

MFS INVESTMENT GRADE MUNICIPAL TRUST  
Form N-CSRS  
August 05, 2014  
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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 811-5785

**MFS INVESTMENT GRADE MUNICIPAL TRUST**

(Exact name of registrant as specified in charter)

**111 Huntington Avenue, Boston, Massachusetts 02199**

(Address of principal executive offices) (Zip code)

**Susan S. Newton**

**Massachusetts Financial Services Company**

**111 Huntington Avenue**

**Boston, Massachusetts 02199**

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: May 31, 2014

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**ITEM 1. REPORTS TO STOCKHOLDERS.**

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**SEMIANNUAL REPORT**

May 31, 2014

**MFS® INVESTMENT GRADE MUNICIPAL TRUST**

CXH-SEM

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**MFS® INVESTMENT GRADE MUNICIPAL TRUST**

New York Stock Exchange Symbol: **CXH**

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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:

After gaining momentum late last year, U.S. economic output contracted this winter, as severe weather curtailed activity. More recently, various indicators show that the

U.S. economy could be regaining traction.

Although Europe emerged from its recession almost a year ago, its pace of growth has been slow, and high unemployment persists, along with the risk of deflation. Asia remains vulnerable. China's economic growth has slowed, and Japan's early progress toward an economic turnaround continues to face obstacles, including the recent sales tax increase. Emerging markets have been more turbulent.

With so much uncertainty, global financial markets began 2014 with much greater volatility than last year's broad-based rally.

For equity investors, paying attention to company fundamentals has become more important. Bond investors have been attuned to heightened risks from possible interest rate increases.

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

We understand that these are challenging economic times. We believe that we can serve you best by applying proven principles, such as asset allocation and diversification, over the long term. We are confident that this approach can serve you well as you work with your financial advisors to reach your goals in the years ahead.

Respectfully,

**Robert J. Manning**

Chairman and Chief Executive Officer

MFS Investment Management

July 16, 2014

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

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

Universities Colleges	24.7%
Healthcare Revenue Hospitals	19.3%
Water & Sewer Utility Revenue	12.7%
State & Local Agencies	6.6%
Transportation Special Tax	6.4%
General Obligations General Purpose	5.9%
Sales & Excise Tax Revenue	5.8%
Tobacco	5.4%
Utilities Municipal Owned	5.0%
Miscellaneous Revenue Other	4.9%

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

AAA	21.7%
AA	32.6%
A	42.9%
BBB	26.1%
BB	4.6%
B	5.4%
C (o)	0.0%
Not Rated	11.5%
Cash & Other	(44.8)%

**Portfolio facts (i)**

Average Duration (d)	14.2
Average Effective Maturity (m)	18.9 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). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. The fund may not hold all of these instruments. The fund is not rated by these agencies.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.

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*Portfolio Composition continued*

- (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. 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. The bond component will include any accrued interest amounts.
- (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 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.

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

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

Percentages are based on net assets, including the value of auction rate preferred shares, as of 5/31/14.

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

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**PORTFOLIO MANAGERS PROFILES**

<b>Portfolio Manager</b>	<b>Primary Role</b>	<b>Since</b>	<b>Title and Five Year History</b>
Michael Dawson	Portfolio Manager	2007	Investment Officer of MFS; employed in the investment management area of MFS since 1998.
Geoffrey Schechter	Portfolio Manager	2007	Investment Officer of MFS; employed in the investment management area of MFS since 1993.

**OTHER NOTES**

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation.

