could arise in connection with the voting of proxies on behalf of MFS clients. Due to the client focus of our investment management business, we believe that the potential for actual material conflict of interest issues is small. Nonetheless, we have developed precautions to assure that all proxy votes are cast in the best long-term economic interest of shareholders.¹ Other MFS internal policies require all MFS employees to avoid actual and potential conflicts of interests between personal activities and

¹ For clarification purposes, note that MFS votes in what we believe to be the best, long-term economic interest of our clients entitled to vote at the shareholder meeting, regardless of whether other MFS clients hold short positions in the same issuer.

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MFS client activities. If an employee (including investment professionals) identifies an actual or potential conflict of interest with respect to any voting decision (including the ownership of securities in their individual portfolio), then that employee must recuse himself/herself from participating in the voting process. Any significant attempt by an employee of MFS or its subsidiaries to unduly influence MFS voting on a particular proxy matter should also be reported to the MFS Proxy Voting Committee.

In cases where proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures, no material conflict of interest will be deemed to exist. In cases where (i) MFS is considering overriding these MFS Proxy Voting Policies and Procedures, (ii) matters presented for vote are not governed by these MFS Proxy Voting Policies and Procedures, (iii) MFS evaluates a potentially excessive executive compensation issue in relation to the election of directors or advisory pay or severance package vote, (iv) a vote recommendation is requested from an MFS portfolio manager or investment analyst (e.g. mergers and acquisitions); or (v) MFS evaluates a director nominee who also serves as a director of the MFS Funds (collectively, Non-Standard Votes); the MFS Proxy Voting Committee will follow these procedures:

- a. Compare the name of the issuer of such proxy against a list of significant current (i) distributors of MFS Fund shares, and (ii) MFS institutional clients (the MFS Significant Distributor and Client List);
- b. If the name of the issuer does not appear on the MFS Significant Distributor and Client List, then no material conflict of interest will be deemed to exist, and the proxy will be voted as otherwise determined by the MFS Proxy Voting Committee;
- c. If the name of the issuer appears on the MFS Significant Distributor and Client List, then the MFS Proxy Voting Committee will be apprised of that fact and each member of the MFS Proxy Voting Committee will carefully evaluate the proposed vote in order to ensure that the proxy ultimately is voted in what MFS believes to be the best long-term economic interests of MFS clients, and not in MFS corporate interests; and
- d. For all potential material conflicts of interest identified under clause (c) above, the MFS Proxy Voting Committee will document: the name of the issuer, the issuer's relationship to MFS, the analysis of the matters submitted for proxy vote, the votes as to be cast and the reasons why the MFS Proxy Voting Committee determined that the votes were cast in the best long-term economic interests of MFS clients, and not in MFS corporate interests. A copy of the foregoing documentation will be provided to MFS Conflicts Officer.

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The members of the MFS Proxy Voting Committee are responsible for creating and maintaining the MFS Significant Distributor and Client List, in consultation with MFS distribution and institutional business units. The MFS Significant Distributor and Client List will be reviewed and updated periodically, as appropriate.

If an MFS client has the right to vote on a matter submitted to shareholders by Sun Life Financial, Inc. or any of its affiliates (collectively Sun Life), MFS will cast a vote on behalf of such MFS client pursuant to the recommendations of Institutional Shareholder Services, Inc. s (ISS) benchmark policy, or as required by law.

Except as described in the MFS Fund s prospectus, from time to time, certain MFS Funds (the top tier fund) may own shares of other MFS Funds (the underlying fund). If an underlying fund submits a matter to a shareholder vote, the top tier fund will generally vote its shares in the same proportion as the other shareholders of the underlying fund. If there are no other shareholders in the underlying fund, the top tier fund will vote in what MFS believes to be in the top tier fund s best long-term economic interest. If an MFS client has the right to vote on a matter submitted to shareholders by a pooled investment vehicle advised by MFS, MFS will cast a vote on behalf of such MFS client in the same proportion as the other shareholders of the pooled investment vehicle.

