

MFS HIGH YIELD MUNICIPAL TRUST  
Form N-CSR  
February 01, 2013  
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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 02199-7618**

(Address of principal executive offices) (Zip code)

**Susan S. Newton**

**Massachusetts Financial Services Company**

**111 Huntington Avenue**

**Boston, Massachusetts 02199-7618**

(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, 2012

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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**ANNUAL REPORT**

November 30, 2012

**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 AND CEO**

Dear Shareholders:

The global market outlook for 2013 is one of cautious optimism. While we are seeing some positive economic trends in the United States, Europe, and China, the overall

environment remains challenging. In the United States, the recent fiscal cliff agreement was received positively by investors, even though it mostly addressed pressing taxation issues and did not resolve additional concerns, including the need for spending cuts and a large-scale reduction of the federal debt. These issues will be front and center again in the spring. Despite the ongoing uncertainty, economic tailwinds are gathering strength as the U.S. housing and job markets are improving and consumer confidence is rising.

Overseas, the debt crisis continues to weigh heavily on eurozone markets, with even Germany long an economic

stalwart experiencing some contraction. These ongoing challenges could be a drag on global market performance this year. In Asia, manufacturing activity has accelerated in emerging markets such as China and India, and we are seeing signs of stabilized loan growth in China, a leading indicator of that country's economic health. In contrast, Japan's economy is contracting sharply under deflationary pressures. Nevertheless, Japanese markets have responded favorably to early actions by the new government, which appears determined to act aggressively, along with the Bank of Japan, to stimulate growth.

As always, managing risk in the face of uncertainty remains a top priority for investors. At MFS®, our uniquely collaborative investment process revolves around global research and our disciplined risk management approach. Our global team of investment professionals shares ideas and evaluates opportunities across continents, investment disciplines and asset classes all with a goal of building better insights, and ultimately better results, for our clients.

We remain mindful of the many economic challenges investors face today, and believe it is more important than ever to maintain a long-term view, employ time-tested principles, such as asset allocation and diversification, and work closely with investment advisors to identify and pursue the most suitable opportunities.

Respectfully,

**Robert J. Manning**

Chairman and Chief Executive Officer

MFS Investment Management®

January 15, 2013

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

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**PORTFOLIO COMPOSITION**

**Portfolio structure at market value**

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

Healthcare Revenue Hospitals	35.2%
Healthcare Revenue Long Term Care	17.3%
Universities Colleges	9.1%
Water & Sewer Utility Revenue	9.0%
U.S. Treasury Securities (j)	(19.4)%

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

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

AAA	7.9%
AA	34.6%
A	24.6%
BBB	38.9%
BB	6.8%
B	9.6%
CCC (o)	0.0%
CC (o)	0.0%
C	0.3%
Not Rated (j)	6.0%
Cash & Other	(28.7)%

**Portfolio facts (i)**

Average Duration (d)	10.3
Average Effective Maturity (m)	19.2 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. Cash & Other includes cash, other assets less liabilities, offsets to derivative positions, and short-term securities. The fund may not hold all of these instruments. The fund is not rated by these agencies.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.
- (j) For the purpose of managing the fund's duration, the fund holds short treasury futures with a bond equivalent exposure of (19.4)%, which reduce the fund's interest rate exposure but not its credit exposure.
- (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- (o) Less than 0.1%.

From time to time Cash & Other Net Assets may be negative due to the aggregate liquidation value of variable rate municipal term preferred shares, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets, including the value of auction rate preferred shares, as of 11/30/12.

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

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**MANAGEMENT REVIEW**

**Summary of Results**

The MFS High Yield Municipal Trust (the fund) is a closed-end fund investing primarily in tax-exempt bonds and tax-exempt notes.

For the twelve months ended November 30, 2012, common shares of the fund provided a total return of 26.98%, at net asset value. This compares with a return of 10.17% for the fund's benchmark, the Barclays Municipal Bond Index.

During the reporting period, the fund issued in a private placement 2,844 Variable Rate Municipal Term Preferred Shares (VMTPS) and the proceeds were used to repurchase 94.8% of the fund's outstanding Auction Rate Preferred Shares (ARPS) tendered at a price equal to 95% of the ARPS per share liquidation preference, plus any unpaid dividends. The fund benefited from the tender and repurchase of a portion of the fund's ARPS at 95% of the ARPS per share liquidation preference.

**Market Environment**

Just prior to the beginning of the reporting period, markets were roiled by several global concerns. These included the aftermath of the U.S. sovereign debt-ceiling debacle, the path of eurozone integration and the scope of its bailout facilities, and the likelihood of a Chinese hard landing. Amidst this turmoil, global equity markets had declined sharply and credit spreads widened. At the same time, global consumer and producer sentiment indicators had fallen precipitously, while highly-rated sovereign bond yields hit multi-decade lows.

During the first half of the period, however, additional liquidity from the U.S. Federal Reserve (Fed), in the form of Operation Twist, and the European Central Bank (ECB), in the form of 3-year, Long Term Refinancing Operations, or LTROs, coupled with healthier global macroeconomic conditions led by moderate but sustained U.S. growth, ushered in improved market dynamics.

During the latter part of the period, market trends were more mixed. Worsening conditions were driven by broadly weaker global macroeconomic indicators, as well as renewed concerns over the eurozone's capacity and determination to address its ongoing crisis. However, broad market sentiment remained relatively resilient, as equity markets generally maintained gains and credit spreads did not indicate deterioration. A new round of monetary easing by the Fed (QE3) and the ECB (rate cut and a new bond purchase facility) towards the end of the period instilled additional confidence in risk markets. Nonetheless, towards the end of the period, weaker equity earnings reports and declining forward guidance caused market sentiment to soften. As we moved toward year end, the fiscal cliff negotiations between the Republicans in the U.S. Congress and President Obama appeared to have been a particular source of market attention.

Over the twelve months ended November 30, 2012, the municipal bond market continued to generate good performance relative to other rate-sensitive fixed income markets, in part as a result of falling treasury yields, but also as a consequence of very favorable supply/demand dynamics. The latter were driven by historically low yields on treasury debt and cash equivalents, which appeared to have forced income oriented



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*Management Review continued*

investors to look elsewhere for yield. In addition, while municipal bond issuance increased over 2011's depressed levels, much of it was due to the refinancing of older, higher-coupon debt versus issuance to raise money to finance new projects. In other words, net new supply remained quite low, while demand remained high. As of the end of November 2012, net inflows into municipal bond mutual funds were tracking for their second-highest calendar year on record.

Municipal bond yield spreads over treasuries tightened and all-in yield fell to multi-decade lows against a backdrop where high-profile headlines about Chapter 9 filings raised questions about the solvency of certain local issuers. Nevertheless, lower-quality bonds strongly outperformed the period, with BBB<sup>1</sup> rated municipal bonds generating total return approximately twice that of the highest-quality municipal issuance (Barclays Municipal BBB-rated up 14.08% for the twelve months ended November 30, 2012 vs. 7.30% for Barclays Municipal AAA-rated). Investors seemed willing to recognize the unique circumstances of problem credits, rather than viewing them as symptomatic of broader credit trends.

**Contributors to Performance**

Strong bond selection was a key factor for the fund's positive excess return over the Barclays Municipal Bond Index. A greater exposure to BBB rated bonds, and a lesser exposure to AA rated securities, also benefited relative returns as credit spreads narrowed during the reporting period.

The fund's favorable bond selection and greater allocation to the *health care* sector, and bond selection in the *government obligation, tobacco,* and *utilities* sectors, were additional factors that boosted relative results.

During the reporting period, the fund benefited from the tender and repurchase of a portion of the fund's ARPS at 95% of the fund ARPS per share liquidation preference.

The fund employs leverage which has been created through the issuance of ARPS and VMTPS. 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 enhanced its absolute positive performance.

**Detractors from Performance**

The fund's short positions in U.S. Treasury futures, which were used to hedge the duration<sup>(d)</sup> of the municipal securities held by the fund, detracted from relative performance as U.S. Treasuries rallied throughout the year. The benchmark does not hold U.S. Treasury futures.

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.

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*Management Review continued*

(r) Bonds rated BBB , Baa , or higher are considered investment grade; bonds rated BB , Ba , or below are considered non-investment grade. The sources for bond quality ratings are 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 11/30/12**

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**

Year Ended 11/30/12

	Date	Price
Net Asset Value	11/30/12	\$5.04
	11/30/11	\$4.25
New York Stock Exchange Price	11/30/12	\$5.25
	7/06/12 (high) (t)	\$5.45
	12/02/11 (low) (t)	\$4.46
	11/30/11	\$4.57

**Total Returns vs Benchmark**

Year Ended 11/30/12

MFS High Yield Municipal Trust at New York Stock Exchange Price (r)	23.01%
Net Asset Value (r)(y)	26.98%
Barclays Municipal Bond Index (f)	10.17%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period December 1, 2011 through November 30, 2012.

(y) Included in the total return at net asset value 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 would have been lower by 2.52%.

**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**

## Edgar Filing: MFS HIGH YIELD MUNICIPAL TRUST - Form N-CSR

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value.

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*Performance Summary continued*

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

Net asset values and performance results 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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**INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES AND RISKS OF THE FUND**

**Investment Objective**

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

**Principal Investment Strategies**

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

MFS (Massachusetts Financial Services Company, the fund's investment adviser) may invest 25% or more of the fund's total assets in municipal instruments that finance similar projects, such as those relating to education, healthcare, housing, utilities, water, or sewers. Although MFS seeks to invest the fund's assets in municipal instruments whose interest is exempt from federal personal income tax, MFS may also invest in taxable instruments, including derivatives.

MFS may invest up to 100% of the fund's assets in less than investment grade quality debt instruments (lower quality debt instruments).

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

While MFS may use derivatives for any investment purpose, to the extent MFS uses derivatives, MFS expects to use derivatives primarily to increase or decrease exposure to a particular market, segment of the market, or security, to increase or decrease interest rate exposure, or as alternatives to direct investments.

MFS uses a bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual instruments and their issuers in light of issuers' financial condition and market, economic, political, and regulatory conditions. Factors considered may include the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations. Quantitative models that systematically evaluate the structure of the debt instrument and its features may also be considered. In structuring the fund, MFS may also consider top-down factors, including sector allocations, yield curve positioning, macroeconomic factors and risk management factors.

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

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

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

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

**Principal Risks**

The fund may not achieve its objective and/or you could lose money on your investment in the fund.

Investments in debt instruments may decline in value as the result of increases in interest rates, declines in the credit quality of the issuer, borrower, counterparty or underlying collateral or assets and the terms of the instrument, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile.

Investments in derivatives can be used to take both long and short positions, be highly volatile, result in leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk.

Investments in lower-quality debt instruments can be more volatile and have greater risk of default than higher-quality debt instruments.

Investments in municipal instruments can be volatile and significantly affected by adverse tax or court rulings, legislative or political changes, market and economic conditions, issuer, industry-specific (including the credit quality of municipal insurers), and other conditions.