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

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**

5/31/14 (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 - 143.6%**

<b>Issuer</b>	<b>Shares/Par</b>	<b>Value (\$)</b>
<b>Alabama - 1.7%</b>		
Alabama Incentives Financing Authority Special Obligation, A, 5%, 9/01/37	\$ 55,000	\$ 59,133
Cullman County, AL, Health Care Authority (Cullman Regional Medical Center), A, 6.75%, 2/01/29	355,000	384,639
Health Care Authority for Baptist Health, AL, D, 5%, 11/15/21	850,000	880,005
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/25	5,000	2,817
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/26	95,000	49,977
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/29	135,000	58,691
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/34	190,000	56,945
Jefferson County, AL, Sewer Rev. Warrants, Capital Appreciation, Senior Lien, B, AGM, 0%, 10/01/35	365,000	101,751
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/15	10,000	10,357
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/16	20,000	21,379
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/17	25,000	27,266
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/18	30,000	33,211
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/21	35,000	39,351
Jefferson County, AL, Sewer Rev. Warrants, Subordinate Lien, D, 5%, 10/01/23	45,000	50,405
Pell City, AL, Special Care Facilities, Financing Authority Rev. (Noland Health Services, Inc.), 5%, 12/01/39	140,000	146,402
Phenix City, AL, Industrial Development Board Environmental Improvement Rev. (MeadWestvaco Coated Board Project), A, 4.125%, 5/15/35	145,000	133,417
		\$ 2,055,746
<b>Arizona - 2.1%</b>		
Arizona Transportation Board Highway Rev., B, 5%, 7/01/31	\$ 1,000,000	\$ 1,125,600
Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 9/01/29	485,000	493,779
Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 12/01/32	795,000	887,117
		\$ 2,506,496

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
California - 18.5%		
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/31	\$ 130,000	\$ 67,687
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/32	235,000	115,300
Beverly Hills, CA, Unified School District (Election of 2008), Capital Appreciation, 0%, 8/01/33	470,000	216,792
California Department of Water Resources, Center Valley Project Rev., AJ, 5%, 12/01/35	1,000,000	1,120,470
California Educational Facilities Authority Rev. (California Lutheran University), 5.75%, 10/01/38	350,000	394,811
California Educational Facilities Authority Rev. (Chapman University), 5%, 4/01/31	135,000	146,085
California Educational Facilities Authority Rev. (University of San Francisco), 6.125%, 10/01/36	75,000	88,736
California Educational Facilities Authority Rev. (University of Southern California), A, 5.25%, 10/01/38	535,000	616,518
California Health Facilities Financing Authority Rev. (St. Joseph Health System), A, 5.75%, 7/01/39	195,000	222,431
California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 8/15/31	535,000	626,977
California Housing Finance Agency Rev. (Home Mortgage), G, 4.95%, 8/01/23	1,050,000	1,067,966
California Housing Finance Agency Rev. (Home Mortgage), G, 5.5%, 8/01/42	125,000	126,450
California Municipal Finance Authority Rev. (Biola University), 5.8%, 10/01/28	100,000	113,134
California Municipal Finance Authority Rev. (University of La Verne), A, 6.25%, 6/01/40	70,000	80,039
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B, 5.25%, 6/01/23 (b)	135,000	147,860
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), A, 5%, 1/01/22	305,000	325,124
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C, 5.125%, 11/01/23	335,000	352,668
California Public Works Board Lease Rev. (Various Capital Projects), I, 5%, 11/01/38	1,220,000	1,333,850
California Public Works Board Lease Rev., Department of Corrections and Rehabilitation (Various Correctional Facilities), A, 5%, 9/01/33	1,135,000	1,273,141
California State University Rev., A, 5%, 11/01/37	805,000	890,926
California Statewide Communities Development Authority Facilities (Microgy Holdings Project), 9%, 12/01/38 (a)(d)	25,246	252
California Statewide Communities Development Authority Rev. (Enloe Medical Center), CALHF, 5.75%, 8/15/38	360,000	402,822