3. Gathering Proxies

Most proxies received by MFS and its clients originate at Broadridge Financial Solutions, Inc. (Broadridge). Broadridge and other service providers, on behalf of custodians, send proxy related material to the record holders of the shares beneficially owned by MFS clients, usually to the client s proxy voting administrator or, less commonly, to the client itself. This material will include proxy ballots reflecting the shareholdings of Funds and of clients on the record dates for such shareholder meetings, as well as proxy materials with the issuer s explanation of the items to be voted upon.

MFS, on behalf of itself and certain of its clients (including the MFS Funds) has entered into an agreement with an independent proxy administration firm pursuant to which the proxy administration firm performs various proxy vote related administrative services such as vote processing and recordkeeping functions. Except as noted below, the proxy administration firm for MFS and its clients, including the MFS Funds, is ISS. The proxy administration firm for MFS Development Funds, LLC is Glass, Lewis & Co., Inc. (Glass Lewis ; Glass Lewis and ISS are each hereinafter referred to as the Proxy Administrator).

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The Proxy Administrator receives proxy statements and proxy ballots directly or indirectly from various custodians, logs these materials into its database and matches upcoming meetings with MFS Fund and client portfolio holdings, which are input into the Proxy Administrator's system by an MFS holdings data-feed. Through the use of the Proxy Administrator system, ballots and proxy material summaries for all upcoming shareholder meetings are available on-line to certain MFS employees and members of the MFS Proxy Voting Committee.

It is the responsibility of the Proxy Administrator and MFS to monitor the receipt of ballots. When proxy ballots and materials for clients are received by the Proxy Administrator, they are input into the Proxy Administrator's on-line system. The Proxy Administrator then reconciles a list of all MFS accounts that hold shares of a company's stock and the number of shares held on the record date by these accounts with the Proxy Administrator's list of any upcoming shareholder meeting of that company. If a proxy ballot has not been received, the Proxy Administrator contacts the custodian requesting the reason as to why a ballot has not been received.

4. Analyzing Proxies

Proxies are voted in accordance with these MFS Proxy Voting Policies and Procedures. The Proxy Administrator, at the prior direction of MFS, automatically votes all proxy matters that do not require the particular exercise of discretion or judgment with respect to these MFS Proxy Voting Policies and Procedures as determined by MFS. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee considers and votes on those proxy matters. MFS also receives research and recommendations from the Proxy Administrator which it may take into account in deciding how to vote. MFS uses the research of ISS to identify (i) circumstances in which a board may have approved excessive executive compensation, (ii) environmental and social proposals that warrant further consideration or (iii) circumstances in which a non-U.S. company is not in compliance with local governance or compensation best practices. In those situations where the only MFS fund that is eligible to vote at a shareholder meeting has Glass Lewis as its Proxy Administrator, then we will utilize research from Glass Lewis to identify such issues. MFS analyzes such issues independently and does not necessarily vote with the ISS or Glass Lewis recommendations on these issues. MFS may also use other research tools in order to identify the circumstances described above. Representatives of the MFS Proxy Voting Committee review, as appropriate, votes cast to ensure conformity with these MFS Proxy Voting Policies and Procedures.

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As a general matter, portfolio managers and investment analysts have little involvement in most votes taken by MFS. This is designed to promote consistency in the application of MFS voting guidelines, to promote consistency in voting on the same or similar issues (for the same or for multiple issuers) across all client accounts, and to minimize the potential that proxy solicitors, issuers, or third parties might attempt to exert inappropriate influence on the vote. In limited types of votes (e.g. mergers and acquisitions, capitalization matters, potentially excessive executive compensation issues, or shareholder proposals relating to environmental and social issues), a representative of MFS Proxy Voting Committee may consult with or seek recommendations from MFS portfolio managers or investment analysts.² However, the MFS Proxy Voting Committee would ultimately determine the manner in which all proxies are voted.

As noted above, MFS reserves the right to override the guidelines when such an override is, in MFS best judgment, consistent with the overall principle of voting proxies in the best long-term economic interests of MFS clients. Any such override of the guidelines shall be analyzed, documented and reported in accordance with the procedures set forth in these policies.

5. Voting Proxies

In accordance with its contract with MFS, the Proxy Administrator also generates a variety of reports for the MFS Proxy Voting Committee, and makes available on-line various other types of information so that the MFS Proxy Voting Committee or proxy team may review and monitor the votes cast by the Proxy Administrator on behalf of MFS clients.