The market price of common shares of the fund will be based on factors such as the supply and demand for common shares in the market and general market, economic, political or regulatory conditions. Whether shareholders will realize gains or losses upon the sale of common shares of the fund will depend on the market price of common shares at the time of the sale, not on the fund's net asset value. The market price may be lower or higher than the fund's net asset value. Shares of closed-end funds frequently trade at a discount or premium to their net asset value.

Leverage involves investment exposure in an amount exceeding the initial investment. Leverage can cause increased volatility by magnifying gains or losses.

To the extent that investments are purchased with the issuance of preferred shares, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund.

Please see the fund's registration statement for further information regarding these and other risk considerations. A copy of the fund's registration statement on Form N-2 is available on the EDGAR database on the Securities and Exchange Commission's Internet Web site at <http://sec.gov>.

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**PORTFOLIO MANAGERS PROFILES**

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



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**DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

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

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

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

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

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11/30/12

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

**Municipal Bonds - 150.0%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Airport Revenue - 3.6%</b>		
Burlington, VT, Airport Rev., A, 4%, 2028	\$ 90,000	\$ 87,955
Dallas Fort Worth, TX, International Airport Rev. Improvement, B, AGM, 5%, 2025	3,000,000	3,213,510
Denver, CO, City & County Airport Systems Rev., A, 5%, 2027	165,000	194,901
Denver, CO, City & County Airport Systems Rev., A, 5%, 2028	165,000	193,345
Denver, CO, City & County Airport Systems Rev., B, 5%, 2032	325,000	384,823
Houston, TX, Airport System Rev., B, 5%, 2026	175,000	211,416
Houston, TX, Airport System Rev., Subordinate Lien, A, 5%, 2031	155,000	178,396
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2036	255,000	301,629
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2042	290,000	343,029
		\$ 5,109,004
<b>General Obligations - General Purpose - 3.5%</b>		
Allegheny County, PA, C-70, 5%, 2037	\$ 265,000	\$ 303,311
Bellwood, IL, General Obligation, 5.875%, 2027	200,000	198,916
Bellwood, IL, General Obligation, 6.15%, 2032	200,000	198,184
Chicago, IL, Metropolitan Water Reclamation District-Greater Chicago, C, 5%, 2030	780,000	948,722
Las Vegas Valley, NV, Water District, C, 5%, 2029	925,000	1,114,227
Luzerne County, PA, AGM, 6.75%, 2023	455,000	545,308
State of California, 5.25%, 2028	335,000	414,700
State of California, 5.25%, 2030	790,000	956,809
State of Hawaii, DZ, 5%, 2031	200,000	245,814
		\$ 4,925,991
<b>General Obligations - Improvement - 0.1%</b>		
Guam Government, A, 7%, 2039	\$ 90,000	\$ 104,102
<b>General Obligations - Schools - 2.6%</b>		
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2029	\$ 2,195,000	\$ 1,243,709
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2031	275,000	142,376
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2032	280,000	138,328
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2033	560,000	263,676

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**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>General Obligations - Schools - continued</b>		
Frisco, TX, Independent School District, School Building, B, 3%, 2042	\$ 295,000	\$ 285,944
Irving, TX, Independent School District, Capital Appreciation, A, PSF, 0%, 2016	1,000,000	975,750
Los Angeles, CA, Unified School District, D, 5%, 2034	165,000	191,045
San Jacinto, TX, Community College District, 5.125%, 2038	430,000	496,203
		\$ 3,737,031
<b>Healthcare Revenue - Hospitals - 35.6%</b>		
Allegheny County, PA, Hospital Development Authority Rev. (University of Pittsburgh Medical Center), A, 5.375%, 2029	\$ 440,000	\$ 522,289
Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5%, 2028	60,000	41,416
Atchison, KS, Hospital Rev. (Atchison Hospital Assn.), A, 6.75%, 2030	320,000	350,534
Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 2034	170,000	192,763
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.5%, 2040	590,000	649,873
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 2040	130,000	145,378
California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 2039	185,000	215,377
California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 2031	660,000	806,223
California Statewide Communities Development Authority Rev. (Catholic Healthcare West), K, ASSD GTY, 5.5%, 2041	625,000	672,450
Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2029	60,000	65,599
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2016 (c)	965,000	1,065,978
Delaware County, PA, Authority Rev. (Mercy Health Corp.), ETM, 6%, 2026 (c)	500,000	559,180
Duluth, MN, Economic Development Authority Health Care Facilities Rev. (St. Luke's Hospital Authority Obligation Group), 5.75%, 2027	140,000	151,519
Duluth, MN, Economic Development Authority Health Care Facilities Rev. (St. Luke's Hospital Authority Obligation Group), 5.75%, 2032	305,000	326,463
Duluth, MN, Economic Development Authority Health Care Facilities Rev. (St. Luke's Hospital Authority Obligation Group), 6%, 2039	365,000	394,981
Gallia County, OH, Hospital Facilities Rev. (Holzer Health Systems), A, 8%, 2042	945,000	1,105,111
Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D, 5.625%, 2032	540,000	613,181
Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7.25%, 2035	205,000	261,338

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - continued</b>		
Idaho Health Facilities Authority Rev. (IHC Hospitals, Inc.), ETM, 6.65%, 2021 (c)	\$ 2,750,000	\$ 3,840,705
Illinois Finance Authority Rev. (Advocate Healthcare), 4%, 2047	305,000	312,265
Illinois Finance Authority Rev. (Kewanee Hospital), 5.1%, 2031	385,000	406,156
Illinois Finance Authority Rev. (Provena Health), A, 7.75%, 2034	485,000	631,630
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 2038	485,000	586,409
Indiana Health & Educational Facilities Finance Authority Rev. (Sisters of St. Francis Health Services, Inc.), E, AGM, 5.25%, 2041	660,000	716,753
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A, 5%, 2039	1,745,000	1,879,749
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037	945,000	1,038,338
Indiana Health & Educational Financing Authority Rev. (Community Foundation of Northwest Indiana), A, 6%, 2034	425,000	459,111
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 2031	300,000	352,854
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.375%, 2041	185,000	219,121
Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), A, 5.5%, 2031	1,120,000	1,224,888
Johnson City, TN, Health & Educational Facilities Board, Hospital Rev. (Mountain States Health Alliance), A, 5.5%, 2036	410,000	444,034
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.375%, 2024	300,000	347,919
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.625%, 2027	100,000	117,066
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A, 6.375%, 2040	570,000	682,951
Lake County, OH, Hospital Facilities Rev. (Lake Hospital Systems, Inc.), 5.625%, 2029	435,000	495,078
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2032	40,000	45,395
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2037	100,000	111,998
Laramie County, WY, Hospital Rev. (Cheyenne Regional Medical Center Project), 5%, 2042	195,000	216,885
Lebanon County, PA, Health Facilities Authority Rev. (Good Samaritan Hospital), 5.9%, 2028	210,000	212,081
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034	880,000	959,270
Louisville & Jefferson County, KY, Metro Government Health Facilities Rev. (Jewish Hospital & St. Mary's Healthcare), 6.125%, 2018 (c)	1,315,000	1,669,485

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
Healthcare Revenue - Hospitals - continued		
Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 2036	\$ 1,265,000	\$ 1,338,851
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037	60,000	62,266
Martin County, FL, Health Facilities Authority Rev. (Martin Memorial Medical Center), 5.5%, 2042	300,000	332,361
Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System, Inc.), A, 6.75%, 2039	735,000	936,000
Massachusetts Development Finance Agency Rev. (Tufts Medical Center), I, 7.25%, 2032	445,000	560,736
Massachusetts Health & Educational Facilities Authority Rev. (Jordan Hospital), E, 6.75%, 2033	250,000	254,450
Massachusetts Health & Educational Facilities Authority Rev. (Milford-Whitinsville Hospital), C, 5.25%, 2018	500,000	500,360
Michigan Finance Authority Rev. (Trinity Health Corp.), 5%, 2035	1,000,000	1,152,300
Monroe County, PA, Hospital Authority Rev. (Pocono Medical Center), A, 5%, 2032	55,000	60,645
Monroe County, PA, Hospital Authority Rev. (Pocono Medical Center), A, 5%, 2041	35,000	37,945
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2031	125,000	129,349
Montgomery, AL, Medical Clinic Board Health Care Facility Rev. (Jackson Hospital & Clinic), 5.25%, 2036	825,000	848,653
Nassau County, NY, Local Economic Assistance Corp. Rev. (Winthrop-University Hospital Association Project), 5%, 2032	85,000	94,999
Nassau County, NY, Local Economic Assistance Corp. Rev. (Winthrop-University Hospital Association Project), 5%, 2037	160,000	177,178
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A, 6%, 2027	585,000	690,148
New Hampshire Health & Education Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 2021	530,000	552,249
New Hanover County, NC, Hospital Rev., AGM, 5.125%, 2031	895,000	1,014,465
New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter's University Hospital), 5.75%, 2037	545,000	581,820
New Mexico Hospital Equipment Loan Council, Hospital Rev. (Rehoboth McKinley Christian Hospital), A, 5%, 2017	200,000	200,732
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 2030	190,000	232,988
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2035	115,000	136,694
Norman, OK, Regional Hospital Authority Rev., 5%, 2027	155,000	160,538
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2029	90,000	93,114
Norman, OK, Regional Hospital Authority Rev., 5.375%, 2036	235,000	240,687

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - continued</b>		
Norman, OK, Regional Hospital Authority Rev., 5.125%, 2037	\$ 415,000	\$ 423,093
Olympia, WA, Healthcare Facilities Authority Rev. (Catholic Health Initiatives), D , 6.375%, 2036	1,095,000	1,328,826
Palomar Pomerado Health Care District, CA, COP, 6.75%, 2039	890,000	1,023,625
Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A , ASSD GTY, 7%, 2039	660,000	794,336
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 2039	485,000	631,693
Salida, CO, Hospital District Rev., 5.25%, 2036	692,000	709,508
Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 2032	90,000	96,220
South Dakota Health & Educational Facilities Authority Rev. (Avera Health), A , 5%, 2042	105,000	117,152
South Dakota Health & Educational Facilities Authority Rev. (Sanford), E , 5%, 2037	90,000	101,296
South Dakota Health & Educational Facilities Authority Rev. (Sanford), E , 5%, 2042	295,000	333,610
South Lake County, FL, Hospital District Rev. (South Lake Hospital), 6.375%, 2034	250,000	260,865
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6%, 2029	85,000	98,520
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6.25%, 2039	125,000	144,721
Southeastern Ohio Port Authority, Hospital Facilities Rev. (Memorial Health System), 5.75%, 2032	300,000	321,666
Southeastern Ohio Port Authority, Hospital Facilities Rev. (Memorial Health System), 6%, 2042	245,000	263,880
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 2036	1,085,000	1,158,400
Sumner County, TN, Health, Educational & Housing Facilities Board Rev. (Sumner Regional Health Systems, Inc.), A , 5.5%, 2046 (a)(d)	375,000	4,688
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A , 5.25%, 2032	230,000	245,426
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A , 5.375%, 2037	190,000	199,969
Virginia Small Business Financing Authority, Hospital Rev. (Wellmont Health Project), A , 5.25%, 2037	470,000	507,948
Washington Health Care Facilities Authority Rev. (Multicare Health Systems), B , ASSD GTY, 6%, 2039	440,000	522,434
Washington Health Care Facilities Authority Rev. (Providence Health & Services), A , 5%, 2033	1,105,000	1,273,468
West Contra Costa, CA, Healthcare District, AMBAC, 5.5%, 2029	105,000	108,525