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
California - continued		
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 6/01/33	\$ 500,000	\$ 488,320
California Statewide Communities Development Authority Rev. (Student Housing, SUCI East Campus), 6%, 5/15/40	220,000	236,579
Chula Vista, CA, Industrial Development Rev. (San Diego Gas & Electric Co.), E, 5.875%, 1/01/34	195,000	223,731
East Bay, CA, Municipal Utility District, Water System Rev., A, 5%, 6/01/28	1,500,000	1,758,450
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, 5%, 6/01/30	85,000	94,072
La Verne, CA, COP (Brethren Hillcrest Homes), B, 6.625%, 2/15/25	310,000	312,034
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D, 5%, 9/01/22	210,000	246,653
Los Angeles County, CA, Redevelopment Refunding Authority Tax Allocation Rev. D, 5%, 9/01/23	210,000	246,448
Los Angeles, CA, Department of Water & Power Rev. (Power System), B, 5%, 7/01/38	285,000	316,532
Los Angeles, CA, Unified School District, D, 5%, 1/01/34	95,000	105,154
Mt. San Antonio, CA, Community College District, Convertible Capital Appreciation, 0%, 8/01/28	140,000	106,781
Palomar Pomerado Health Care District, CA, COP, 6.75%, 11/01/39	245,000	257,510
Pomona, CA, Unified School District, A, NATL, 6.45%, 8/01/22	1,000,000	1,290,100
Port of Oakland, CA, Rev., P, 5%, 5/01/33	970,000	1,041,974
Riverside County, CA, Transportation Commission Sales Tax Rev. (Limited Tax), A, 5.25%, 6/01/39	345,000	394,376
Sacramento, CA, Municipal Utility District, X, 5%, 8/15/28	335,000	380,155
San Diego County, CA, Regional Airport Authority Rev., A, 5%, 7/01/40	835,000	895,429
San Francisco, CA, City & County Airports Commission, International Airport Rev., D, 5%, 5/01/25	1,000,000	1,144,720
San Francisco, CA, City & County Redevelopment Successor Agency Tax Allocation (Mission Bay South Public Improvements), A, 5%, 8/01/43	25,000	26,469
San Jose, CA, Airport Rev., A-2, 5.25%, 3/01/34	710,000	775,973
State of California, 4%, 9/01/26	725,000	785,277
State of California, 5.25%, 10/01/28	270,000	314,690
State of California, 5.25%, 9/01/30	645,000	740,157
Upland, CA, COP (San Antonio Community Hospital), 6.5%, 1/01/41	85,000	95,971
West Contra Costa, CA, Unified School District, B, NATL, 6%, 8/01/24	250,000	296,265
		\$ 22,303,859

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Colorado - 3.5%		
Colorado Educational & Cultural Facilities Authority Rev. (Academy of Charter Schools Project), 5.625%, 5/01/40	\$ 230,000	\$ 246,397
Colorado Educational & Cultural Facilities Authority Rev. (Montessori Charter School Project), 5%, 7/15/37	40,000	41,098
Colorado Health Facilities Authority Rev. (Evangelical Lutheran Good Samaritan Society), 5.625%, 6/01/43	90,000	100,092
Colorado Health Facilities Authority Rev. (SCL Health System), A, 5%, 1/01/44	380,000	414,390
Colorado Housing & Finance Authority, A, 5.5%, 11/01/29	645,000	674,438
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6.5%, 1/15/30	560,000	645,730
Colorado Regional Transportation District, Private Activity Rev. (Denver Transportation Partners), 6%, 1/15/34	480,000	530,218
Colorado Regional Transportation District, Sales Tax Rev. (Fastracks Project), A, 5%, 11/01/27	480,000	560,966
Denver, CO, City & County Airport Rev. (United Airlines), 5.25%, 10/01/32	245,000	249,011
Denver, CO, Health & Hospital Authority Rev., A, 5%, 12/01/39	70,000	73,674
Denver, CO, Health & Hospital Authority Rev., A, 5.25%, 12/01/45	95,000	101,896
Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 11/15/38	425,000	560,142
		\$ 4,198,052
Connecticut - 1.1%		
State of Connecticut, Special Tax Obligation Rev., A, 5%, 12/01/28	\$ 405,000	\$ 468,095
State of Connecticut, Special Tax Obligation Rev., A, 5%, 12/01/29	405,000	465,426
State of Connecticut, Special Tax Obligation Rev., A, 5%, 12/01/30	385,000	440,482
		\$ 1,374,003
District of Columbia - 1.8%		
District of Columbia Housing Finance Agency (Henson Ridge), E, FHA, 5.1%, 6/01/37	\$ 500,000	\$ 508,170
District of Columbia Rev. (Georgetown University), Convertible Capital Appreciation, BHAC, 0% to 4/01/18, 5% to 4/01/40	1,430,000	1,247,046
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/43	105,000	118,040
District of Columbia Rev. (Kipp, D.C. Charter School), A, 6%, 7/01/33	40,000	45,840
Metropolitan Washington, DC, Airports Authority Rev. Senior Lien (Dulles Toll Road), 5%, 10/01/53	185,000	193,142
		\$ 2,112,238

