

MFS INVESTMENT GRADE MUNICIPAL TRUST
Form N-CSRS
August 01, 2011
Table of Contents

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 811-5785

MFS INVESTMENT GRADE MUNICIPAL TRUST

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: May 31, 2011

Table of Contents

ITEM 1. REPORTS TO STOCKHOLDERS.

Table of Contents

MFS® Investment Grade Municipal Trust

SEMIANNUAL REPORT

May 31, 2011

CXH-SEM

Table of Contents

MFS® INVESTMENT GRADE MUNICIPAL TRUST

New York Stock Exchange Symbol: **CXH**

| | |
|----------------------------------------------------------------|----|
| <u>Letter from the CEO</u> | 1 |
| <u>Portfolio composition</u> | 2 |
| <u>Portfolio managers profiles</u> | 4 |
| <u>Other notes</u> | 4 |
| <u>Portfolio of investments</u> | 5 |
| <u>Statement of assets and liabilities</u> | 24 |
| <u>Statement of operations</u> | 25 |
| <u>Statements of changes in net assets</u> | 26 |
| <u>Financial highlights</u> | 27 |
| <u>Notes to financial statements</u> | 29 |
| <u>Report of independent registered public accounting firm</u> | 41 |
| <u>Board review of investment advisory agreement</u> | 42 |
| <u>Proxy voting policies and information</u> | 42 |
| <u>Quarterly portfolio disclosure</u> | 42 |
| <u>Further information</u> | 42 |
| <u>MFS® privacy notice</u> | 43 |
| <u>Contact information</u> back cover | |

NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

Table of Contents

LETTER FROM THE CEO

Dear Shareholders:

After an extended rebound in the financial markets, uncertainty returned in 2010 as investors began to question the durability of the recovery for global economies and markets. That uncertainty led to increased risk aversion, especially as investors saw the eurozone struggle with the debt

woes of many of its members and amid a weakening trend in the global macroeconomic data. Last September, the U.S. Federal Reserve Board's promises to further loosen monetary policy helped assuage market fears and drive asset prices off their recent lows. A combination of solid earnings and improving economic data gave an additional boost to investor sentiment. For the remainder of 2011, we are cautiously optimistic that economic growth will continue to improve and that the global economies

will recover from the shocks of the past few years. We expect the pace of recovery worldwide to be uneven and volatile and acknowledge the elevated uncertainty created by events in Japan, Europe, and the Middle East.

As always, we continue to be mindful of the many economic challenges faced at the local, national, and international levels. It is in times such as these that we want to remind investors of the merits of maintaining a long-term view, adhering to basic investing principles such as asset allocation and diversification, and working closely with their advisors to research and identify appropriate investment opportunities.

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

July 15, 2011

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

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

| | |
|------------------------------|---------|
| Universities Colleges | 18.6% |
| Healthcare Revenue Hospitals | 17.7% |
| State & Local Agencies | 12.5% |
| Utilities Investor Owned | 7.6% |
| U.S. Treasury Securities (j) | (10.4)% |

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

| | |
|--------------|-------|
| AAA | 15.8% |
| AA | 22.3% |
| A | 18.9% |
| BBB | 29.4% |
| BB | 5.0% |
| B | 0.4% |
| CCC | 0.2% |
| CC | 0.1% |
| Not Rated | 1.2% |
| Cash & Other | 6.7% |

Portfolio facts (i)

| | |
|--------------------------------|-----------|
| Average Duration (d) | 13.8 |
| Average Effective Maturity (m) | 17.1 yrs. |

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures, 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 itself has not been rated.
- (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 applicable. 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 (10.4)%, which reduce the fund's interest rate exposure but not its credit exposure.

Table of Contents

Portfolio Composition continued

(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. Percentages are based on net assets, including the value of auction preferred shares, as of 5/31/11.

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

Table of Contents

PORTFOLIO MANAGERS PROFILES

Michael Dawson Investment Officer of MFS; employed in the investment area of MFS since 1998. 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.

OTHER NOTES

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value of 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.

Policy Change

Effective March 31, 2011, in determining the credit quality of debt instruments, MFS will use the following methodology: if three Nationally Recognized Statistical Rating Organizations (NRSROs) have assigned a rating to a debt instrument, MFS will use the middle rating; if two NRSROs have assigned a rating to a debt instrument, MFS will use the lower rating; if only one NRSRO has assigned a rating to a debt instrument, MFS will use that rating; and, a debt instrument will be considered unrated if none of the NRSROs have assigned a rating.

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.

Table of Contents**PORTFOLIO OF INVESTMENTS**

5/31/11 (unaudited)

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

| Municipal Bonds - 148.5% | | |
|---------------------------------------------------------------------------------------------------------|-------------------|---------------------|
| Issuer | Shares/Par | Value (\$) |
| Airport Revenue - 1.0% | | |
| Chicago, IL, O'Hare International Airport Rev., Third Lien, A, 5.625%, 2035 | \$ 650,000 | \$ 657,865 |
| Port Authority NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2036 | 195,000 | 196,402 |
| Port Authority NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 2042 | 225,000 | 225,322 |
| | | \$ 1,079,589 |
| General Obligations - General Purpose - 1.1% | | |
| Highlands Ranch, CO, Metropolitan District, AGM, 6.5%, 2011 | \$ 650,000 | \$ 651,333 |
| Luzerne County, PA, AGM, 6.75%, 2023 | 370,000 | 414,537 |
| State of California, 5.75%, 2019 | 70,000 | 70,712 |
| | | \$ 1,136,582 |
| General Obligations - Schools - 6.8% | | |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2031 | \$ 130,000 | \$ 39,090 |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2032 | 235,000 | 65,356 |
| Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 2033 | 470,000 | 120,682 |
| Frenship, TX, Independent School District, AGM, 5%, 2033 | 1,000,000 | 1,027,360 |
| Los Angeles, CA, Unified School District, D, 5%, 2034 | 95,000 | 94,996 |
| Modesto, CA, High School District (Stanislaus County), Capital Appreciation, A, FGIC, 0%, 2019 | 1,350,000 | 899,316 |
| Pomona, CA, Unified School District, A, NATL, 6.45%, 2022 | 1,000,000 | 1,139,080 |
| San Lorenzo, CA, Unified School District, Alameda County, Election 2004, B, FGIC, 4.75%, 2037 | 640,000 | 618,560 |
| St. Johns, MI, Public Schools, FGIC, 5.1%, 2025 | 1,000,000 | 1,189,710 |
| West Contra Costa, CA, Unified School District, B, NATL, 6%, 2024 | 250,000 | 274,750 |
| Will County, IL, School District (Channahon), AMBAC, 8.5%, 2015 | 1,400,000 | 1,757,714 |
| | | \$ 7,226,614 |
| Healthcare Revenue - Hospitals - 25.4% | | |
| Allegheny County, PA, Hospital Development Authority Rev. (West Penn Allegheny Health), A, 5.375%, 2040 | \$ 405,000 | \$ 309,145 |
| Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 2034 | 165,000 | 164,246 |