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Hospitals - continued</b>		
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033	\$ 350,000	\$ 355,359
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 2026	200,000	232,956
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 2028	60,000	67,878
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc.), 6.1%, 2034	750,000	791,745
Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A, 5.5%, 2031	725,000	832,619
Wisconsin Health & Educational Facilities Authority Rev. (Meritor Hospital), A, 6%, 2041	490,000	578,519
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034	935,000	1,002,928
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), A, 5.25%, 2025	390,000	401,189
Wood County, OH, Hospital Facilities Rev. (Wood County Hospital Project), 5%, 2037	140,000	150,360
Wood County, OH, Hospital Facilities Rev. (Wood County Hospital Project), 5%, 2042	140,000	150,360
		\$ 50,733,104
<b>Healthcare Revenue - Long Term Care - 17.5%</b>		
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A, 5.9%, 2025	\$ 723,000	\$ 475,763
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A, 7%, 2033	200,000	131,420
Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann's Choice, Inc.), A, 6.125%, 2025	500,000	505,425
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2027	90,000	92,756
Bucks County, PA, Industrial Development Authority Rev. (Lutheran Community Telford Center), 5.75%, 2037	120,000	121,730
California Statewide Communities Development Authority Rev. (American Baptist Homes of the West), 6.25%, 2039	215,000	236,612
California Statewide Communities Development Authority Rev. (Episcopal Communities & Services for Seniors Obligated Group), 5%, 2027	15,000	17,252
California Statewide Communities Development Authority Rev. (Episcopal Communities & Services for Seniors Obligated Group), 5%, 2032	20,000	22,653

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<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Long Term Care - continued</b>		
California Statewide Communities Development Authority Rev. (Episcopal Communities & Services for Seniors Obligated Group), 5%, 2042	\$ 55,000	\$ 61,025
Chartiers Valley, PA, Industrial & Commercial Development Authority (Friendship Village), A, 5.75%, 2020	1,000,000	1,002,050
Chartiers Valley, PA, Industrial & Commercial Development Authority Rev. (Asbury Health Center), 6.375%, 2024	1,000,000	1,002,390
Colorado Health Facilities Authority Rev. (Christian Living Communities Project), A, 5.75%, 2037	475,000	494,698
Colorado Health Facilities Authority Rev. (Christian Living Communities), 5.125%, 2030	30,000	31,224
Colorado Health Facilities Authority Rev. (Christian Living Communities), 5.25%, 2037	45,000	46,407
Colorado Health Facilities Authority Rev. (Covenant Retirement Communities, Inc.), 5%, 2035	1,100,000	1,144,220
Cumberland County, PA, Municipal Authority Rev. (Asbury Atlantic, Inc.), 5.25%, 2041	290,000	298,422
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 2029	695,000	785,482
Fulton County, GA, Residential Care Facilities (Canterbury Court), A, 6.125%, 2026	500,000	513,870
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 9%, 2044	140,000	168,769
Houston, TX, Health Facilities Development Corp. (Buckingham Senior Living Community), A, 7%, 2014 (c)	500,000	544,510
Howard County, MD, Retirement Facilities Rev. (Vantage House Corp.), A, 5.25%, 2033	200,000	199,984
Illinois Finance Authority Rev. (Evangelical Retirement Homes of Greater Chicago, Inc.), 7.25%, 2045	850,000	947,453
Illinois Finance Authority Rev. (Lutheran Home & Services), 5.625%, 2042	185,000	189,140
Illinois Finance Authority Rev. (Smith Village), A, 6.25%, 2035	1,000,000	1,022,540
Illinois Health Facilities Authority Rev. (Smith Crossing), A, 7%, 2032	525,000	530,639
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B, 5.75%, 2018	365,000	365,850
Iowa Finance Authority, Health Care Facilities Rev. (Care Initiatives), B, 5.75%, 2028	1,475,000	1,477,640
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.375%, 2042	140,000	143,079
Kentucky Economic Development Finance Authority Health Care Rev. (Masonic Homes of Kentucky, Inc.), 5.5%, 2045	80,000	81,656



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<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Long Term Care - continued</b>		
Kentucky Economic Development Finance Authority Health Facilities Rev. (AHF/Kentucky-Iowa, Inc.), 8%, 2029	\$ 351,000	\$ 360,730
La Verne, CA, COP (Brethren Hillcrest Homes), B, 6.625%, 2025	525,000	532,765
Massachusetts Development Finance Agency Rev. (Adventcare), A, 6.75%, 2037	695,000	737,326
Massachusetts Development Finance Agency Rev. (Alliance Health of Brockton, Inc.), A, 7.1%, 2032	995,000	995,249
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 2031	130,267	107,662
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-1, 6.25%, 2039	31,732	24,769
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), A-2, 5.5%, 2046	8,656	5,878
Massachusetts Development Finance Agency Rev. (Linden Ponds, Inc.), Capital Appreciation, B, 0%, 2056	43,059	622
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 5.625%, 2015	120,000	120,162
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 6.9%, 2032	125,000	127,681
Massachusetts Development Finance Agency Rev. (The Groves in Lincoln), A, 7.75%, 2039	80,000	38,327
Massachusetts Development Finance Agency Rev. (The Groves in Lincoln), A, 7.875%, 2044	115,000	55,097
Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 2028	350,000	396,722
Montgomery County, PA, Industrial Development Authority Retirement Community Rev. (ACTS Retirement - Life Communities, Inc.), 5%, 2029	130,000	145,343
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	150,000	153,273
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	600,000	612,150
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.75%, 2025	400,000	408,252
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.875%, 2037	300,000	302,979
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2026	500,000	521,845
New Jersey Economic Development Authority Rev. (Seabrook Village, Inc.), 5.25%, 2036	500,000	515,955
Norfolk, VA, Redevelopment & Housing Authority Rev. (Fort Norfolk Retirement Community), A, 6.125%, 2035	195,000	196,585

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*Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Healthcare Revenue - Long Term Care - continued</b>		
Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 2039	\$ 175,000	\$ 191,560
Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A, 7.25%, 2034	225,000	240,406
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2032	199,626	157,166
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), A, 6%, 2047	185,367	136,501
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 2047	85,554	3,307
South Carolina Jobs & Economic Development Authority Rev. (Woodlands at Furman), Capital Appreciation, B, 0%, 2047	79,443	3,070
St. John's County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A, 6%, 2045	610,000	690,160
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.125%, 2029	550,000	617,760
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.375%, 2044	415,000	459,131
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 2044	770,000	870,439
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 2042	90,000	99,023
Tempe, AZ, Industrial Development Authority Rev. (Friendship Village), A, 6.25%, 2046	70,000	76,911
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7%, 2030	130,000	157,184
Travis County, TX, Health Facilities Development Corp. Rev. (Westminster Manor Health), 7.125%, 2040	195,000	234,332
Westmoreland County, PA, Industrial Development Authority Rev. (Redstone Retirement Community), A, 5.875%, 2032	600,000	620,790
Westmoreland County, PA, Industrial Development Retirement Authority Rev. (Redstone Retirement Community), A, 5.75%, 2026	1,250,000	1,308,188
		\$ 24,879,959
<b>Healthcare Revenue - Other - 0.2%</b>		
Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A, 9%, 2012 (c)	\$ 350,000	\$ 356,486
<b>Industrial Revenue - Airlines - 3.4%</b>		
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A, 8.75%, 2029	\$ 200,000	\$ 253,386
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B, 9%, 2035	150,000	168,432

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<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Industrial Revenue - Airlines - continued</b>		
Denver, CO, City & County Airport Rev. (United Airlines), 5.75%, 2032	\$ 355,000	\$ 372,608
Houston, TX, Airport Systems Rev., Special Facilities (Continental Airlines, Inc. Terminal E project), 6.75%, 2029	155,000	155,591
Houston, TX, Airport Systems Rev., Special Facilities (Continental Airlines, Inc. Terminal E project), 7%, 2029	200,000	200,964
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 2019	680,000	700,318
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.125%, 2023	365,000	378,600
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 2029 (b)	365,000	378,892
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 9%, 2033	1,250,000	1,306,188
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 6.2%, 2031	385,000	409,424
New York, NY, City Industrial Development Agency Special Facility Rev. (American Airlines, Inc.), B, 6.8%, 2028	500,000	507,950
		\$ 4,832,353
<b>Industrial Revenue - Chemicals - 0.8%</b>		
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2, 4.95%, 2033	\$ 400,000	\$ 435,552
Port of Bay, TX, City Authority (Hoechst Celanese Corp.), 6.5%, 2026	660,000	660,693
		\$ 1,096,245
<b>Industrial Revenue - Environmental Services - 2.0%</b>		
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B, 5.25%, 2023 (b)	\$ 135,000	\$ 155,318
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C, 5.125%, 2023	655,000	712,450
Maine Finance Authority Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 6.25%, 2025 (b)	360,000	367,200
Massachusetts Development Finance Agency, Resource Recovery Rev. (Convanta Energy), A, 4.875%, 2027	215,000	217,184
Massachusetts Development Finance Agency, Resource Recovery Rev. (Convanta Energy), A, 5.25%, 2042	705,000	718,381
Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Convanta Energy), A, 5.25%, 2042	725,000	738,761
		\$ 2,909,294
<b>Industrial Revenue - Other - 1.7%</b>		
Annanaw, IL, Tax Increment Rev. (Patriot Renewable Fuels LLC), 5.625%, 2018	\$ 280,000	\$ 261,293

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*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Industrial Revenue - Other - continued</b>		
California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 2038		
(a)(d)	\$ 50,491	\$ 505
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 4.875%, 2025	280,000	285,790
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028	375,000	375,428
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023	435,000	436,205
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 2037	1,000,000	1,015,210
		\$ 2,374,431
<b>Industrial Revenue - Paper - 2.4%</b>		
Beauregard Parish, LA (Boise Cascade Corp.), 6.8%, 2027	\$ 1,000,000	\$ 1,000,970
Courtland, AL, Industrial Development Board Solid Waste Disposal Rev. (Champion International Corp.), 6%, 2029	1,000,000	1,004,100
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5%, 2026	980,000	980,735
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 4.75%, 2030	290,000	290,203
Phenix City, AL, Industrial Development Board Environmental Improvement Rev. (MeadWestvaco Coated Board Project), A, 4.125%, 2035	160,000	161,232
		\$ 3,437,240
<b>Miscellaneous Revenue - Entertainment &amp; Tourism - 1.0%</b>		
Agua Caliente Band of Cahuilla Indians, CA, Rev., 5.6%, 2013 (n)	\$ 175,000	\$ 176,118
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 2030	135,000	160,187
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.25%, 2040	85,000	99,716
Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 2026 (n)	650,000	620,796
Seminole Tribe, FL, Special Obligation Rev., A, 5.25%, 2027 (n)	280,000	299,760
		\$ 1,356,577
<b>Miscellaneous Revenue - Other - 4.4%</b>		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2024	\$ 305,000	\$ 330,385
Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5%, 2034	45,000	47,209
Citizens Property Insurance Corp., FL, A-1, 5%, 2019	65,000	77,028
Citizens Property Insurance Corp., FL, A-1, 5%, 2020	305,000	365,064