For those markets that utilize a record date to determine which shareholders are eligible to vote, MFS generally will vote all eligible shares pursuant to these guidelines regardless of whether all (or a portion of) the shares held by our clients have been sold prior to the meeting date.

6. Securities Lending

From time to time, the MFS Funds or other pooled investment vehicles sponsored by MFS may participate in a securities lending program. In the event MFS or its agent receives timely notice of a shareholder meeting for a U.S. security, MFS and its agent will attempt to recall any securities on loan before the meeting's record date so that MFS will be entitled to vote these shares. However, there may be instances in which MFS is unable to timely recall securities on loan for a U.S. security, in which cases MFS will not be able to vote these shares. MFS will report to the appropriate board of the MFS Funds those instances in which MFS is not able to timely recall the loaned securities. MFS generally does not

² From time to time, due to travel schedules and other commitments, an appropriate portfolio manager or research analyst may not be available to provide a vote recommendation. If such a recommendation cannot be obtained within a reasonable time prior to the cut-off date of the shareholder meeting, the MFS Proxy Voting Committee may determine to abstain from voting.

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recall non-U.S. securities on loan because there may be insufficient advance notice of proxy materials, record dates, or vote cut-off dates to allow MFS to timely recall the shares in certain markets on an automated basis. As a result, non-U.S. securities that are on loan will not generally be voted. If MFS receives timely notice of what MFS determines to be an unusual, significant vote for a non-U.S. security whereas MFS shares are on loan, and determines that voting is in the best long-term economic interest of shareholders, then MFS will attempt to timely recall the loaned shares.

7. Engagement

The MFS Proxy Voting Policies and Procedures are available on www.mfs.com and may be accessed by both MFS clients and the companies in which MFS clients invest. From time to time, MFS may determine that it is appropriate and beneficial for representatives from the MFS Proxy Voting Committee to engage in a dialogue or written communication with a company or other shareholders regarding certain matters on the company's proxy statement that are of concern to shareholders, including environmental, social and governance matters. A company or shareholder may also seek to engage with representatives of the MFS Proxy Voting Committee in advance of the company's formal proxy solicitation to review issues more generally or gauge support for certain contemplated proposals.

C. RECORDS RETENTION

MFS will retain copies of these MFS Proxy Voting Policies and Procedures in effect from time to time and will retain all proxy voting reports submitted to the Board of Trustees of the MFS Funds for the period required by applicable law. Proxy solicitation materials, including electronic versions of the proxy ballots completed by representatives of the MFS Proxy Voting Committee, together with their respective notes and comments, are maintained in an electronic format by the Proxy Administrator and are accessible on-line by the MFS Proxy Voting Committee. All proxy voting materials and supporting documentation, including records generated by the Proxy Administrator's system as to proxies processed, including the dates when proxy ballots were received and submitted, and the votes on each company's proxy issues, are retained as required by applicable law.

D. REPORTS

U.S. Registered MFS Funds

MFS publicly discloses the proxy voting records of the U.S. registered MFS Funds on a quarterly basis. MFS will also report the results of its voting to the Board of Trustees of the U.S. registered MFS Funds. These reports will include: (i) a summary of how votes were cast (including advisory votes on pay and golden

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parachutes) ; (ii) a summary of votes against management’s recommendation; (iii) a review of situations where MFS did not vote in accordance with the guidelines and the rationale therefore; (iv) a review of the procedures used by MFS to identify material conflicts of interest and any matters identified as a material conflict of interest; (v) a review of these policies and the guidelines; (vi) a review of our proxy engagement activity; (vii) a report and impact assessment of instances in which the recall of loaned securities of a U.S. issuer was unsuccessful; and (viii) as necessary or appropriate, any proposed modifications thereto to reflect new developments in corporate governance and other issues. Based on these reviews, the Trustees of the U.S. registered MFS Funds will consider possible modifications to these policies to the extent necessary or advisable.

Other MFS Clients

MFS may publicly disclose the proxy voting records of certain other clients (including certain MFS Funds) or the votes it casts with respect to certain matters as required by law. A report can also be printed by MFS for each client who has requested that MFS furnish a record of votes cast. The report specifies the proxy issues which have been voted for the client during the year and the position taken with respect to each issue and, upon request, may identify situations where MFS did not vote in accordance with the MFS Proxy Voting Policies and Procedures.