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

| Issuer | Shares/Par | Value (\$) |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 2040 | \$ 105,000 | \$ 92,006 |
| California Health Facilities Financing Authority Rev. (Catholic Healthcare West), I, 4.95%, 2026 (b) | 200,000 | 213,262 |
| California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 2039 | 195,000 | 192,317 |
| California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 2031 | 535,000 | 552,794 |
| California Statewide Communities Development Authority Rev. (Children's Hospital), 5%, 2047 | 575,000 | 438,731 |
| California Statewide Communities Development Authority Rev. (Enloe Medical Center), CALHF, 5.75%, 2038 | 360,000 | 355,576 |
| Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2029 | 355,000 | 331,091 |
| Gage County, NE, Hospital Authority No. 1, Health Care Facilities Rev. (Beatrice Community Hospital & Health Care Center), B, 6%, 2025 | 55,000 | 54,031 |
| Gage County, NE, Hospital Authority No. 1, Health Care Facilities Rev. (Beatrice Community Hospital & Health Care Center), B, 6.5%, 2030 | 175,000 | 170,354 |
| Gage County, NE, Hospital Authority No. 1, Health Care Facilities Rev. (Beatrice Community Hospital & Health Care Center), B, 6.75%, 2035 | 150,000 | 147,035 |
| Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7%, 2027 | 205,000 | 225,129 |
| Harris County, TX, Health Facilities Development Corp., Hospital Rev. (Memorial Hermann Healthcare Systems), B, 7.25%, 2035 | 250,000 | 275,448 |
| Health Care Authority for Baptist Health, AL, D, 5%, 2021 | 850,000 | 851,989 |
| Illinois Finance Authority Rev. (Children's Memorial Hospital), A, ASSD GTY, 5.25%, 2047 | 540,000 | 484,029 |
| Illinois Finance Authority Rev. (KishHealth Systems Obligated Group), 5.75%, 2028 | 380,000 | 382,899 |
| Illinois Finance Authority Rev. (Provena Health), A, 7.75%, 2034 | 400,000 | 440,412 |
| Illinois Finance Authority Rev. (Resurrection Health), 6.125%, 2025 | 460,000 | 462,999 |
| Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 2038 | 395,000 | 399,503 |
| Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Clarian Health), A, 5%, 2039 | 390,000 | 341,067 |
| Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 2037 | 705,000 | 632,709 |
| Indiana Health & Educational Financing Authority Rev. (Community Foundation of Northwest Indiana), A, 6%, 2034 | 150,000 | 150,597 |
| Johnson City, TN, Health & Educational Facilities Board Hospital Rev. (Mountain States Health Alliance), A, 5.5%, 2036 | 845,000 | 748,687 |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.375%, 2024 | 255,000 | 264,649 |

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

| Issuer | Shares/Par | Value (\$) |
|-------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A , 5.625%, 2027 | \$ 85,000 | \$ 88,822 |
| Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A , 6.375%, 2040 | 440,000 | 425,080 |
| Lake County, OH, Hospital Facilities Rev. (Lake Hospital), C , 6%, 2043 | 265,000 | 240,922 |
| Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 2034 | 415,000 | 385,303 |
| Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 2036 | 385,000 | 347,951 |
| Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2032 | 45,000 | 37,759 |
| Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2037 | 45,000 | 35,831 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System), A , 6.75%, 2039 | 175,000 | 192,092 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Mercy Medical Center), A , 5.5%, 2042 | 265,000 | 226,074 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Washington County Hospital), 6%, 2043 | 95,000 | 89,259 |
| Massachusetts Health & Educational Facilities Authority Rev. (Boston Medical Center), 5.25%, 2038 | 110,000 | 88,333 |
| Massachusetts Health & Educational Facilities Authority Rev. (Milford-Whitinsville Regional), C , 5.75%, 2013 | 270,000 | 270,205 |
| Massachusetts Health & Educational Facilities Authority Rev. (Quincy Medical Center), A , 6.5%, 2038 | 165,000 | 138,983 |
| Massachusetts Health & Educational Facilities Authority Rev. (South Shore Hospital), F , 5.75%, 2029 | 370,000 | 363,862 |
| Miami-Dade County, FL, Health Facilities Authority, Hospital Rev. (Variety Children s Hospital), A , 6.125%, 2042 | 195,000 | 196,542 |
| New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A , 6%, 2027 | 445,000 | 443,580 |
| New Hampshire Health & Education Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2012 (c) | 440,000 | 471,293 |
| New Hampshire Health & Education Facilities Authority Rev. (Catholic Medical Center), A , 6.125%, 2032 | 60,000 | 58,987 |
| New Hampshire Health & Education Facilities Authority Rev. (Memorial Hospital at Conway), 5.25%, 2036 | 300,000 | 243,246 |
| New Jersey Health Care Facilities, Financing Authority Rev. (St. Peter s University Hospital), 5.75%, 2037 | 415,000 | 359,390 |
| New York Dormitory Authority Rev. (North Shore Long Island Jewish Group), 5.5%, 2013 (c) | 100,000 | 109,942 |