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Florida - 4.6%		
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.375%, 5/01/30	\$ 80,000	\$ 79,861
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.5%, 5/01/33	35,000	34,955
Bellalago, FL, Educational Facilities Benefit District (Osceola County) Capital Improvement Refunding Rev., 4.6%, 5/01/34	60,000	60,187
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A, 7.5%, 7/01/40	490,000	490,387
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B, 7%, 7/15/32 (d)(q)	340,000	174,036
Collier County, FL, Educational Facilities Authority Rev. (Ave Maria University, Inc. Project), A, 6.125%, 6/01/43	320,000	335,654
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A, 5.75%, 11/01/27	250,000	250,138
Florida Citizens Property Insurance Corp., A-1, 5%, 6/01/19	50,000	58,151
Florida Citizens Property Insurance Corp., A-1, 5%, 6/01/20	250,000	294,158
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 5/01/38	130,000	127,877
Miami-Dade County, FL, Educational Facilities Authority Rev. (University of Miami), A, 5.75%, 4/01/28	125,000	135,069
Miami-Dade County, FL, Health Facilities Authority, Hospital Rev. (Miami Children's Hospital), A, 6.125%, 8/01/42	195,000	223,010
Miami-Dade County, FL, Special Obligation, B, 5%, 10/01/35	180,000	196,492
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A, 7.25%, 10/01/40	175,000	209,808
Seminole Tribe, FL, Special Obligation Rev., A, 5.75%, 10/01/22 (n)	250,000	276,348
Seven Oaks, FL, Community Development District II Special Assessment Rev., A, 5.875%, 5/01/35	415,000	362,295
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6%, 4/01/29	105,000	116,211
South Lake County, FL, Hospital District Rev. (South Lake Hospital), A, 6.25%, 4/01/39	155,000	171,444
St. John's County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A, 6%, 8/01/45	400,000	423,336
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5%, 7/01/26	20,000	21,944
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5%, 7/01/29	20,000	21,479
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5.125%, 7/01/34	40,000	42,405
Sumter County, FL, Industrial Development Authority Hospital Rev. (Central Florida Health Alliance Projects), A, 5.25%, 7/01/44	120,000	126,077
Tampa Bay, FL, Sports Authority Rev. (Tampa Bay Arena), NATL, 5.75%, 10/01/25	1,000,000	1,147,910

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Florida - continued		
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 5/01/37 (a)(d)	\$ 480,000	\$ 182,400
		\$ 5,561,632
Georgia - 4.2%		
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A , 6.25%, 5/15/33	\$ 75,000	\$ 80,022
Americus and Sumter County, GA, Hospital Authority Rev. (Magnolia Manor Obligated Group), A , 6.375%, 5/15/43	75,000	79,694
Atlanta, GA, Tax Allocation (Eastside Project), A , 5.625%, 1/01/16	100,000	105,220
Atlanta, GA, Water & Wastewater Rev., A , 6%, 11/01/22	290,000	357,376
Brunswick, GA, Hospital Authority Rev. (Glynn-Brunswick Memorial Hospital), 5.625%, 8/01/34	165,000	178,650
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A , 8.75%, 6/01/29	125,000	154,479
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B , 9%, 6/01/35	95,000	100,297
DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/28	125,000	145,330
DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/29	120,000	138,742
DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/30	75,000	86,286
DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/31	15,000	17,183
DeKalb County, GA, Water & Sewer Rev., A , 5.25%, 10/01/41	340,000	379,066
Fulton County, GA, Residential Care Facilities, Elderly Authority Rev. (Canterbury Court), A , 6.125%, 2/15/34	250,000	252,585
Fulton County, GA, Water & Sewer Rev., 5%, 1/01/26	320,000	367,178
Fulton County, GA, Water & Sewer Rev., 5%, 1/01/27	215,000	245,020
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5%, 3/15/22	525,000	604,832
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 9/15/26	120,000	142,726
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 9/15/28	250,000	300,483
Georgia Municipal Electric Authority Power Rev., GG , 5%, 1/01/26	225,000	259,533
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 6/15/30	100,000	104,693
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 6/15/39	100,000	102,562
Private Colleges & Universities Authority Rev., GA, (Emory University), A , 5%, 10/01/43	490,000	549,682
Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A , 6.125%, 1/01/34	320,000	326,602
		\$ 5,078,241