Except as described above, MFS generally will not divulge actual voting practices to any party other than the client or its representatives because we consider that information to be confidential and proprietary to the client. However, as noted above, MFS may determine that it is appropriate and beneficial to engage in a dialogue with a company regarding certain matters. During such dialogue with the company, MFS may disclose the vote it intends to cast in order to potentially effect positive change at a company in regards to environmental, social or governance issues.

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

Portfolio Manager(s)

Information regarding the portfolio manager(s) of the MFS High Yield Municipal Trust (the Fund) is set forth below. Each portfolio manager is primarily responsible for the day-to-day management of the Fund.

| Portfolio Manager | Primary Role | Since | Title and Five Year History |
|--------------------------|---------------------|--------------|---|
| Gary A. Lasman | Portfolio Manager | 2007 | Investment Officer of MFS; employed in the investment area of MFS since 2002. |
| Geoffrey L. Schechter | Portfolio Manager | 2007 | Investment Officer of MFS; employed in the investment area of MFS since 1993. |

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Compensation

Portfolio manager compensation is reviewed annually. As of December 31, 2013, portfolio manager total cash compensation is a combination of base salary and performance bonus:

Base Salary Base salary represents a smaller percentage of portfolio manager total cash compensation than performance bonus.

Performance Bonus Generally, the performance bonus represents more than a majority of portfolio manager total cash compensation.

The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter.

The quantitative portion is based on the pre-tax performance of assets managed by the portfolio manager over one-, three-, and five-year periods relative to peer group universes and/or indices (benchmarks). As of December 31, 2013, the following benchmarks were used to measure the following portfolio manager s performance for the Fund:

| Fund | Portfolio Manager | Benchmark(s) |
|--------------------------------|--------------------------|-------------------------------|
| MFS High Yield Municipal Trust | Gary A. Lasman | Barclays Municipal Bond Index |
| | Geoffrey L. Schechter | Barclays Municipal Bond Index |

Additional or different benchmarks, including versions of indices, custom indices, and linked indices that combine performance of different indices for different portions of the time period, may also be used. Primary weight is given to portfolio performance over a three-year time period with lesser consideration given to portfolio performance over one- and five-year periods (adjusted as appropriate if the portfolio manager has served for less than five years).

The qualitative portion is based on the results of an annual internal peer review process (conducted by other portfolio managers, analysts, and traders) and management s assessment of overall portfolio manager contributions to investor relations and the investment process (distinct from fund and other account performance). This performance bonus may be in the form of cash and/or a deferred cash award, at the discretion of management. A deferred cash award is issued for a cash value and becomes payable over a three-year vesting period if the portfolio manager remains in the continuous employ of MFS or its affiliates. During the vesting period, the value of the unfunded deferred cash award will fluctuate as though the portfolio manager had invested the cash value of the award in an MFS Fund(s) selected by the portfolio manager. A selected fund may be, but is not required to be, a fund that is managed by the portfolio manager.

Portfolio managers also typically benefit from the opportunity to participate in the MFS Equity Plan. Equity interests and/or options to acquire equity interests in MFS or its parent company are awarded by management, on a discretionary basis, taking into account tenure at MFS, contribution to the investment process, and other factors.

Finally, portfolio managers also participate in benefit plans (including a defined contribution plan and health and other insurance plans) and programs available generally to other employees of MFS. The percentage such benefits represent of any portfolio manager s compensation depends upon the length of the individual s tenure at MFS and salary level, as well as other factors.