7

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

| Issuer | Shares/Par | Value (\$) |
|-------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 2030 | \$ 165,000 | \$ 178,997 |
| New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2035 | 100,000 | 106,583 |
| Orange County, FL, Health Facilities Authority Hospital Rev. (Orlando Regional Healthcare), 5.75%, 2012 (c) | 150,000 | 161,640 |
| Orange County, FL, Health Facilities Authority, Hospital Rev. (Orlando Regional Healthcare), C, ETM, NATL, 6.25%, 2013 (c) | 1,740,000 | 1,962,563 |
| Palomar Pomerado Health Care District, CA, COP, 6.75%, 2039 | 245,000 | 240,129 |
| Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Health System), A, 6.625%, 2023 | 335,000 | 330,829 |
| Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Health System), A, 5.5%, 2030 | 325,000 | 281,444 |
| Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), 6.375%, 2012 (c) | 435,000 | 463,697 |
| Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A, ASSD GTY, 7%, 2039 | 855,000 | 940,705 |
| Richmond, IN, Hospital Authority Rev. (Reid Hospital & Health Center Services), A, 6.625%, 2039 | 525,000 | 551,555 |
| Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 2039 | 230,000 | 263,941 |
| Scioto County, OH, Hospital Facilities Rev. (Southern Ohio Medical Center), 5.75%, 2038 | 555,000 | 543,090 |
| Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 2032 | 535,000 | 492,933 |
| South Carolina Jobs & Economic Development Authority (Bon Secours-Venice Healthcare Corp.), 5.5%, 2023 | 390,000 | 393,280 |
| South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6%, 2029 | 105,000 | 101,752 |
| South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6.25%, 2039 | 155,000 | 149,065 |
| Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.375%, 2015 | 325,000 | 325,419 |
| Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.125%, 2036 | 1,000,000 | 809,490 |
| St. Paul, MN, Housing & Redevelopment Authority Healthcare Facilities Rev. (Healthpartners Obligated Group), 5.25%, 2023 | 325,000 | 322,998 |
| Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 2026 | 1,365,000 | 1,303,657 |
| Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C, 5.25%, 2036 | 135,000 | 115,823 |
| Sumner County, TN, Health, Educational & Housing Facilities Board Rev. (Sumner Regional Health Systems, Inc.), A, 5.5%, 2046 (d) | 1,000,000 | 75,000 |
| Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 2032 | 265,000 | 215,426 |

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

| Issuer | Shares/Par | Value (\$) |
|--------------------------------------------------------------------------------------------------------------------------------------|------------|---------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Hospitals - continued | | |
| Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.375%, 2037 | \$ 220,000 | \$ 175,659 |
| Upland, CA, COP (San Antonio Community Hospital), 6.5%, 2041 | 85,000 | 86,386 |
| Washington Health Care Facilities Authority Rev. (Highline Medical Center), FHA, 6.25%, 2036 | 695,000 | 754,096 |
| Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A, 6.25%, 2042 | 570,000 | 540,098 |
| West Virginia Hospital Finance Authority, Hospital Rev. (Thomas Health System), 6.5%, 2038 | 285,000 | 260,633 |
| Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033 | 175,000 | 177,434 |
| Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc. Project), 5.375%, 2018 | 385,000 | 387,191 |
| Wisconsin Health & Educational Facilities Authority Rev. (ProHealth Care, Inc. Obligated Group), 6.625%, 2032 | 195,000 | 200,119 |
| Wisconsin Health & Educational Facilities Authority Rev. (ProHealth Care, Inc. Obligated Group), 6.625%, 2039 | 100,000 | 105,626 |
| Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034 | 695,000 | 597,512 |
| | | \$ 27,108,931 |
| Healthcare Revenue - Long Term Care - 7.9% | | |
| Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A, 7%, 2033 | \$ 500,000 | \$ 414,165 |
| Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann's Choice, Inc.), A, 6.125%, 2025 | 500,000 | 475,020 |
| Capital Projects Finance Authority, FL, (Glenridge on Palmer Ranch), A, 8%, 2012 (c) | 490,000 | 533,301 |
| Chartiers Valley, PA, Industrial & Commercial Development Authority Rev. (Friendship Village South), A, 5.25%, 2013 | 500,000 | 530,230 |
| Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032 | 700,000 | 611,821 |
| Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 2029 | 570,000 | 570,821 |
| Fulton County, GA, Residential Care Facilities, Elderly Authority Rev. (Canterbury Court), A, 6.125%, 2034 | 250,000 | 214,683 |
| Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigside Project), A, 9%, 2044 | 115,000 | 128,700 |
| Illinois Finance Authority Rev. (Hoosier Care, Inc.), A, 7.125%, 2034 | 410,000 | 360,144 |
| Illinois Finance Authority Rev. (Smith Village), A, 6.25%, 2035 | 500,000 | 418,280 |
| Illinois Health Facilities Authority Rev. (Lutheran Senior Ministries, Inc.), 7.375%, 2011 (c) | 250,000 | 255,948 |

Table of Contents

Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|--------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Healthcare Revenue - Long Term Care - continued | | |
| Illinois Health Facilities Authority Rev. (Smith Crossing), A, 7%, 2032 | \$ 250,000 | \$ 228,588 |
| La Verne, CA, COP (Brethren Hillcrest Homes), B, 6.625%, 2025 | 350,000 | 338,506 |
| Maryland Health & Higher Educational Facilities Authority Rev. (Charlestown Community), 6.25%, 2041 | 190,000 | 187,467 |
| Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A, 5.625%, 2015 | 125,000 | 125,073 |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028 | 200,000 | 169,522 |
| Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035 | 300,000 | 243,513 |
| New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.75%, 2025 | 310,000 | 283,988 |
| New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.875%, 2037 | 100,000 | 82,795 |
| Savannah, GA, Economic Development Authority, First Mortgage (Marshes of Skidway), A, 7.4%, 2024 | 250,000 | 238,598 |
| Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A, 7.25%, 2034 | 150,000 | 136,404 |
| South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Wesley Commons), 5.3%, 2036 | 250,000 | 187,323 |
| St. Johns County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A, 6%, 2045 | 400,000 | 367,048 |
| Suffolk County, NY, Industrial Development Agency, Civic Facilities Rev. (Gurwin Jewish Phase II), 6.7%, 2039 | 485,000 | 459,848 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.125%, 2029 | 40,000 | 38,733 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.375%, 2044 | 315,000 | 299,385 |
| Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 2044 | 500,000 | 494,915 |
| | | \$ 8,394,819 |
| Healthcare Revenue - Other - 0.3% | | |
| Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A, 9%, 2012 (c) | \$ 250,000 | \$ 277,870 |
| Human Services - 0.2% | | |
| Massachusetts Development Finance Agency Rev. (Evergreen Center, Inc.), 5%, 2024 | \$ 250,000 | \$ 225,875 |
| Industrial Revenue - Airlines - 0.4% | | |
| Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A, 8.75%, 2029 | \$ 125,000 | \$ 140,931 |