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Guam - 0.1%		
Guam International Airport Authority Rev., C, 5%, 10/01/16	\$ 25,000	\$ 26,695
Guam International Airport Authority Rev., C, 5%, 10/01/17	45,000	48,897
		\$ 75,592
Hawaii - 1.1%		
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigsides Project), A, 9%, 11/15/44	\$ 115,000	\$ 134,721
Hawaii Department of Budget & Finance, Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 7/01/39	410,000	459,237
State of Hawaii, DZ, 5%, 12/01/31	180,000	207,250
State of Hawaii, Highway Rev., A, 5%, 1/01/30	305,000	346,495
State of Hawaii, Highway Rev., A, 5%, 1/01/31	120,000	135,631
State of Hawaii, Highway Rev., A, 5%, 1/01/32	80,000	90,133
		\$ 1,373,467
Illinois - 10.6%		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 1/01/24	\$ 250,000	\$ 228,863
Chicago, IL, Greater Chicago Metropolitan Water Reclamation District, C, 5%, 12/01/29	855,000	963,465
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/32	70,000	76,616
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.25%, 1/01/33	35,000	38,095
Chicago, IL, O Hare International Airport Rev., Customer Facility Charge, AGM, 5.5%, 1/01/43	145,000	152,685
Chicago, IL, O Hare International Airport Rev., Third Lien, A, 5.625%, 1/01/35	650,000	722,014
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B, 6.75%, 6/01/22	575,000	576,639
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/29	155,000	172,523
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/30	310,000	344,184
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/31	60,000	66,284
Chicago, IL, Transit Authority Sales Tax Receipts Rev., 5.25%, 12/01/40	410,000	444,825
Du Page County, IL, Special Service Area (Monarch Landing Project), 5.4%, 3/01/16	78,000	80,186
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 4.75%, 5/15/33	160,000	160,112
Illinois Finance Authority Rev. (Franciscan Communities, Inc.), A, 5.125%, 5/15/43	125,000	124,903

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Illinois - continued		
Illinois Finance Authority Rev. (Illinois Institute of Technology), A, 5%, 4/01/31	\$ 335,000	\$ 328,260
Illinois Finance Authority Rev. (KishHealth Systems Obligated Group), 5.75%, 10/01/28	380,000	412,273
Illinois Finance Authority Rev. (Provena Health), A, 7.75%, 8/15/34	400,000	489,484
Illinois Finance Authority Rev. (Rehabilitation Institute of Chicago), A, 6%, 7/01/43	565,000	628,885
Illinois Finance Authority Rev. (Resurrection Health), 6.125%, 5/15/25	460,000	513,986
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 4/01/29	545,000	572,305
Illinois Finance Authority Rev. (Silver Cross Hospital & Medical Centers), 6.875%, 8/15/38	395,000	438,205
Illinois Finance Authority Rev. (Smith Village), A, 6.25%, 11/15/35	500,000	501,100
Illinois Finance Authority Student Housing Rev. (Northern Illinois University Project), 6.625%, 10/01/31	390,000	463,133
Illinois Railsplitter Tobacco Settlement Authority, 5.5%, 6/01/23	150,000	176,492
Illinois Railsplitter Tobacco Settlement Authority, 6%, 6/01/28	1,145,000	1,338,173
Illinois Toll Highway Authority Rev., B, 5%, 1/01/32	1,000,000	1,130,680
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 3/01/34	178,000	182,528
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 3/01/35	703,000	708,933
State of Illinois, 5.5%, 7/01/33	105,000	116,969
State of Illinois, 5.5%, 7/01/38	600,000	657,384
		\$ 12,810,184
Indiana - 3.2%		
Indiana Bond Bank Special Program, Gas Rev., A, 5.25%, 10/15/18	\$ 190,000	\$ 216,959
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/40	350,000	362,646
Indiana Finance Authority Rev. (Ohio River Bridges East End Crossing Project), A, 5%, 7/01/44	365,000	375,446
Indiana Finance Authority Rev. (State Revolving Fund Program), A, 5%, 2/01/29	1,000,000	1,170,950
Indiana Health & Educational Facilities Finance Authority, Hospital Rev. (Community Foundation of Northwest Indiana), 5.5%, 3/01/37	705,000	746,250
Indiana University Rev., A, 5%, 6/01/32	45,000	52,290
Richmond, IN, Hospital Authority Rev. (Reid Hospital & Health Center Services), A, 6.625%, 1/01/39	525,000	604,322
University of Southern Indiana Rev. (Student Fee), J, ASSD GTY, 5.75%, 10/01/28	210,000	244,734
Valparaiso, IN, Exempt Facilities Rev. (Pratt Paper LLC Project), 7%, 1/01/44	110,000	120,349
		\$ 3,893,946