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<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Miscellaneous Revenue - Other - continued</b>		
Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 2034	\$ 845,000	\$ 972,215
District of Columbia Rev. (American Society Hematology), 5%, 2036	50,000	55,925
District of Columbia Rev. (American Society Hematology), 5%, 2042	40,000	44,568
Massachusetts Port Authority Facilities Rev. (Conrac Project), A , 5.125%, 2041	40,000	44,903
Miami-Dade County, FL, Special Obligation, B , 5%, 2035	200,000	229,584
Miami-Dade County, FL, Special Obligation, B , 5%, 2037	500,000	567,645
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 2049	545,000	647,389
New York Liberty Development Corp., Liberty Rev. (World Trade Center Project), 5%, 2044	535,000	617,026
Summit County, OH, Port Authority Building Rev. (Twinsburg Township), D , 5.125%, 2025	595,000	600,867
V Lakes Utility District, MS, Water Systems Rev., 7%, 2037	300,000	299,997
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B , 5.25%, 2028	1,325,000	1,430,430
		\$ 6,330,235
<b>Multi-Family Housing Revenue - 4.5%</b>		
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A , 7.5%, 2040	\$ 490,000	\$ 490,323
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B , 7%, 2032 (d)(q)	625,000	284,369
Charter Mac Equity Issuer Trust, FHLMC, 6%, 2052 (n)	1,000,000	1,173,950
District of Columbia Housing Finance Agency (Henson Ridge), E , FHA, 5.1%, 2037	655,000	678,613
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038	909,204	870,926
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), C , 8%, 2032	265,000	265,398
El Paso County, TX, Housing Finance Corp. (American Housing Foundation), D , 10%, 2032	270,000	270,378
Mississippi Home Corp., Rev. (Kirkwood Apartments), 6.8%, 2037 (d)(q)	605,000	395,271
MuniMae TE Bond Subsidiary LLC, 5.8%, 2049 (z)	1,000,000	715,470
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 (z)	455,481	448,038
Wilmington, DE, Multi-Family Housing Rev. (Electra Arms Senior Associates), 6.25%, 2028	755,000	752,773
		\$ 6,345,509

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*Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Parking - 0.2%</b>		
Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 2036	\$ 300,000	\$ 345,780
<b>Port Revenue - 1.3%</b>		
Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B , 5.75%, 2035	\$ 285,000	\$ 323,110
Port Authority NY & NJ, Cons Thirty Seventh, AGM, 5.125%, 2030	1,450,000	1,530,504
		\$ 1,853,614
<b>Sales &amp; Excise Tax Revenue - 4.6%</b>		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024	\$ 500,000	\$ 323,165
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2029	165,000	198,528
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2030	330,000	395,307
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 2031	60,000	71,663
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2034	630,000	753,474
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2041	300,000	355,887
Massachusetts Bay Transportation Authority, Sales Tax Rev., A , 5%, 2024 (f)	1,095,000	1,450,141
Massachusetts School Building Authority, Dedicated Sales Tax Rev., AMBAC, 4.75%, 2032	840,000	946,604
Massachusetts School Building Authority, Dedicated Sales Tax Rev., B , 5%, 2032	390,000	477,820
Metropolitan Pier & Exposition Authority, State Tax Rev., Capital Appreciation, ETM, FGIC, 0%, 2014 (c)	1,010,000	1,000,344
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C , 5.25%, 2041	35,000	37,691
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A , 0% to 2016, 6.75% to 2032	460,000	481,546
		\$ 6,492,170
<b>Single Family Housing - Local - 0.8%</b>		
Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2 , GNMA, 5%, 2038	\$ 254,126	\$ 260,365
Pittsburgh, PA, Urban Redevelopment Authority Rev., C , GNMA, 4.8%, 2028	915,000	939,220
		\$ 1,199,585
<b>Single Family Housing - State - 1.0%</b>		
California Housing Finance Agency Rev. (Home Mortgage), G , 5.5%, 2042	\$ 250,000	\$ 262,085
Colorado Housing & Finance Authority, A , 5.5%, 2029	950,000	971,632

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Single Family Housing - State - continued</b>		
Iowa Finance Authority, Single Family Mortgage Rev., E , 5.4%, 2032	\$ 135,000	\$ 135,805
Kentucky Counties Single Family Mortgage Rev., A , NATL, 9%, 2016	5,000	5,002
		\$ 1,374,524
<b>Solid Waste Revenue - 0.1%</b>		
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 2032	\$ 75,000	\$ 86,551
<b>State &amp; Agency - Other - 0.4%</b>		
Commonwealth of Puerto Rico (Mepsi Campus), A , 6.5%, 2037	\$ 500,000	\$ 520,880
<b>State &amp; Local Agencies - 3.8%</b>		
Alabama Incentives Financing Authority Special Obligation, A , 5%, 2037	\$ 145,000	\$ 167,736
Dorchester County, SC, School District No. 2, Growth Remedy Opportunity Tax Hike, 5.25%, 2029	500,000	540,915
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , FGIC, 5%, 2035	110,000	116,513
Guam Government Department of Education (John F. Kennedy High School), A , COP, 6.875%, 2040	295,000	330,854
Laurens County, SC, School District No. 55, Installment Purchase Rev., 5.25%, 2030	700,000	741,615
Mississippi Development Bank Special Obligation (Marshall County Industrial Development Authority Mississippi Highway Construction Project), 5%, 2028	120,000	144,863
Newberry, SC, Investing in Children s Education (Newberry County School District Program), 5%, 2030	400,000	420,948
Philadelphia, PA, Municipal Authority Rev., 6.5%, 2034	135,000	157,451
Puerto Rico Public Finance Corp., E , ETM, 6%, 2026 (c)	80,000	116,871
Puerto Rico Public Finance Corp., E , ETM, 6%, 2026 (c)	820,000	1,222,677
Puerto Rico Public Finance Corp., Commonwealth Appropriations, B , 6%, 2026	225,000	254,122
Puerto Rico Public Finance Corp., Commonwealth Appropriations, B , 5.5%, 2031	325,000	348,065
Wisconsin General Fund Annual Appropriation Rev., A , 5.75%, 2033	660,000	811,661
		\$ 5,374,291
<b>Student Loan Revenue - 0.9%</b>		
Iowa Student Loan Liquidity Corp., A-2 , 5.5%, 2025	\$ 200,000	\$ 225,616
Iowa Student Loan Liquidity Corp., A-2 , 5.6%, 2026	200,000	226,442

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Student Loan Revenue - continued</b>		
Iowa Student Loan Liquidity Corp., A-2 , 5.7%, 2027	\$ 20,000	\$ 22,713
Iowa Student Loan Liquidity Corp., A-2 , 5.75%, 2028	370,000	419,362
Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 2030	385,000	430,646
Massachusetts Educational Financing Authority, Education Loan Rev., I-A , 5.5%, 2022	25,000	29,094
		\$ 1,353,873
<b>Tax - Other - 2.2%</b>		
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A , 5%, 2035	\$ 100,000	\$ 107,528
Allentown, PA, Neighborhood Improvement Zone Development Authority Tax Rev., A , 5%, 2042	420,000	446,540
Dallas County, TX, Flood Control District, 7.25%, 2032	750,000	756,803
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5%, 2047	360,000	392,166
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2047	370,000	447,001
New Jersey Economic Development Authority Rev., 5%, 2025	135,000	156,987
New Jersey Economic Development Authority Rev., 5%, 2026	65,000	75,295
New Jersey Economic Development Authority Rev., 5%, 2028	25,000	28,737
New Jersey Economic Development Authority Rev., 5%, 2029	25,000	28,670
New York, NY, City Transitional Finance Authority Building Aid Rev., S-3 , 5.25%, 2039	440,000	498,828
Virgin Islands Public Finance Authority Rev. (Diageo Project), A , 6.75%, 2037	205,000	243,331
		\$ 3,181,886
<b>Tax Assessment - 4.9%</b>		
Anne Arundel County, MD, Special Obligation (National Business Park-North Project), 6.1%, 2040	\$ 140,000	\$ 153,038
Atlanta, GA, Tax Allocation (Eastside Project), B , 5.4%, 2020	500,000	546,230
Capital Region Community Development District, FL, Capital Improvement Rev., A , 7%, 2039	225,000	225,099
Celebration Community Development District, FL, A , 6.4%, 2034	665,000	675,381
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 2022	310,000	322,657
Du Page County, IL, Special Service Area No. 31 Special Tax (Monarch Landing Project), 5.625%, 2036	250,000	250,673
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038	315,000	316,112
Homestead, Community Development District, FL, Special Assessment, A , 6%, 2037	365,000	274,378
Homestead, Community Development District, FL, Special Assessment, B , 5.9%, 2013	60,000	48,723



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*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Tax Assessment - continued</b>		
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031	\$ 500,000	\$ 505,075
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034	250,000	254,293
Main Street Community Development District, FL, A, 6.8%, 2038	280,000	276,940
Ohio County, WV, Commission Tax Increment Rev. (Fort Henry Centre), A, 5.85%, 2034	125,000	131,841
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035	1,435,000	1,446,035
Tuscany Reserve Community Development District, FL, Special Assessment, B, 5.25%, 2016	185,000	176,190
West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037 (a)(d)	470,000	202,100
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037 (a)(d)	960,000	364,800
Yorba Linda, CA, Redevelopment Agency, Tax Allocation Rev., Capital Appreciation, A, NATL, 0%, 2024	1,325,000	746,333
		\$ 6,915,898
<b>Tobacco - 7.8%</b>		
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.125%, 2024	\$ 3,270,000	\$ 2,934,433
Buckeye, OH, Tobacco Settlement Financing Authority, A-2, 5.875%, 2047	250,000	222,080
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 6.25%, 2013 (c)	785,000	808,001
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 5.75%, 2047	525,000	489,421
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, A-1, 5%, 2033	440,000	391,354
Illinois Railsplitter Tobacco Settlement Authority, 6%, 2028	1,365,000	1,683,700
New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 2041	3,355,000	3,017,353
Rhode Island Tobacco Settlement Authority, 6%, 2023	920,000	921,730
Suffolk, NY, Tobacco Asset Securitization Corp., Tobacco Settlement, B, 5.25%, 2037	80,000	86,975
Washington Tobacco Settlement Authority Rev., 6.625%, 2032	500,000	513,550
		\$ 11,068,597
<b>Toll Roads - 6.3%</b>		
Chesapeake, VA, Toll Road Rev. (Transportation System), A, 5%, 2047	\$ 105,000	\$ 116,579
Chesapeake, VA, Toll Road Rev. Convertible Capital Appreciation (Transportation System), B, 0%, 2032	125,000	80,110