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

| Issuer | Shares/Par | Value (\$) |
|----------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Industrial Revenue - Airlines - continued | | |
| Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B , 9%, 2035 | \$ 95,000 | \$ 102,033 |
| New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029 | 105,000 | 96,529 |
| New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.5%, 2016 | 115,000 | 118,238 |
| | | \$ 457,731 |
| Industrial Revenue - Chemicals - 1.1% | | |
| Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2 , 4.95%, 2033 | \$ 590,000 | \$ 550,340 |
| Michigan Strategic Fund Ltd. Obligation Rev. (Dow Chemical Co.), 6.25%, 2014 | 525,000 | 579,380 |
| | | \$ 1,129,720 |
| Industrial Revenue - Environmental Services - 0.7% | | |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B , 5.25%, 2023 (b) | \$ 135,000 | \$ 144,887 |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), A , 5%, 2022 | 305,000 | 311,152 |
| California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C , 5.125%, 2023 | 335,000 | 342,045 |
| | | \$ 798,084 |
| Industrial Revenue - Other - 3.2% | | |
| California Statewide Communities, Development Authority Facilities (Microgy Holdings Project), 9%, 2038 (d) | \$ 26,773 | \$ 1,505 |
| Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028 | 250,000 | 245,880 |
| Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023 | 315,000 | 296,497 |
| Indianapolis, IN, Airport Authority Rev., Special Facilities (FedEx Corp.), 5.1%, 2017 | 250,000 | 271,023 |
| Michigan Strategic Fund Ltd. Obligation Rev. (Michigan Sugar Co., Carrollton), 6.55%, 2025 | 250,000 | 207,553 |
| New Jersey Economic Development Authority Rev. (GMT Realty LLC), B , 6.875%, 2037 | 500,000 | 429,505 |
| Pennsylvania Economic Development Financing Authority, Finance Authority Facilities Rev. (Amtrak), A , 6.25%, 2031 | 180,000 | 180,871 |
| Toledo Lucas County, OH, Authority Port Rev., Facilities (CSX, Inc. Project), 6.45%, 2021 | 1,000,000 | 1,108,950 |
| Tooele County, UT, Hazardous Waste Treatment Rev. (Union Pacific Corp.), 5.7%, 2026 | 680,000 | 680,904 |
| | | \$ 3,422,688 |

Table of Contents

Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|----------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Industrial Revenue - Paper - 1.3% | | |
| Camden, AL, Industrial Development Board Exempt Facilities Rev., B (Weyerhaeuser Co.), 6.375%, 2013 (c) | \$ 275,000 | \$ 310,016 |
| Effingham County, GA, Development Authority, Solid Waste Disposal Rev. (Fort James), 5.625%, 2018 | 225,000 | 222,345 |
| Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5.75%, 2027 | 250,000 | 239,990 |
| Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A, 6.125%, 2034 | 320,000 | 283,168 |
| Sabine River, LA, Water Facilities Authority Rev., (International Paper Co.), 6.2%, 2025 | 310,000 | 313,224 |
| | | \$ 1,368,743 |
| Miscellaneous Revenue - Entertainment & Tourism - 0.9% | | |
| Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 2030 | \$ 200,000 | \$ 197,300 |
| Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.25%, 2040 | 130,000 | 130,152 |
| Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.375%, 2043 | 90,000 | 90,757 |
| Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 2026 (n) | 350,000 | 274,936 |
| New York Liberty Development Corp. Rev. (National Sports Museum), A, 6.125%, 2019 (d) | 220,000 | 2 |
| New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.375%, 2039 | 45,000 | 46,288 |
| Seminole Tribe, FL, Special Obligation Rev., A, 5.75%, 2022 (n) | 250,000 | 247,928 |
| | | \$ 987,363 |
| Miscellaneous Revenue - Other - 2.9% | | |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2017 | \$ 95,000 | \$ 91,834 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2019 | 190,000 | 178,769 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2020 | 155,000 | 143,944 |
| Austin, TX, Convention Center (Convention Enterprises, Inc.), A, SYNCORA, 5.25%, 2024 | 90,000 | 78,742 |
| Cleveland-Cuyahoga County, OH, Port Authority Rev., 7%, 2040 | 95,000 | 95,450 |
| Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 2034 | 465,000 | 481,563 |
| New Orleans, LA, Aviation Board Gulf Opportunity Zone CFC Rev. (Consolidated Rental Car), A, 6.25%, 2030 | 185,000 | 188,110 |

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

| Issuer | Shares/Par | Value (\$) |
|-------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Miscellaneous Revenue - Other - continued | | |
| New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 2049 | \$ 770,000 | \$ 784,476 |
| Oklahoma Industries Authority Rev. (Oklahoma Medical Research Foundation Project), 5.5%, 2029 | 600,000 | 614,442 |
| Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 2040 | 35,000 | 35,155 |
| Summit County, OH, Port Authority Building Rev. (Seville Project), A, 5.1%, 2025 | 415,000 | 346,782 |
| V Lakes Utility District, MS, Water Systems Rev., 7%, 2037 | 85,000 | 73,267 |
| | | \$ 3,112,534 |
| Multi-Family Housing Revenue - 3.5% | | |
| Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A, 7.5%, 2040 | \$ 500,000 | \$ 466,935 |
| Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B, 7%, 2032 (q) | 355,000 | 174,415 |
| Charter Mac Equity Issuer Trust, FHLMC, 6.3%, 2019 (n) | 500,000 | 523,945 |
| District of Columbia Housing Finance Agency (Henson Ridge), E, FHA, 5.1%, 2037 | 500,000 | 477,830 |
| Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038 (b) | 368,192 | 274,262 |
| MuniMae TE Bond Subsidiary LLC, 5.5%, 2049 (b)(z) | 1,000,000 | 620,710 |
| Resolution Trust Corp., Pass-Through Certificates, 1993, 8.5%, 2016 (z) | 227,741 | 216,436 |
| Tacoma, WA, Housing Authority Multi-Family Rev. (Redwood/Juniper, Pine Tree Harbor, & Conifer South), GNMA, 5.05%, 2037 | 1,040,000 | 982,041 |
| | | \$ 3,736,574 |
| Port Revenue - 0.1% | | |
| Maryland Economic Development Corp. Rev. (Port America Chesapeake Terminal Project), B, 5.75%, 2035 | \$ 150,000 | \$ 144,708 |
| Sales & Excise Tax Revenue - 3.0% | | |
| Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024 | \$ 250,000 | \$ 152,215 |
| Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6.5%, 2030 | 560,000 | 584,987 |
| Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2034 | 480,000 | 480,965 |
| Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 2041 | 245,000 | 244,980 |
| Massachusetts Bay Transportation Authority, Sales Tax Rev., A-1, 5.25%, 2029 | 350,000 | 402,969 |