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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
<b>Iowa - 0.8%</b>		
Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5%, 12/01/19	\$ 135,000	\$ 140,717
Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5.5%, 12/01/22	115,000	120,296
Iowa Finance Authority Midwestern Disaster Area Rev. (Iowa Fertilizer Co.), 5.25%, 12/01/25	115,000	119,798
Iowa Student Loan Liquidity Corp., A-2, 5.5%, 12/01/25	135,000	145,400
Iowa Student Loan Liquidity Corp., A-2, 5.6%, 12/01/26	140,000	150,606
Iowa Student Loan Liquidity Corp., A-2, 5.7%, 12/01/27	15,000	16,140
Iowa Student Loan Liquidity Corp., A-2, 5.75%, 12/01/28	250,000	268,465
		\$ 961,422
<b>Kentucky - 2.3%</b>		
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.375%, 8/15/24	\$ 255,000	\$ 284,029
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Baptist Healthcare System), A, 5.625%, 8/15/27	85,000	94,585
Kentucky Economic Development Finance Authority, Hospital Facilities Rev. (Owensboro Medical Health System), A, 6.375%, 6/01/40	440,000	491,885
Kentucky Turnpike Authority, Economic Development Rev., A, 5%, 7/01/30	1,000,000	1,145,820
Louisville & Jefferson County, KY, Metropolitan Government Healthcare Systems Rev. (Norton Healthcare, Inc.), 5.25%, 10/01/36	385,000	394,271
University of Kentucky, General Receipts, A, 5%, 4/01/36	110,000	124,984
University of Kentucky, General Receipts, A, 5%, 4/01/37	205,000	233,479
		\$ 2,769,053
<b>Louisiana - 1.6%</b>		
Jefferson Parish, LA, Hospital Service District No. 2 (East Jefferson General Hospital), 6.25%, 7/01/31	\$ 470,000	\$ 519,345
Louisiana Public Facilities Authority Hospital Rev. (Lake Charles Memorial Hospital), 6.375%, 12/01/34	290,000	314,676
New Orleans, LA, Aviation Board Gulf Opportunity Zone CFC Rev. (Consolidated Rental Car), A, 6.25%, 1/01/30	185,000	211,795
Sabine River, LA, Water Facilities Authority Rev. (International Paper Co.), 6.2%, 2/01/25	310,000	311,293
St. Charles Parish, LA, Gulf Zone Opportunity Zone Rev. (Valero Energy Corp.), 4%, 12/01/40 (b)	480,000	517,066
		\$ 1,874,175
<b>Maine - 0.1%</b>		
Maine Housing Authority Mortgage, A-2, 4.95%, 11/15/27	\$ 115,000	\$ 115,046