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Ownership of Fund Shares

The following table shows the dollar range of equity securities of the Fund beneficially owned by the Fund's portfolio manager(s) as of the Fund's fiscal year ended November 30, 2014. The following dollar ranges apply:

- N. None
- A. \$1 - \$10,000
- B. \$10,001 - \$50,000
- C. \$50,001 - \$100,000
- D. \$100,001 - \$500,000
- E. \$500,001 - \$1,000,000
- F. Over \$1,000,000

| Name of Portfolio Manager | Dollar Range of Equity Securities in Fund |
|---------------------------|---|
| Gary A. Lasman | N |
| Geoffrey L. Schechter | N |

Other Accounts

In addition to the Fund, each portfolio manager of the Fund is named as a portfolio manager of certain other accounts managed or subadvised by MFS or an affiliate. The number and assets of these accounts were as follows as of November 30, 2014:

| Name | Registered Investment Companies* | | Other Pooled Investment Vehicles | | Other Accounts | |
|-----------------------|----------------------------------|-----------------|----------------------------------|------------------|--------------------|--------------|
| | Number of Accounts | Total Assets | Number of Accounts | Total Assets | Number of Accounts | Total Assets |
| Gary A. Lasman | 4 | \$ 3.7 billion | 0 | N/A | 0 | N/A |
| Geoffrey L. Schechter | 12 | \$ 13.4 billion | 2 | \$ 420.3 million | 0 | N/A |

* Includes the Fund.
 Advisory fees are not based upon performance of any of the accounts identified in the table above.

Potential Conflicts of Interest

The Adviser seeks to identify potential conflicts of interest resulting from a portfolio manager's management of both the Fund and other accounts, and has adopted policies and procedures designed to address such potential conflicts.

The management of multiple funds and accounts (including proprietary accounts) gives rise to conflicts of interest if the funds and accounts have different objectives and strategies, benchmarks, time horizons and fees as a portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. In certain instances there are securities which are suitable for the Fund's portfolio as well as for accounts of the Adviser or its subsidiaries with similar investment objectives. The Fund's trade allocation policies may give rise to conflicts of interest if the Fund's orders do not get fully executed or are delayed in getting executed due to being aggregated with those of other accounts of the Adviser or its subsidiaries. A portfolio manager may execute transactions for another fund or account that may adversely affect the value of the Fund's investments. Investments selected for funds or accounts other than the Fund may outperform investments selected for the Fund.

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When two or more clients are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among clients in a manner believed by the Adviser to be fair and equitable to each. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or volume of the security as far as the Fund is concerned.

The Adviser and/or a portfolio manager may have a financial incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor accounts other than the Fund, for instance, those that pay a higher advisory fee and/or have a performance adjustment and/or include an investment by the portfolio manager.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

MFS High Yield Municipal Trust

| Period | (a) Total number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs |
|-------------------|---|---|---|---|
| 12/01/13-12/31/13 | 0 | N/A | 0 | 2,826,836 |
| 1/01/14-1/31/14 | 0 | N/A | 0 | 2,826,836 |
| 2/01/14-2/28/14 | 0 | N/A | 0 | 2,826,836 |
| 3/01/14-3/31/14 | 0 | N/A | 0 | 2,829,969 |
| 4/01/14-4/30/14 | 0 | N/A | 0 | 2,829,969 |
| 5/01/14-5/31/14 | 0 | N/A | 0 | 2,829,969 |
| 6/01/14-6/30/14 | 0 | N/A | 0 | 2,829,969 |
| 7/01/14-7/31/14 | 0 | N/A | 0 | 2,829,969 |
| 8/01/14-8/31/14 | 0 | N/A | 0 | 2,829,969 |
| 9/1/14-9/30/14 | 0 | N/A | 0 | 2,829,969 |
| 10/1/14-10/31/14 | 0 | N/A | 0 | 2,829,969 |
| 11/1/14-11/30/14 | 0 | N/A | 0 | 2,829,969 |
| Total | 0 | | 0 | |

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1st of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2014 plan year is 2,829,969.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter covered by the report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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ITEM 12. EXHIBITS.

- (a) File the exhibits listed below as part of this form. Letter or number the exhibits in the sequence indicated.
- (1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Code of Ethics attached hereto.
 - (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.
 - (3) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons. Not applicable.
- (b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)), Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed filed for the purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: Attached hereto.

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Notice

A copy of the Agreement and Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant MFS HIGH YIELD MUNICIPAL TRUST

By (Signature and Title)* ROBIN A. STELMACH
Robin A. Stelmach, President

Date: January 15, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* ROBIN A. STELMACH
Robin A. Stelmach, President
(Principal Executive Officer)

Date: January 15, 2015

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

Date: January 15, 2015

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