Table of Contents

Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|----------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Sales & Excise Tax Revenue - continued | | |
| Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, 0%, 2032 | \$ 375,000 | \$ 310,384 |
| Tampa Bay, FL, Sports Authority Rev. (Tampa Bay Arena), NATL, 5.75%, 2025 | 1,000,000 | 1,053,420 |
| | | \$ 3,229,920 |
| Single Family Housing - Local - 0.8% | | |
| Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2, GNMA, 5%, 2038 | \$ 329,312 | \$ 314,638 |
| Pittsburgh, PA, Urban Redevelopment Authority Rev., C, GNMA, 4.8%, 2028 | 500,000 | 492,030 |
| | | \$ 806,668 |
| Single Family Housing - State - 3.1% | | |
| California Housing Finance Agency Rev., G, 5.5%, 2042 | \$ 315,000 | \$ 314,742 |
| California Housing Finance Agency Rev., K, 4.7%, 2031 | 190,000 | 154,987 |
| California Housing Finance Agency Rev., K, 4.75%, 2036 | 715,000 | 564,643 |
| Colorado Housing & Finance Authority, A, 5.5%, 2029 | 915,000 | 941,819 |
| Colorado Housing & Finance Authority, B-2, 7.25%, 2031 | 30,000 | 30,448 |
| Maine Housing Authority Mortgage, A-2, 4.95%, 2027 | 445,000 | 434,712 |
| Montana Board Housing (Single Family Mortgage), A, 5%, 2036 | 665,000 | 632,242 |
| North Dakota Housing Finance Agency Rev., A, 4.85%, 2021 | 215,000 | 216,484 |
| | | \$ 3,290,077 |
| Solid Waste Revenue - 1.9% | | |
| Delaware County, PA, Industrial Development Authority Rev. (American Ref-Fuel), A, 6.1%, 2013 | \$ 670,000 | \$ 670,563 |
| Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A, 5.45%, 2012 | 1,250,000 | 1,253,200 |
| Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 2032 | 55,000 | 56,763 |
| | | \$ 1,980,526 |
| State & Agency - Other - 0.2% | | |
| Commonwealth of Puerto Rico (Mepsi Campus), A, 6.25%, 2024 | \$ 100,000 | \$ 96,660 |
| Commonwealth of Puerto Rico (Mepsi Campus), A, 6.5%, 2037 | 100,000 | 92,437 |
| | | \$ 189,097 |
| State & Local Agencies - 17.9% | | |
| Berkeley County, SC, School District Installment Lease (Securing Assets for Education), 5%, 2028 | \$ 500,000 | \$ 506,305 |
| Dorchester County, SC, School District No. 2, Growth Remedy Opportunity Tax Hike, 5.25%, 2029 | 250,000 | 253,580 |

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

| Issuer | Shares/Par | Value (\$) |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------|
| Municipal Bonds - continued | | |
| State & Local Agencies - continued | | |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, 5%, 2045 | \$ 420,000 | \$ 354,262 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, B, 5.5%, 2013 (c) | 500,000 | 547,975 |
| Guam Government Department of Education (John F. Kennedy High School), A, COP, 6.875%, 2040 | 65,000 | 64,472 |
| Indiana Office Building Commission Correction Facilities Program Rev. (Women's Prison), B, AMBAC, 6.25%, 2016 | 2,820,000 | 3,177,407 |
| Lancaster, SC, Educational Assistance Program, Inc., School District Lancaster County Project, 5%, 2026 | 550,000 | 536,679 |
| Laurens County, SC, School District No. 55, Installment Purchase Rev., 5.25%, 2030 | 350,000 | 352,083 |
| Los Angeles County, CA, Schools (Regionalized Business Service Corp.), Pooled Financing, Capital Appreciation, A, AMBAC, 0%, 2021 | 2,135,000 | 1,074,375 |
| Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Meharry Medical College), AMBAC, 6%, 2016 | 1,575,000 | 1,745,384 |
| New York Dormitory Authority Rev. (City University) A, 5.75%, 2018 | 5,000,000 | 5,669,350 |
| New York Urban Development Corp. Rev. (State Facilities), 5.6%, 2015 | 1,000,000 | 1,089,100 |
| Newberry, SC, Investing in Children's Education (Newberry County School District Program), 5%, 2030 | 350,000 | 350,277 |
| Philadelphia, PA, Municipal Authority Rev., 6.5%, 2034 | 105,000 | 107,835 |
| Riverside, MO, Tax Increment Rev. (L-385 Levee Project), 5.25%, 2020 | 500,000 | 513,650 |
| St. Louis, MO, Industrial Development Authority Leasehold Rev. (Convention Center Hotel), Capital Appreciation, AMBAC, 0%, 2018 | 300,000 | 194,001 |
| Utah Building Ownership Authority Lease Rev. (State Facilities Master Lease Program), C, AGM, 5.5%, 2019 (f) | 1,750,000 | 2,029,668 |
| West Virginia Building Commission, Lease Rev. (WV Regional Jail), A, AMBAC, 5.375%, 2018 | 500,000 | 525,630 |
| | | \$ 19,092,033 |
| Student Loan Revenue - 0.4% | | |
| Massachusetts Educational Financing Authority, Education Loan Rev., H, ASSD GTY, 6.35%, 2030 | \$ 390,000 | \$ 401,353 |
| Tax - Other - 2.5% | | |
| Dallas County, TX, Flood Control District, 7.25%, 2032 | \$ 500,000 | \$ 512,085 |
| New York, NY, Transitional Finance Authority Rev., A, 5%, 2026 | 1,960,000 | 2,042,457 |
| Virgin Islands Public Finance Authority Rev. (Diageo Project), A, 6.75%, 2037 | 160,000 | 167,438 |
| | | \$ 2,721,980 |