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Toll Roads - continued</b>		
Chesapeake, VA, Toll Road Rev. Convertible Capital Appreciation (Transportation System), B, 0%, 2040	\$ 145,000	\$ 91,657
E-470 Public Highway Authority, CO, Capital Appreciation, B, NATL, 0%, 2018	1,500,000	1,262,235
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A, 7.25%, 2040	445,000	580,151
North Texas Tollway Authority Rev., 6%, 2038	765,000	922,950
North Texas Tollway Authority Rev. (Special Projects System), D, 5%, 2031	1,200,000	1,439,364
San Joaquin Hills, CA, Transportation Corridor Agency, Toll Road Rev., Capital Appreciation, A, NATL, 0%, 2015	3,000,000	2,817,810
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.25%, 2032	285,000	319,351
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 6%, 2037	470,000	550,661
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 2042	755,000	848,144
		\$ 9,029,012
<b>Universities - Colleges - 9.2%</b>		
Allegheny County, PA, Higher Education Building Authority Rev. (Chatham University), A, 5%, 2030	\$ 80,000	\$ 90,038
Brevard County, FL, Industrial Development Rev. (TUFF Florida Tech LLC Project), 6.75%, 2039	540,000	610,038
California Educational Facilities Authority Rev. (Chapman University), 5%, 2031	145,000	166,788
California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 2038	1,270,000	1,508,036
California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028	100,000	111,435
Florida Higher Educational Facilities, Financial Authority Rev. (University of Tampa Project), A, 5%, 2032	25,000	27,542
Florida Higher Educational Facilities, Financial Authority Rev. (University of Tampa Project), A, 5.25%, 2042	210,000	233,356
Florida State University Board of Governors, System Improvement Rev., 6.25%, 2030	1,000,000	1,244,570
Grand Valley, MI, State University Rev., 5.5%, 2027	135,000	158,582
Grand Valley, MI, State University Rev., 5.625%, 2029	65,000	76,392
Illinois Finance Authority Rev. (Illinois Institute of Technology), A, 5%, 2036	110,000	106,174
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 2029	670,000	769,529
Illinois Finance Authority Rev. (Roosevelt University Project), 6.5%, 2039	155,000	177,825

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Universities - Colleges - continued</b>		
Illinois Finance Authority Rev. (University of Chicago), A, 5%, 2051	\$ 165,000	\$ 188,209
Lakeland, FL, Educational Facilities Rev. (Florida Southern College), A, 5%, 2032	75,000	81,881
Lakeland, FL, Educational Facilities Rev. (Florida Southern College), A, 5%, 2037	125,000	135,098
Lakeland, FL, Educational Facilities Rev. (Florida Southern College), A, 5%, 2042	65,000	69,979
Massachusetts Development Finance Agency Rev. (The Broad Institute, Inc.), A, 5.25%, 2037	580,000	664,419
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), I, 8%, 2029	255,000	300,548
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 6.25%, 2030	725,000	859,357
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A, 5.75%, 2039	455,000	521,526
New York Dormitory Authority Rev., Non-State Supported Debt (Rochester Institute of Technology), 4%, 2030	120,000	133,723
New York Dormitory Authority Rev., Non-State Supported Debt (Rochester Institute of Technology), 4%, 2031	115,000	127,535
New York Dormitory Authority Rev., Non-State Supported Debt (Rochester Institute of Technology), 4%, 2032	95,000	104,849
New York Dormitory Authority Rev., Non-State Supported Debt (Rochester Institute of Technology), 4%, 2033	80,000	87,870
Onondaga, NY, Civic Development Corp. (Le Moyne College), 5%, 2042	115,000	125,790
Portage County, OH, Port Authority Rev. (Northeast Ohio Medical University Project), 5%, 2037	200,000	218,970
Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 4.375%, 2031	45,000	44,570
Puerto Rico Industrial, Tourist, Medical, & Environmental Central Facilities (University of Sacred Heart), 5%, 2042	25,000	25,328
Savannah, GA, Economic Development Authority Rev. (AASU Student Union LLC), ASSD GTY, 5.125%, 2039	335,000	372,453
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2030	195,000	237,126
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2031	85,000	102,989
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2032	80,000	96,581
Texas Tech University Rev., Refunding & Improvement, A, 5%, 2037	150,000	178,619
University of Illinois Rev. (Auxiliary Facilities Systems), A, 5.125%, 2029	1,880,000	2,142,091
University of Southern Indiana Rev. (Student Fee), J, ASSD GTY, 5.75%, 2028	300,000	379,047

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*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Universities - Colleges - continued</b>		
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 2032	\$ 220,000	\$ 258,940
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 2036	80,000	93,801
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 2034	280,000	316,406
		\$ 13,148,010
<b>Universities - Dormitories - 2.6%</b>		
Bowling Green, OH, Student Housing Rev. (State University Project), 5.75%, 2031	\$ 175,000	\$ 195,970
Buffalo & Erie County, NY, Industrial Land Development Corp. Rev. (Buffalo State College), A, 5.375%, 2041	200,000	234,422
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033	735,000	790,581
Illinois Finance Authority Student Housing Rev. (Illinois State University), 6.75%, 2031	240,000	286,126
Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 2031	615,000	743,640
Mississippi State University, Educational Building Corp., 5%, 2036	440,000	509,898
Oregon Facilities Authority, Student Housing Rev. (Southern Oregon University), ASSD GTY, 4.7%, 2033	50,000	55,618
Oregon Facilities Authority, Student Housing Rev. (Southern Oregon University), ASSD GTY, 5%, 2044	60,000	68,048
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 2030	80,000	91,629
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 6%, 2043	110,000	125,403
Pennsylvania Higher Educational Facilities Authority Rev. (Shippensburg University), 5%, 2030	105,000	117,250
Pennsylvania Higher Educational Facilities Authority Rev. (Shippensburg University), 5%, 2044	110,000	119,508
Platteville, WI, Redevelopment Authority, Redevelopment Rev. (Platteville Real Estate), 5%, 2032	100,000	106,737
Platteville, WI, Redevelopment Authority, Redevelopment Rev. (Platteville Real Estate), 5%, 2042	215,000	222,940
		\$ 3,667,770
<b>Universities - Secondary Schools - 1.1%</b>		
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.5%, 2031	\$ 95,000	\$ 106,484
Clifton, TX, Higher Education Finance Corp. Rev. (Idea Public Schools), 5.75%, 2041	75,000	85,202

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*Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Universities - Secondary Schools - continued</b>		
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.125%, 2040	\$ 215,000	\$ 245,033
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.25%, 2045	135,000	154,306
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6%, 2032	115,000	115,910
Florida Development Finance Corp. Educational Facilities Rev. (Renaissance Charter School), A , 6.125%, 2043	240,000	239,501
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A , 6.25%, 2039	195,000	226,366
North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 4.875%, 2032	70,000	74,512
North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 5.125%, 2042	170,000	182,201
Philadelphia, PA, Authority for Industrial Development Rev. (MaST Charter School), 6%, 2035	50,000	56,392
Phoenix, AZ, Industrial Development Authority Education Rev. (Choice Academies, Inc. Project), 5.625%, 2042	135,000	138,395
		\$ 1,624,302
<b>Utilities - Cogeneration - 0.2%</b>		
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 2026	\$ 320,000	\$ 320,221
<b>Utilities - Investor Owned - 5.2%</b>		
Apache County, AZ, Industrial Development Authority, Pollution Control Rev. (Tucson Electric Power Co.), A , 4.5%, 2030	\$ 325,000	\$ 344,913
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 2038	555,000	69,114
Bryant, IL, Pollution Control Rev. (Central Illinois Light Co.), 5.9%, 2023	975,000	978,608
Chula Vista, CA, Industrial Development Rev. (San Diego Gas & Electric Co.), E , 5.875%, 2034	245,000	294,083
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 2040	500,000	563,020
Fort Bend County, TX, Industrial Development Corp. (NRG Energy, Inc.), A , 4.75%, 2038	335,000	352,011
Hawaii Department of Budget & Finance Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 2039	390,000	457,150
Maricopa County, AZ, Pollution Control Rev. (El Paso Electric Co. Palo Verde Project), A , 4.5%, 2042	150,000	155,708

**Table of Contents***Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Utilities - Investor Owned - continued</b>		
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 2042 (b)	\$ 85,000	\$ 105,052
Matagorda County, TX, Pollution Control Rev. (Central Power & Light Co.), A, 6.3%, 2029	275,000	323,161
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022	1,500,000	1,503,450
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B, NATL, 4.75%, 2021	250,000	260,685
Owen County, KY, Waterworks System Rev. (American Water Co. Project), A, 6.25%, 2039	205,000	230,508
Pennsylvania Economic Development Financing Authority (Allegheny Energy Supply Co. LLC), 7%, 2039	600,000	725,712
Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 2029	1,015,000	1,081,919
		\$ 7,445,094
<b>Utilities - Municipal Owned - 1.0%</b>		
Guam Power Authority Rev., A, AGM, 5%, 2025	\$ 95,000	\$ 111,409
Guam Power Authority Rev., A, AGM, 5%, 2026	80,000	93,522
Guam Power Authority Rev., A, AGM, 5%, 2027	30,000	34,904
Guam Power Authority Rev., A, 5%, 2034	95,000	105,585
Harris County, TX, Cultural Education Facilities Financial Corp., Thermal Utilities Rev. (Teco Project), A, 5.25%, 2035	140,000	160,937
Los Angeles, CA, Department of Water & Power Rev. (Power System), B, 5%, 2038	355,000	420,501
Sacramento, CA, Municipal Utility District, X, 5%, 2028	365,000	442,887
		\$ 1,369,745
<b>Utilities - Other - 3.9%</b>		
California M-S-R Energy Authority Gas Rev., A, 7%, 2034	\$ 155,000	\$ 225,331
California M-S-R Energy Authority Gas Rev., A, 6.5%, 2039	335,000	477,174
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A, 5.5%, 2028	335,000	416,144
Indiana Bond Bank Special Program, Gas Rev., A, 5.25%, 2018	230,000	273,663
Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 2038	25,000	35,967
Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2037	705,000	848,418
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 2021	1,710,000	2,038,542
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 2022	270,000	319,961
Tennessee Energy Acquisition Corp., Gas Rev., A, 5.25%, 2026	165,000	197,470
Tennessee Energy Acquisition Corp., Gas Rev., C, 5%, 2025	240,000	278,743
Texas Gas Acquisition & Supply Corp., Gas Supply Rev., 5%, 2031	150,000	166,211
Texas Gas Acquisition & Supply Corp., Gas Supply Rev., 5%, 2032	240,000	264,878
		\$ 5,542,502