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

| Issuer | Shares/Par | Value (\$) |
|------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Municipal Bonds - continued | | |
| Tax Assessment - 3.7% | | |
| Atlanta, GA, Tax Allocation (Eastside Project), A , 5.625%, 2016 | \$ 245,000 | \$ 256,829 |
| Celebration Community Development District, FL, A , 6.4%, 2034 | 215,000 | 215,097 |
| Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 2022 | 610,000 | 608,969 |
| Du Page County, IL, Special Service Area (Monarch Landing Project), 5.4%, 2016 | 160,000 | 156,134 |
| Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038 | 130,000 | 107,888 |
| Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1 , 6.45%, 2031 | 300,000 | 298,287 |
| Lincoln, CA, Special Tax (Community Facilities District), 2003-1 , 5.55%, 2013 (c) | 445,000 | 502,272 |
| Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034 | 225,000 | 198,041 |
| Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035 | 729,000 | 624,192 |
| Seven Oaks, FL, Community Development District II Special Assessment Rev., A , 5.875%, 2035 | 445,000 | 299,098 |
| Tolomato Community Development District, FL, Special Assessment, 6.65%, 2040 | 100,000 | 63,942 |
| Volo Village, IL, Special Service Area No. 3, Special Tax (Symphony Meadows Project), 1 , 6%, 2036 | 249,000 | 183,252 |
| West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037 | 470,000 | 219,650 |
| Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037 (d) | 480,000 | 182,400 |
| | | \$ 3,916,051 |
| Tobacco - 5.0% | | |
| Badger, WI, Tobacco Asset Securitization Corp., 6.375%, 2012 (c) | \$ 250,000 | \$ 264,733 |
| Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.125%, 2024 | 1,780,000 | 1,347,407 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 6.25%, 2013 (c) | 470,000 | 504,879 |
| Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 2047 | 425,000 | 291,291 |
| Illinois Railsplitter Tobacco Settlement Authority, 5.5%, 2023 | 150,000 | 143,898 |
| Illinois Railsplitter Tobacco Settlement Authority, 6%, 2028 | 1,050,000 | 1,050,777 |
| Inland Empire, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, Capital Appreciation, C-1 , 0%, 2036 | 250,000 | 17,283 |
| Louisiana Tobacco Settlement Authority Rev., 2001-B , 5.875%, 2039 | 300,000 | 274,890 |

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

| Issuer | Shares/Par | Value (\$) |
|----------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Municipal Bonds - continued | | |
| Tobacco - continued | | |
| New Jersey Tobacco Settlement Financing Corp., 1-A, 5%, 2041 | \$ 1,610,000 | \$ 1,024,475 |
| Washington Tobacco Settlement Authority Rev., 6.625%, 2032 | 460,000 | 456,651 |
| | | \$ 5,376,284 |
| Toll Roads - 2.5% | | |
| Mid-Bay Bridge Authority, FL, Springing Lien Rev., A, 7.25%, 2040 | \$ 175,000 | \$ 176,874 |
| North Texas Tollway Authority Rev., 6%, 2038 | 620,000 | 634,930 |
| San Joaquin Hills, CA, Transportation Corridor Agency, Toll Road Rev., Capital Appreciation, A, NATL, 0%, 2015 | 2,000,000 | 1,613,300 |
| Texas Private Activity Bond, Surface Transportation Corp., 7%, 2040 | 255,000 | 271,529 |
| | | \$ 2,696,633 |
| Transportation - Special Tax - 3.9% | | |
| Arizona Transportation Board Highway Rev., B, 5%, 2031 | \$ 1,000,000 | \$ 1,048,510 |
| Kentucky Turnpike Authority, Economic Development Rev., A, 5%, 2030 | 1,000,000 | 1,060,930 |
| Pennsylvania Turnpike Commission Rev., A, N, 3%, 2011 | 250,000 | 250,000 |
| Regional Transportation Authority, IL, C, FGIC, 7.75%, 2020 | 1,000,000 | 1,220,350 |
| Virginia Commonwealth Transportation Board Rev., Capital Projects, 5%, 2020 | 455,000 | 542,092 |
| | | \$ 4,121,882 |
| Universities - Colleges - 26.7% | | |
| Anderson, IN, Economic Development Rev. (Anderson University Project), 5%, 2028 | \$ 225,000 | \$ 159,962 |
| California Educational Facilities Authority Rev. (California Lutheran University), 5.75%, 2038 | 350,000 | 331,552 |
| California Educational Facilities Authority Rev. (Claremont Graduate University), A, 5%, 2042 | 530,000 | 462,017 |
| California Educational Facilities Authority Rev. (University of San Francisco), 6.125%, 2036 | 75,000 | 78,463 |
| California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 2038 | 535,000 | 558,417 |
| California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028 | 100,000 | 97,539 |
| California Municipal Finance Authority Rev. (University of La Verne), A, 6.25%, 2040 | 70,000 | 67,376 |
| District of Columbia Rev. (Georgetown University), Capital Appreciation, BHAC, 0% to 2018, 5% to 2040 | 1,430,000 | 882,482 |
| Douglas County, NE, Educational Facilities Rev. (Creighton University), A, 5.875%, 2040 | 645,000 | 670,007 |
| Grand Valley, MI, State University Rev., 5.5%, 2027 | 115,000 | 122,733 |
| Grand Valley, MI, State University Rev., 5.625%, 2029 | 55,000 | 58,533 |

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

| Issuer | Shares/Par | Value (\$) |
|------------------------------------------------------------------------------------------------------------|------------|------------|
| Municipal Bonds - continued | | |
| Universities - Colleges - continued | | |
| Harris County, TX, Cultural Education Facilities Rev. (Baylor College of Medicine), D , 5.625%, 2032 | \$ 490,000 | \$ 437,301 |
| Illinois Finance Authority Rev. (Illinois Institute of Technology), A , 5%, 2031 | 335,000 | 237,930 |
| Illinois Finance Authority Rev. (Illinois Institute of Technology), A , 5%, 2036 | 335,000 | 229,408 |
| Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 2029 | 545,000 | 540,318 |
| Illinois Finance Authority Rev. (Roosevelt University Project), 6.5%, 2039 | 125,000 | 124,508 |
| Lubbock, TX, Educational Facilities Authority Rev. (Lubbock Christian University), 5.125%, 2027 | 285,000 | 258,620 |
| Lubbock, TX, Educational Facilities Authority Rev. (Lubbock Christian University), 5.25%, 2037 | 255,000 | 219,142 |
| Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 2030 | 100,000 | 96,737 |
| Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 2039 | 100,000 | 95,070 |
| Massachusetts Development Finance Agency Rev. (Simmons College), SYNCORA, 5.25%, 2026 | 125,000 | 121,781 |
| Massachusetts Development Finance Agency Rev. (Western New England College), 6.125%, 2012 (c) | 315,000 | 342,833 |
| Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), I , 8%, 2029 | 225,000 | 249,201 |
| Massachusetts Health & Educational Facilities Authority Rev. (Springfield College), 5.625%, 2040 | 90,000 | 85,004 |
| Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 6.25%, 2030 | 415,000 | 423,134 |
| Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 5.75%, 2039 | 370,000 | 354,112 |
| Miami-Dade County, FL, Educational Facilities Authority Rev. (University of Miami), A , 5.75%, 2028 | 125,000 | 128,160 |
| Michigan Higher Education Facilities Authority Rev. (College for Creative Studies), 6.125%, 2037 | 475,000 | 450,333 |
| New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B , 7.5%, 2032 | 460,000 | 505,453 |
| New York Dormitory Authority Rev. (Columbia University), 5%, 2038 (u) | 15,000,000 | 15,643,650 |
| Pennsylvania Higher Educational Facilities Authority Rev. (Lasalle University), A , 5.25%, 2027 | 45,000 | 42,538 |
| San Leanna, TX, Educational Facilities Corp., Higher Education Rev. (St. Edwards University), 5.125%, 2036 | 115,000 | 98,102 |

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

| Issuer | Shares/Par | Value (\$) |
|------------------------------------------------------------------------------------------------------------------------|------------|---------------|
| Municipal Bonds - continued | | |
| Universities - Colleges - continued | | |
| Tulsa, OK, Industrial Authority Rev. (University of Tulsa), 6%, 2027 | \$ 535,000 | \$ 594,503 |
| University of Minnesota, A, ETM, 5.75%, 2014 (c) | 500,000 | 575,920 |
| University of Minnesota, A, ETM, 5.5%, 2021 (c) | 2,000,000 | 2,371,940 |
| University of Southern Indiana Rev. (Student Fee), J, ASSD GTY, 5.75%, 2028 | 210,000 | 227,594 |
| University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 2032 | 190,000 | 200,784 |
| University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 2036 | 65,000 | 68,147 |
| Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 2034 | 225,000 | 218,723 |
| | | \$ 28,430,027 |
| Universities - Dormitories - 1.6% | | |
| Bowling Green, OH, Student Housing Rev. (State University Project), 6%, 2045 | \$ 285,000 | \$ 264,471 |
| California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033 | 500,000 | 406,175 |
| California Statewide Communities Development Authority Rev. (Student Housing, SUCI East Campus), 6%, 2040 | 220,000 | 207,634 |
| Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 2031 | 390,000 | 390,098 |
| Maryland Economic Development Corp. Student Housing (University of Maryland-College Park), 5.875%, 2043 | 130,000 | 124,673 |
| Pennsylvania Higher Education Facilities Authority Rev. (East Stroudsburg University), 5%, 2042 | 200,000 | 161,734 |
| Pennsylvania Higher Education Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 2030 | 65,000 | 63,315 |
| Pennsylvania Higher Education Facilities Authority Rev. (Edinboro University Foundation), 6%, 2043 | 85,000 | 82,871 |
| | | \$ 1,700,971 |
| Universities - Secondary Schools - 0.9% | | |
| Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.125%, 2040 | \$ 100,000 | \$ 87,579 |
| Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A, 6.25%, 2045 | 70,000 | 61,809 |
| Colorado Educational & Cultural Facilities Authority Rev. (Academy of Charter Schools Project), 5.625%, 2040 | 230,000 | 220,340 |
| Houston, TX, Higher Education Finance Corp. (Cosmos Foundation, Inc.), A, 6.5%, 2031 | 55,000 | 55,277 |
| La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A, 6.25%, 2039 | 150,000 | 150,459 |

19

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

| Issuer | Shares/Par | Value (\$) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------|
| Municipal Bonds - continued | | |
| Universities - Secondary Schools - continued | | |
| La Vernia, TX, Higher Education Finance Corp. Rev. (Lifeschool of Dallas), A , 7.5%, 2041 | \$ 385,000 | \$ 387,976 |
| | | \$ 963,440 |
| Utilities - Cogeneration - 1.0% | | |
| Pennsylvania Economic Development Financing Authority Rev., Resource Recovery Rev. (Colver), G , 5.125%, 2015 | \$ 275,000 | \$ 265,955 |
| Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 2026 | 320,000 | 320,326 |
| Suffolk County, NY, Industrial Development Agency Rev. (Nissequoque Cogeneration Partners Facilities), 5.5%, 2023 | 550,000 | 491,678 |
| | | \$ 1,077,959 |
| Utilities - Investor Owned - 10.9% | | |
| Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 2038 | \$ 270,000 | \$ 98,693 |
| Chula Vista, CA, Industrial Development Rev. (San Diego Gas), 5.875%, 2034 | 195,000 | 206,790 |
| Clark County, NV, Industrial Development Rev. (Southwest Gas Corp. Project), E , 5.8%, 2038 (b) | 250,000 | 264,700 |
| Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 2040 | 400,000 | 384,980 |
| Hawaii Department of Budget & Finance Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 2039 | 410,000 | 416,396 |
| Maricopa County, AZ, Pollution Control Corp., Pollution Control Rev. (Arizona Public Service Co.), D , 6%, 2029 (b) | 195,000 | 216,713 |
| Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 2042 (b) | 70,000 | 75,816 |
| Matagorda County, TX, Navigation District 1 (Houston Lighting), AMBAC, 5.125%, 2028 | 2,000,000 | 1,960,420 |
| Michigan Strategic Fund, Ltd. Obligation Rev. (Detroit Edison), A , NATL, 5.55%, 2029 | 3,000,000 | 3,001,410 |
| Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022 | 1,000,000 | 989,270 |
| New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B , NATL, 4.75%, 2021 | 250,000 | 250,908 |
| Pennsylvania Economic Development Financing Authority (Allegheny Energy Supply Co. LLC), 7%, 2039 | 495,000 | 523,141 |
| Petersburg, IN, Pollution Control Rev. (Indianapolis Power & Light), NATL, 5.4%, 2017 | 2,500,000 | 2,733,550 |
| Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 2029 | 485,000 | 487,474 |
| | | \$ 11,610,261 |