**Table of Contents***Portfolio of Investments continued*

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Municipal Bonds - continued</b>		
<b>Water &amp; Sewer Utility Revenue - 9.2%</b>		
Atlanta, GA, Water & Wastewater Rev., A, 6%, 2022	\$ 370,000	\$ 479,675
Birmingham, AL, Waterworks Board Water Rev., A, ASSD GTY, 5.125%, 2034	595,000	674,230
California Department of Water Resources, Center Valley Project Rev., AJ, 5%, 2035	1,010,000	1,216,656
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 5.75%, 2037	290,000	307,960
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 2038	655,000	698,276
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 2044	135,000	142,630
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2028	125,000	154,739
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2029	115,000	141,718
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2030	75,000	92,035
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2031	15,000	18,287
DeKalb County, GA, Water & Sewer Rev., A, 5.25%, 2041	420,000	491,690
Houston, TX, Utility System Rev., D, 5%, 2036	435,000	517,833
King County, WA, Sewer Rev., 5%, 2040	1,395,000	1,622,706
Massachusetts Water Resources Authority, B, 5%, 2041	275,000	323,521
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 2024	215,000	273,448
New York Environmental Facilities Corp., Clean Drinking Water Revolving Funds, 5%, 2041	685,000	808,862
New York Environmental Facilities, C, 5%, 2041	945,000	1,114,382
New York, NY, Municipal Water Finance Authority, Water & Sewer System Rev., AA, 5%, 2034	1,980,000	2,343,013
New York, NY, Municipal Water Finance Authority, Water & Sewer Systems Rev., DD, 4.75%, 2035	790,000	886,870
Surprise, AZ, Municipal Property Corp., 4.9%, 2032	700,000	716,639
		\$ 13,025,170
<b>Total Municipal Bonds (Identified Cost, \$192,482,579)</b>		<b>\$ 213,467,036</b>
<b>Money Market Funds - 1.2%</b>		
MFS Institutional Money Market Portfolio, 0.17%, at Cost and Net Asset Value (v)	1,770,392	\$ 1,770,392
<b>Total Investments (Identified Cost, \$194,252,971)</b>		<b>\$ 215,237,428</b>
<b>Other Assets, Less Liabilities - 1.5%</b>		
ARPS, at liquidation value (issued by the fund) - (2.7)%		(3,900,000)
VMTPS, at liquidation value (issued by the fund) - (50.0)%		(71,100,000)
<b>Net assets applicable to common shares - 100.0%</b>		<b>\$ 142,315,369</b>

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*Portfolio of Investments continued*

- (a) Non-income producing security.
- (b) Mandatory tender date is earlier than stated maturity date.
- (c) Refunded bond.
- (d) In default. Interest and/or scheduled principal payment(s) have been missed.
- (f) All or a portion of the security has been segregated as collateral for open futures contracts.
- (n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$2,270,624, representing 1.6% of net assets applicable to common shares.
- (q) Interest received was less than stated coupon rate.
- (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
MuniMae TE Bond Subsidiary LLC, 5.8%, 2049	10/14/04	\$ 1,000,000	\$715,470
Resolution Trust Corp., Pass-Through Certificates, 1993, 8.5%, 2016	10/17/01-1/14/02	455,481	448,038
<b>Total Restricted Securities</b>			<b>\$1,163,508</b>
% of Net assets applicable to common shares			0.8%

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

- ARPS Auction Rate Preferred Shares
- COP Certificate of Participation
- ETM Escrowed to Maturity
- 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.
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.
PSF	Permanent School Fund
SYNCORA	Syncora Guarantee Inc.



**Table of Contents***Portfolio of Investments continued***Derivative Contracts at 11/30/12****Futures Contracts Outstanding at 11/30/12**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
<b>Liability Derivatives</b>					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	188	\$25,124,438	March 2013	\$(31,813)
U.S. Treasury Bond 30 yr (Short)	USD	22	3,301,375	March 2013	(11,249)
					\$(43,062)

At November 30, 2012, the fund had liquid securities with an aggregate value of \$352,272 to cover any commitments for certain derivative contracts.

**See Notes to Financial Statements**

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

At 11/30/12

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

<b>Assets</b>	
Investments-	
Non-affiliated issuers, at value (identified cost, \$192,482,579)	\$213,467,036
Underlying affiliated funds, at cost and value	1,770,392
Total investments, at value (identified cost, \$194,252,971)	\$215,237,428
Receivables for	
Investments sold	1,116,348
Interest	3,178,863
Deferred VMTPS offering costs	153,873
Other assets	4,488
Total assets	\$219,691,000
<b>Liabilities</b>	
Payables for	
Distributions on ARPS	\$146
Daily variation margin on open futures contracts	24,000
Investments purchased	2,108,079
Interest expense	84,239
ARPS tender and repurchase costs	22,307
VMTPS offering costs	15,475
Payable to affiliates	
Investment adviser	7,935
Transfer agent and dividend disbursing costs	1,247
Payable for independent Trustees' compensation	2,569
Accrued expenses and other liabilities	109,634
VMTPS, at liquidation value	71,100,000
Total liabilities	\$73,475,631
ARPS, at liquidation value	\$3,900,000
Net assets applicable to common shares	\$142,315,369
<b>Net assets consist of</b>	
Paid-in capital - common shares	\$172,480,328
Unrealized appreciation (depreciation) on investments	20,941,395
Accumulated net realized gain (loss) on investments	(51,602,941)
Undistributed net investment income	496,587
Net assets applicable to common shares	\$142,315,369
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	\$217,315,369
Common shares of beneficial interest issued and outstanding	28,255,974
Net asset value per common share (net assets of \$142,315,369 / 28,255,974 shares of beneficial interest outstanding)	\$5.04

**See Notes to Financial Statements**

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

Year ended 11/30/12

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

<b>Net investment income</b>	
Income	
Interest	\$11,200,969
Dividends from underlying affiliated funds	5,113
Total investment income	\$11,206,082
Expenses	
Management fee	\$1,344,290
Transfer agent and dividend disbursing costs	43,125
Administrative services fee	40,146
Independent Trustees' compensation	25,573
Stock exchange fee	25,264
ARPS service fee	59,737
Custodian fee	19,746
Shareholder communications	39,658
Audit and tax fees	78,425
Legal fees	15,649
ARPS tender and repurchase costs	159,049
Amortization of VMTPS offering costs	8,914
Interest expense	223,083
Miscellaneous	37,661
Total expenses	\$2,120,320
Fees paid indirectly	(36)
Reduction of expenses by investment adviser	(464)
Net expenses	\$2,119,820
Net investment income	\$9,086,262
<b>Realized and unrealized gain (loss) on investments</b>	
Realized gain (loss) (identified cost basis)	
Investments	\$(1,199,457)
Futures contracts	(1,404,199)
Net realized gain (loss) on investments	\$(2,603,656)
Change in unrealized appreciation (depreciation)	
Investments	\$21,659,688
Futures contracts	(189,655)
Net unrealized gain (loss) on investments	\$21,470,033
Net realized and unrealized gain (loss) on investments	\$18,866,377
Distributions declared to shareholders of ARPS	\$(148,161)
Change in net assets from operations	\$27,804,478

**See Notes to Financial Statements**

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

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

	<b>Years ended 11/30</b>	
	<b>2012</b>	<b>2011</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$9,086,262	\$9,910,163
Net realized gain (loss) on investments	(2,603,656)	(5,216,349)
Net unrealized gain (loss) on investments	21,470,033	5,561,140
Distributions declared to shareholders of ARPS	(148,161)	(236,327)
Change in net assets from operations	\$27,804,478	\$10,018,627
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(9,309,213)	\$(10,006,832)
<b>Share transactions applicable to common and preferred shares</b>		
Net asset value of shares issued to common shareholders in reinvestment of distributions	\$419,360	\$461,392
Net increase resulting from the tender and repurchase of ARPS	3,555,000	
Change in net assets from fund share transactions	\$3,974,360	\$461,392
Total change in net assets	\$22,469,625	\$473,187
<b>Net assets applicable to common shares</b>		
At beginning of period	119,845,744	119,372,557
At end of period (including undistributed net investment income of \$496,587 and \$673,491, respectively)	\$142,315,369	\$119,845,744
<b>See Notes to Financial Statements</b>		

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

Year ended 11/30/12

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

<b>Cash flows from operating activities:</b>	
Change in net assets from operations	\$27,804,478
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(30,888,664)
Proceeds from disposition of investment securities	29,684,443
Payments for futures contracts	(1,404,199)
Purchases of short-term investments, net	(364,327)
Realized gain/loss on investments	1,199,457
Realized gain/loss on futures contracts	1,404,199
Unrealized appreciation/depreciation on investments	(21,659,688)
Net amortization/accretion of income	(481,585)
Increase in interest receivable	(63,286)
Decrease in accrued expenses and other liabilities	(648)
Decrease in receivable on daily variation margin on open futures contracts	111,938
Increase in payable for daily variation margin on open futures contracts	24,000
Decrease in other assets	1,860
Net cash provided by operating activities	\$5,367,978
<b>Cash flows from financing activities:</b>	
Increase in deferred VMTPS offering costs	(153,873)
Cash receipts from issuance of VMTPS, at liquidation value	71,100,000
Cash payments to repurchase ARPS	(67,545,000)
Cash distributions paid on common shares	(8,889,858)
Decrease in payable for distributions on ARPS	(1,268)
Increase in payable for VMTPS offering costs	15,475
Increase in payable for ARPS tender and repurchase costs	22,307
Increase in payable for interest expense	84,239
Net cash used by financing activities	\$(5,367,978)
<b>Cash:</b>	
Beginning of period	\$
End of period	\$

*Supplemental disclosure of cash flow information:*

Non-cash financing activities not included herein consist of reinvestment of dividends and distributions of \$419,360.

Cash paid during the year for interest \$138,844.

**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.

<b>Common Shares</b>	<b>Years ended 11/30</b>				
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Net asset value, beginning of period	\$4.25	\$4.25	\$4.18	\$3.48	\$5.34
<b>Income (loss) from investment operations</b>					
Net investment income (d)	\$0.32	\$0.35	\$0.37	\$0.38	\$0.43
Net realized and unrealized gain (loss) on investments	0.68	0.02	0.06	0.67	(1.85)
Distributions declared to shareholders of ARPS	(0.01)	(0.01)	(0.01)	(0.02)	(0.11)
Total from investment operations	\$0.99	\$0.36	\$0.42	\$1.03	\$(1.53)
<b>Less distributions declared to common shareholders</b>					
From net investment income	\$(0.33)	\$(0.36)	\$(0.35)	\$(0.33)	\$(0.33)
Net increase resulting from tender and repurchase of ARPS	\$0.13	\$	\$	\$	\$
Net asset value, end of period (x)	\$5.04	\$4.25	\$4.25	\$4.18	\$3.48
Market value, end of period	\$5.25	\$4.57	\$4.45	\$4.24	\$3.04
Total return at market value (%) (p)	23.01	11.82	13.69	52.58	(33.26)
Total return at net asset value (%) (j)(r)(s)(x)(y)	26.98	8.88	10.14	31.40	(29.90)
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>					
Expenses before expense reductions (f)(p)	1.61	1.43	1.41	1.61	1.57
Expenses after expense reductions (f)(p)	1.61	1.43	1.40	1.50	1.48
Net investment income (p)	6.89	8.49	8.57	10.17	9.02
Portfolio turnover	15	21	11	17	34
Net assets at end of period (000 omitted)	\$142,315	\$119,846	\$119,373	\$116,870	\$96,955
<b>Supplemental Ratios (%):</b>					
Ratio of expenses to average net assets applicable to common shares after expense reductions and excluding interest expense and fees (f)(l)(p)	1.32	N/A	N/A	N/A	1.44
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	0.87	0.87	0.87	0.87
Net investment income available to common shares	6.78	8.29	8.32	9.68	6.66

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

	Years ended 11/30				
	2012	2011	2010	2009	2008
<b>Senior Securities:</b>					
ARPS	156	3,000	3,000	3,000	3,000
VMTPS	2,844				
Total preferred shares outstanding	3,000	3,000	3,000	3,000	3,000
Asset coverage per preferred share (k)	\$72,438	\$64,949	\$64,791	\$63,957	\$57,318
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 or 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 holder of the floating rate certificate 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 to ARPS and accrued interest to 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.