Table of Contents

Portfolio of Investments (unaudited) continued

| Issuer | Shares/Par | Value (\$) |
|---------------------------------------------------------------------------------|------------|-----------------------|
| Municipal Bonds - continued | | |
| Utilities - Other - 3.6% | | |
| Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 2026 | \$ 120,000 | \$ 115,901 |
| Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 2028 | 250,000 | 234,530 |
| Indiana Bond Bank Special Program, Gas Rev., A , 5.25%, 2018 | 190,000 | 202,147 |
| Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 2038 | 425,000 | 459,442 |
| Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2032 | 795,000 | 714,554 |
| Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2037 | 790,000 | 697,001 |
| Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2017 | 180,000 | 181,796 |
| Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2022 | 205,000 | 200,224 |
| Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2023 | 300,000 | 291,792 |
| Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2026 | 610,000 | 577,688 |
| Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2025 | 185,000 | 175,739 |
| | | \$ 3,850,814 |
| Water & Sewer Utility Revenue - 2.1% | | |
| Atlanta, GA, Water & Wastewater Rev., A , 6%, 2022 | \$ 290,000 | \$ 332,183 |
| Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A , 6%, 2038 | 505,000 | 506,702 |
| Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A , 6%, 2044 | 195,000 | 194,709 |
| Detroit, MI, Sewer Disposal System Rev., B , AGM, 7.5%, 2033 | 410,000 | 479,491 |
| Massachusetts Water Resources Authority, B , AGM, 5.25%, 2029 | 600,000 | 691,074 |
| | | \$ 2,204,159 |
| Total Municipal Bonds (Identified Cost, \$156,246,427) | | \$ 158,268,560 |
| Money Market Funds (v) - 1.2% | | |
| MFS Institutional Money Market Portfolio, 0.13%, at Cost and Net Asset Value | 1,255,195 | \$ 1,255,195 |
| Total Investments (Identified Cost, \$157,501,622) | | \$ 159,523,755 |
| Other Assets, Less Liabilities - (3.9)% | | (4,197,735) |
| Preferred Shares (Issued by the Fund) - (45.8)% | | (48,750,000) |
| Net Assets applicable to common shares - 100.0% | | \$ 106,576,020 |

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

(c) Refunded bond.

(d) Non-income producing security - in default.

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified

Table of Contents

Portfolio of Investments (unaudited) continued

institutional buyers. At period end, the aggregate value of these securities was \$1,046,809 representing 1.0% of net assets applicable to common shares.

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

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

(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted 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, 5.5%, 2049 | 11/02/05 | \$1,000,000 | \$620,710 |
| Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 | 8/27/93 | 229,802 | 216,436 |
| Total Restricted Securities | | | \$837,146 |
| % of net assets applicable to common shares | | | 0.8% |

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

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

Insurers

| | |
|----------|-----------------------------------------|
| AGM | Assured Guaranty Municipal |
| AMBAC | AMBAC Indemnity Corp. |
| ASSD GTY | Assured Guaranty Insurance Co. |
| BHAC | Berkshire Hathaway Assurance Corp. |
| CALHF | California Housing Finance Agency |
| FGIC | Financial Guaranty Insurance Co. |
| FHA | Federal Housing Administration |
| FHLMC | Federal Home Loan Mortgage Corp. |
| GNMA | Government National Mortgage Assn. |
| NATL | National Public Finance Guarantee Corp. |
| SYNCORA | Syncora Guarantee Inc. |

Table of Contents*Portfolio of Investments (unaudited) continued***Derivative Contracts at 5/31/11****Futures Contracts Outstanding at 5/31/11**

| Description | Currency | Contracts | Value | Expiration Date | Unrealized Appreciation (Depreciation) |
|----------------------------------|----------|-----------|--------------|------------------|----------------------------------------------|
| Liability Derivatives | | | | | |
| <i>Interest Rate Futures</i> | | | | | |
| U.S. Treasury Note 10 yr (Short) | USD | 90 | \$11,034,844 | September - 2011 | \$(74,846) |
| U.S. Treasury Bond 30 yr (Short) | USD | 41 | 5,118,594 | September - 2011 | (16,480) |
| | | | | | \$(91,326) |

At May 31, 2011, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

See Notes to Financial Statements

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

At 5/31/11 (unaudited)

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

| | | |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| Assets | | |
| Investments- | | |
| Non-affiliated issuers, at value (identified cost, \$156,246,427) | \$158,268,560 | |
| Underlying affiliated funds, at cost and value | 1,255,195 | |
| Total investments, at value (identified cost, \$157,501,622) | | \$159,523,755 |
| Cash | 569,306 | |
| Receivables for | | |
| Investments sold | 664,800 | |
| Interest | 2,824,314 | |
| Other assets | 18,514 | |
| Total assets | | \$163,600,689 |
| Liabilities | | |
| Payables for | | |
| Distributions on common shares | \$46,203 | |
| Distributions on preferred shares | 407 | |
| Daily variation margin on open futures contracts | 22,906 | |
| Investments purchased | 569,307 | |
| Payable to the holder of the floating rate certificate from trust assets | 7,507,800 | |
| Payable for interest expense and fees | 24,906 | |
| Payable to affiliates | | |
| Investment adviser | 13,845 | |
| Transfer agent and dividend disbursing costs | 1,027 | |
| Payable for independent Trustees' compensation | 3,767 | |
| Accrued expenses and other liabilities | 84,501 | |
| Total liabilities | | \$8,274,669 |
| Preferred shares | | |
| Auction preferred shares (1,950 shares issued and outstanding at \$25,000 per share) at liquidation value | | \$48,750,000 |
| Net assets applicable to common shares | | \$106,576,020 |
| Net assets consist of | | |
| Paid-in capital - common shares | \$125,877,428 | |
| Unrealized appreciation (depreciation) on investments | 1,930,807 | |
| Accumulated net realized gain (loss) on investments | (22,006,311) | |
| Undistributed net investment income | 774,096 | |