(x) The net asset values per share and total returns have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.

(y) Included in the total return at net asset value 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 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 closed-end management investment company.

**(2) Significant Accounting Policies**

**General** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the preparation of these financial statements, management has evaluated subsequent events occurring after the date of the fund's Statement of Assets and Liabilities through the date that the financial statements were issued. The fund invests primarily in municipal instruments. The value of municipal instruments can be affected by changes in their actual or perceived credit quality. The credit quality of municipal instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer's future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region where the instrument is issued and the liquidity of the security. Municipal instruments generally trade in the over-the-counter market. Municipal instruments backed by current and anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the projects or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service determines an issuer of a municipal instrument has not complied with the applicable tax requirements, the security could decline in value, interest from the security could become taxable and the funds may be required to issue Forms 1099-DIV. The fund invests in high-yield securities rated below investment grade. Investments in high-yield securities involve greater degrees of credit and market risk than investments in higher-rated securities and tend to be more sensitive to economic conditions.

In this reporting period the fund adopted FASB Accounting Standards Update 2011-04, Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (ASU 2011-04). ASU 2011-04 seeks to improve the comparability of fair value measurements as presented and disclosed in financial statements prepared in accordance with U.S. GAAP and International Financial Reporting Standards (IFRS) by providing common requirements for fair value measurement and disclosure.

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update 2011-11, Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities (ASU 2011-11). Effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods, ASU 2011-11 is intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. Although still evaluating the potential impacts of ASU 2011-11 to the fund, management expects that the impact of the fund's adoption will be limited to additional financial statement disclosures.



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*Notes to Financial Statements continued*

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

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

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Notes to Financial Statements continued

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

Investments at Value	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$	\$213,467,036	\$	\$213,467,036
Mutual Funds	1,770,392			1,770,392
Total Investments	\$1,770,392	\$213,467,036	\$	\$215,237,428

**Other Financial Instruments**

Futures Contracts	\$(43,062)	\$	\$	\$(43,062)
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For further information regarding security characteristics, see the Portfolio of Investments.

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

	Municipal Bonds
Balance as of 11/30/11	\$93,362
Accrued discounts/premiums	6
Realized gain (loss) from liquidation	(118,392)
Change in unrealized appreciation (depreciation)	111,925
Liquidation proceeds	(86,901)
Balance as of 11/30/12	\$

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

<b>Risk</b>	<b>Derivative Contracts</b>	<b>Fair Value (a) Liability Derivatives</b>
Interest Rate	Interest Rate Futures	\$(43,062)

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

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the year ended November 30, 2012 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$(1,404,199)

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, 2012 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$(189,655)

Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain over-the-counter derivatives, the fund attempts to reduce its exposure to counterparty credit risk whenever possible by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement on a bilateral basis with each of the counterparties with whom it undertakes a significant volume of transactions. The ISDA Master Agreement gives each party to the agreement the right to terminate all transactions traded under such agreement if there is a certain deterioration in the credit quality of the other party. The ISDA Master Agreement gives the fund the right, upon an event of default by the applicable counterparty or a termination of the agreement, to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net amount payable by one party to the other. This right to close out and net payments across all transactions traded under the ISDA Master Agreement could result in a reduction of the fund's credit risk to such counterparty equal to any amounts payable by the fund under the applicable transactions, if any. However, absent an event of default by the counterparty or a termination of the agreement, the ISDA Master Agreement does not result in an offset of reported amounts of assets and liabilities in the Statement of Assets and Liabilities across transactions between the fund and the applicable counterparty.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearing house for exchange traded derivatives (i.e., futures contracts and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, swap agreements and over-the-counter options). For derivatives traded

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*Notes to Financial Statements continued*

under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash collateral that has been pledged to cover obligations of the fund under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as restricted cash. Securities collateral pledged for the same purpose, if any, is noted in the Portfolio of Investments.

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

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

The fund bears the risk of interest rates or securities prices moving unexpectedly, in which case, the fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. While futures contracts may present less counterparty risk to the fund since the contracts are exchange traded and the exchange's clearinghouse guarantees payments to the broker, 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

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*Notes to Financial Statements continued*

or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

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

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

**Fees Paid Indirectly** The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the year ended November 30, 2012, 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.

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

Book/tax differences primarily relate to expiration of capital loss carryforwards, amortization and accretion of debt securities, defaulted bonds, and non-deductible expenses and 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:

	11/30/12	11/30/11
Ordinary income (including any short-term capital gains)	\$52,477	\$66,263
Tax-exempt income	9,627,980	10,176,896
Total distributions	\$9,680,457	\$10,243,159

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

<b>As of 11/30/12</b>	
Cost of investments	\$193,583,925
Gross appreciation	24,680,074
Gross depreciation	(3,026,571)
Net unrealized appreciation (depreciation)	\$21,653,503
Undistributed ordinary income	54,999
Undistributed tax-exempt income	907,162
Capital loss carryforwards	(52,213,254)
Post-October capital loss deferral	(101,795)
Other temporary differences	(465,574)

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

As of November 30, 2012, the fund had capital loss carryforwards available to offset future realized gains. Such losses expire as follows:

<b>Pre-enactment losses:</b>	
11/30/14	\$(7,119,782)
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	\$(48,808,695)
<b>Post-enactment losses:</b>	
Short-term	\$(288,759)
Long-term	(3,115,800)
Total	\$(3,404,559)

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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 annual 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, 2013. For the year ended November 30, 2012, 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, 2012, these fees paid to MFSC amounted to \$14,953.

**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, 2012 was equivalent to an annual effective rate of 0.0194% 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.

**Deferred Trustee Compensation** Prior to MFS's appointment as investment adviser to the fund, the fund's former independent Trustees participated in a Deferred Compensation Plan (the Former Colonial Trustees Plan or Plan). The fund's current independent Trustees are not allowed to defer compensation under the Former Colonial Trustees Plan. Amounts deferred under the Plan are invested in shares of certain non-MFS funds selected by the former independent Trustees as notional investments. Deferred amounts represent an unsecured obligation of the fund until

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*Notes to Financial Statements continued*

distributed in accordance with the Plan. Included in Other assets and Payable for independent Trustees compensation in the Statement of Assets and Liabilities is \$2,522 of deferred Trustees compensation. There is no current year expense associated with the Former Colonial Trustees Plan.

**Other** This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The ICCO and Assistant ICCO are officers of the funds and the sole members of Tarantino LLC and Griffin Compliance LLC, respectively. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. For the year ended November 30, 2012, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$1,156 and are included in Miscellaneous expense in the Statement of Operations. MFS has agreed to reimburse the fund for a portion of the payments made by the fund in the amount of \$464, which is shown as a reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO.

The fund invests in the MFS Institutional Money Market Portfolio which is managed by MFS and seeks 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**

Purchases and sales of investments, other than short-term obligations, aggregated \$32,480,630 and \$29,788,105, 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, 2012 and November 30, 2011, the fund did not repurchase any shares. Transactions in fund shares were as follows:

	Year ended 11/30/12		Year ended 11/30/11	
	Shares	Amount	Shares	Amount
Shares issued to shareholders in reinvestment of distributions	87,222	\$419,360	110,639	\$461,392

**(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



**Table of Contents***Notes to Financial Statements continued*

LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds managed by MFS have established 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, 2012, the fund's commitment fee and interest expense were \$864 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:

	<b>Beginning</b>	<b>Acquisitions</b>	<b>Dispositions</b>	<b>Ending</b>
	<b>Shares/Par</b>	<b>Shares/Par</b>	<b>Shares/Par</b>	<b>Shares/Par</b>
<b>Underlying Affiliated Fund</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
MFS Institutional Money Market Portfolio	1,406,065	38,689,099	(38,324,772)	1,770,392
	<b>Realized</b>	<b>Capital Gain</b>	<b>Dividend</b>	<b>Ending</b>
<b>Underlying Affiliated Fund</b>	<b>Gain (Loss)</b>	<b>Distributions</b>	<b>Income</b>	<b>Value</b>
MFS Institutional Money Market Portfolio	\$	\$	\$5,113	\$1,770,392

**(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 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, 2012, the ARPS dividend rates ranged from 0.107% to 0.396% for series F. For the year ended November 30, 2012, the average dividend rate was 0.256%. 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

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*Notes to Financial Statements continued*

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.

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.

On August 9, 2012, the fund announced a tender offer for all of its outstanding ARPS at a price equal to 95% of the ARPS per share liquidation preference of \$25,000, or \$23,750 per share, plus any unpaid dividends accrued through the expiration date of the tender offer. The tender offer expired on September 7, 2012, and the fund accepted for repurchase 2,844 ARPS, series F (approximately 94.8% of the fund's then outstanding ARPS) with an aggregate liquidation preference of \$71,100,000 for an aggregate price of \$67,545,000. To finance the ARPS tender offer, the fund issued in a private placement 2,844 shares of a new type of preferred shares, Variable Rate Municipal Term Preferred Shares (VMTPS), each with a liquidation preference of \$25,000 per share, for an aggregate price of \$71,100,000. 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. 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. The average annualized dividend rate on the fund's VMTPS from the date of initial issuance through November 30, 2012 was 1.43%. The total liquidation preference of the fund's outstanding preferred shares, comprised of untendered ARPS and VMTPS, remained unchanged as a result of the ARPS tender and VMTPS issuance. The difference between the liquidation preference of the ARPS and the actual purchase price of the tendered ARPS (i.e. the 5% discount on the per share liquidation preference of the tendered ARPS), was recognized by the fund in the Statement of Changes in Net Assets as an increase in net assets applicable to common shares resulting from the tender and the repurchase of the ARPS by the fund.

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, 2012, interest expense related to VMTPS amounted to \$223,083 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. If the VMTPS were carried at fair value, its fair value would be considered level 2 under the fair value hierarchy.

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*Notes to Financial Statements continued*

Under the terms of a purchase agreement between the fund and the investor in VMTPS, the fund may only invest in eligible assets as defined in the purchase agreement; provided, however, that up to 2% of the fund's total assets may be comprised of assets that do not constitute eligible assets. In addition, (i) at least 60% of the fund's total assets must be comprised of investment grade tax-exempt municipal securities that are, or at the time of investment were, rated investment grade in accordance with the purchase agreement, (ii) no more than 40% of the fund's total assets may be comprised of tax-exempt municipal securities that, at the time of investment, were rated below investment grade in accordance with the purchase agreement, (iii) no more than 5% of the fund's total assets may be comprised of tax-exempt municipal securities that, at the time of investment, were rated below B3 or B- in accordance with the purchase agreement and (iv) none of the fund's total assets may be comprised of non-municipal securities that, at the time of investment, were rated below investment grade in accordance with the purchase agreement. These investment-related requirements under the VMTPS purchase agreement are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies, and 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 By-Laws and the Investment Company Act of 1940 and, as such, 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.

As of November 30, 2012, the fund had issued and outstanding 156 ARPS, series F, and 2,844 VMTPS, series 2016/9.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying statement of assets and liabilities of MFS High Yield Municipal Trust (the Fund), including the portfolio of investments, as of November 30, 2012, and the related statement 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, 2012, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MFS High Yield Municipal Trust at November 30, 2012, 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, 2013

**Table of Contents****RESULTS OF SHAREHOLDER MEETINGS**

(unaudited)

At a special meeting of shareholders of Auction Rate Preferred Shares (ARPS) of MFS High Yield Municipal Trust, which was held on August 31, 2012, the following action was taken:

**Item 1:** To amend the fund's bylaws to replace Standard & Poor's, a division of the McGraw-Hill Companies, Inc. with Fitch, Inc. as a rating agency for the fund's ARPS and make other noted changes:

	<u>Number of Shares</u>
For	1,677
Against	207
Withheld Authority	3

At the annual meeting of shareholders of MFS High Yield Municipal Trust, which was held on October 31, 2012, 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
Robert E. Butler	23,611,161.442	737,832.535
David H. Gunning	23,624,836.106	724,157.871
J. Dale Sherratt	23,627,314.459	721,679.518

**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	2,147	29
Laurie J. Thomsen	2,147	29

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

The Trustees and officers of the Trust, as of January 1, 2013, 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.

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(i)</sup></b>
<b>INTERESTED TRUSTEES</b>					
Robert J. Manning <sup>(k)</sup> (age 49)	Trustee	February 2004	2013	Massachusetts Financial Services Company, Chairman, Chief Executive Officer and Director; President (until December 2009); Chief Investment Officer (until July 2010)	N/A
<b>INDEPENDENT TRUSTEES</b>					
David H. Gunning (age 70)	Trustee and Chair of Trustees	January 2004	2012	Private investor	Lincoln Electric Holdings, Inc. (welding equipment manufacturer), Director; Development Alternatives, Inc. (consulting), Director/Non-Executive Chairman; Portman Limited (mining), Director (until 2008)
Robert E. Butler (age 71)	Trustee	January 2006	2012	Consultant investment company industry regulatory and compliance matters	N/A
Maureen R. Goldfarb  (age 57)	Trustee	January 2009	2013	Private investor	N/A
William R. Gutow (age 71)	Trustee	December 1993	2014	Private investor and real estate consultant; Capitol Entertainment Management Company (video franchise), Vice Chairman	Atlantic Coast Tan (tanning salons), Vice Chairman (until 2007); Texas Donuts (donut franchise), Vice Chairman (until 2010)

**Table of Contents***Trustees and Officers continued*

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(i)</sup></b>
Michael Hegarty (age 68)	Trustee	December 2004	2014	Private investor; Rouse Properties Inc. (real estate), Director	N/A
John P. Kavanaugh  (age 58)	Trustee	January 2009	2012	Private investor	N/A
J. Dale Sherratt (age 74)	Trustee	June 1989	2012	Insight Resources, Inc. (acquisition planning specialists), President; Wellfleet Investments (investor in health care companies), Managing General Partner	N/A
Laurie J. Thomsen (age 55)	Trustee	March 2005	2012	Private investor; New Profit, Inc. (venture philanthropy), Executive Partner (until 2010)	The Travelers Companies (insurance), Director
Robert W. Uek (age 71)	Trustee	January 2006	2014	Consultant to investment company industry	N/A
<b>OFFICERS</b>					
John M. Corcoran <sup>(k)</sup>  (age 47)	President	October 2008	N/A	Massachusetts Financial Services Company, Senior Vice President (since October 2008); State Street Bank and Trust (financial services provider), Senior Vice President, (until September 2008)	N/A
Christopher R. Bohane <sup>(k)</sup> (age 38)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Kino Clark <sup>(k)</sup>  (age 44)	Assistant  Treasurer	January 2012	N/A	Massachusetts Financial Services Company,  Vice President	N/A

**Table of Contents***Trustees and Officers continued*

<b>Name, Age</b>	<b>Position(s) Held</b>	<b>Trustee/Officer Since <sup>(h)</sup></b>	<b>Term Expiring</b>	<b>Principal Occupations During the Past Five Years</b>	<b>Other Directorships <sup>(i)</sup></b>
Thomas H. Connors <sup>(k)</sup>  (age 53)	Assistant  Secretary and Assistant Clerk	September 2012	N/A	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 <sup>(k)</sup> (age 49)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A
David L. DiLorenzo <sup>(k)</sup> (age 44)	Treasurer	July 2005	N/A	Massachusetts Financial Services Company, Senior Vice President	N/A
Robyn L. Griffin (age 37)	Assistant Independent Chief Compliance Officer	August 2008	N/A	Griffin Compliance LLC (provider of compliance services), Principal (since August 2008); State Street Corporation (financial services provider), Mutual Fund Administration Assistant Vice President (October 2006 July 2008)	N/A
Brian E. Langenfeld <sup>(k)</sup>  (age 39)	Assistant Secretary and Assistant Clerk	June 2006	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Susan S. Newton <sup>(k)</sup>  (age 62)	Assistant Secretary and Assistant Clerk	May 2005	N/A	Massachusetts Financial Services Company, Senior Vice President and Associate General Counsel	N/A

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**Table of Contents***Trustees and Officers continued*

Name, Age	Position(s) Held	Trustee/Officer Since <sup>(h)</sup>	Term Expiring	Principal Occupations During the Past Five Years	Other Directorships <sup>(j)</sup>
	with Fund				
Susan A. Pereira <sup>(k)</sup> (age 42)	Assistant Secretary and Assistant Clerk	July 2005	N/A	Massachusetts Financial Services Company, Vice President and Senior Counsel	N/A
Kasey L. Phillips <sup>(k)</sup>  (age 42)	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 <sup>(k)</sup> (age 60)	Secretary and Clerk	January 2006	N/A	Massachusetts Financial Services Company, Executive Vice President, General Counsel and Secretary	N/A
Frank L. Tarantino (age 68)	Independent Chief Compliance Officer	June 2004	N/A	Tarantino LLC (provider of compliance services), Principal	N/A
Richard S. Weitzel <sup>(k)</sup> (age 42)	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 <sup>(k)</sup> (age 52)	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. For the period October 2008, until January 2012, Mr. Corcoran served as Treasurer of the Funds. Prior to January 2012, Messrs. DiLorenzo and Yost served as Assistant Treasurers of the Funds.

(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.

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*Trustees and Officers continued*

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, and Uek and Ms. Thomsen are members of the Fund's Audit Committee.

Each of the Fund's Trustees and officers holds comparable positions with certain other funds of which MFS or a subsidiary is the investment adviser or distributor, and, in the case of the officers, with certain affiliates of MFS. As of January 1, 2013, the Trustees served as board members of 143 funds within the MFS Family of Funds.

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

**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  
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, 2012 ( 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, 2011 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.

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

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, 2011, 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 4th out of a total of 13 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 13 funds for the one-year period and 11th out of a total of 12 funds for the five-year period ended December 31, 2011. 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 Capital Municipal Bond Index. The Fund out-performed the Barclays Capital Municipal Bond Index for each of the one- and three-year periods ended December 31, 2011 (one-year: 14.5% total return for the Fund versus 10.7% total return for the benchmark; three-year: 22.7% total return for the Fund versus 8.6% total return for the benchmark) and under-performed the Barclays Capital Municipal Bond Index for the five-year period ended December 31, 2011 (1.3% total return for the Fund versus 5.2% 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.

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*Board Review of Investment Advisory Agreement continued*

In addition to considering the performance information provided in connection with the contract review meetings, the independent Trustees noted that, in light of the Fund's substandard relative performance at the time of their contract review meetings in 2011, they had met at each of their regular meetings since then with MFS' senior investment management personnel to discuss the Fund's performance and MFS' efforts to improve the Fund's performance. The independent Trustees further noted that the Fund's three-year performance as compared to its benchmark improved for the period ended December 31, 2011, as compared to the prior year. Taking this information into account, 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 and total expense ratio were each approximately at the Lipper expense group median.

The Trustees also considered the advisory fees charged by MFS to institutional accounts, if any. 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,

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*Board Review of Investment Advisory Agreement continued*

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.

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, 2012.

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

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

A general description of the MFS funds' proxy voting policies and procedures is available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

### **QUARTERLY PORTFOLIO DISCLOSURE**

The fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q. A shareholder can obtain the quarterly portfolio holdings report at *mfs.com*. The fund's Form N-Q is also available on the EDGAR database on the Commission's Internet Web site at <http://www.sec.gov>, and may be reviewed and copied at the:

Public Reference Room

Securities and Exchange Commission

100 F Street, NE, Room 1580

Washington, D.C. 20549

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

### **FURTHER INFORMATION**

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

### **FEDERAL TAX INFORMATION (unaudited)**

The fund will notify shareholders of amounts for use in preparing 2012 income tax forms in January 2013. The following information is provided pursuant to provisions of the Internal Revenue Code.

Of the dividends paid from net investment income during the fiscal year, 99.46% 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?
<b>For our everyday business purposes</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes</b> 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.

## Edgar Filing: MFS HIGH YIELD MUNICIPAL TRUST - Form N-CSR

### **Nonaffiliates**

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

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

### **Joint Marketing**

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

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

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

**Items 4 (a) through 4(d) and 4(g):**

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, 2012 and 2011, audit fees billed to the Fund by E&Y were as follows:

	Audit Fees	
	2012	2011
<b>Fees billed by E&amp;Y:</b>		
MFS High Yield Municipal Trust	51,564	49,658

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For the fiscal years ended November 30, 2012 and 2011, 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 <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2012	2011	2012	2011	2012	2011
<b>Fees billed by E&amp;Y:</b>						
To MFS High Yield Municipal Trust	10,504	10,110	9,481	9,125	0	0
	Audit-Related Fees <sup>1</sup>		Tax Fees <sup>2</sup>		All Other Fees <sup>3</sup>	
	2012	2011	2012	2011	2012	2011
<b>Fees billed by E&amp;Y:</b>						