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Maryland - 0.6%		
Maryland Health & Higher Educational Facilities Authority Rev. (Anne Arundel Health System, Inc.), A , 6.75%, 7/01/39	\$ 175,000	\$ 211,537
Maryland Health & Higher Educational Facilities Authority Rev. (Charlestown Community), 6.25%, 1/01/41	190,000	206,260
Maryland Health & Higher Educational Facilities Authority Rev. (Mercy Medical Center), A , 5.5%, 7/01/42	265,000	278,499
		\$ 696,296
Massachusetts - 7.2%		
Boston, MA, Metropolitan Transit Parking Corp., Systemwide Parking Rev., 5.25%, 7/01/36	\$ 285,000	\$ 319,231
Commonwealth of Massachusetts Transportation Fund Rev. (Accelerated Bridge Program), A , 5%, 6/01/38	1,000,000	1,111,960
Massachusetts Bay Transportation Authority, Sales Tax Rev., A-1 , 5.25%, 7/01/29	350,000	442,488
Massachusetts College Building Authority Rev., A , 5%, 5/01/31	190,000	218,867
Massachusetts College Building Authority Rev., C , 3%, 5/01/42	75,000	60,509
Massachusetts Development Finance Agency Rev. (Evergreen Center, Inc.), 5%, 1/01/24	250,000	250,708
Massachusetts Development Finance Agency Rev. (Milford Regional Medical Center), F , 5.75%, 7/15/43	40,000	43,021
Massachusetts Development Finance Agency Rev. (North Hill Communities), A , 6.5%, 11/15/43	100,000	103,125
Massachusetts Development Finance Agency Rev. (Williams College), P , 5%, 7/01/43	1,000,000	1,121,520
Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), A , 4.875%, 11/01/27	205,000	208,692
Massachusetts Development Finance Agency, Resource Recovery Rev. (Covanta Energy Project), C , 5.25%, 11/01/42	175,000	177,770
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 5/01/19 (c)	70,000	85,249
Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 1/01/30	275,000	293,675
Massachusetts Educational Financing Authority, Education Loan Rev., K , 5.25%, 7/01/29	350,000	373,454
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), 8%, 10/01/15 (c)	90,000	99,284
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), 8%, 10/01/29	135,000	147,878
Massachusetts Health & Educational Facilities Authority Rev. (South Shore Hospital), F , 5.75%, 7/01/29	370,000	370,518
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 6.25%, 7/01/30	415,000	485,069

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Massachusetts - continued		
Massachusetts Port Authority Facilities Rev. (Conrac Project), A, 5.125%, 7/01/41	\$ 40,000	\$ 43,003
Massachusetts Port Authority Rev., A, 5%, 7/01/37	35,000	37,871
Massachusetts School Building Authority, Dedicated Sales Tax Rev., B, 5%, 10/15/32	720,000	819,583
Massachusetts School Building Authority, Dedicated Sales Tax Rev., B, 5%, 10/15/35	1,025,000	1,148,718
Massachusetts Water Resources Authority, B, AGM, 5.25%, 8/01/29	600,000	750,084
		\$ 8,712,277
Michigan - 2.2%		
Detroit, MI, Sewage Disposal System Rev., Senior Lien, A, 5.25%, 7/01/39	\$ 460,000	\$ 454,296
Grand Valley, MI, State University Rev., 5.5%, 12/01/27	115,000	127,162
Grand Valley, MI, State University Rev., 5.625%, 12/01/29	55,000	60,785
Michigan Finance Authority Rev. (Trinity Health Corp.), 5%, 12/01/35	750,000	802,643
Michigan Strategic Fund Ltd. Obligation Rev. (Michigan Sugar Co., Carrollton), 6.55%, 11/01/25	250,000	232,163
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 5%, 9/01/39	620,000	665,954
Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 9/01/39	230,000	299,971
		\$ 2,642,974
Minnesota - 0.3%		
Minneapolis & St. Paul, MN, Housing Authority Rev. (City Living), A-2, GNMA, 5%, 12/01/38	\$ 48,541	\$ 48,976
St. Paul, MN, Housing & Redevelopment Authority Healthcare Facilities Rev. (HealthPartners Obligated Group), 5.25%, 5/15/23	325,000	350,344
		\$ 399,320
Mississippi - 1.3%		
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 4/01/22	\$ 1,000,000	\$ 1,000,360
Mississippi Development Bank Special Obligation (City of Jackson Water and Sewer System Rev. Bond Project), AGM, 6.875%, 12/01/40	90,000	115,867
Mississippi Development Bank Special Obligation (Marshall County Industrial Development Authority Highway Construction Project), 5%, 1/01/28	105,000	119,667
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 9/01/32	190,000	213,229
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 9/01/36	65,000	72,333

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Mississippi - continued		
V Lakes Utility District, MS, Water Systems Rev., 7%, 7/15/37	\$ 85,000	\$ 85,039
		\$ 1,606,495
Missouri - 0.5%		
Missouri Health & Educational Facilities Authority Rev. (A.T. Still University Health Services), 5%, 10/01/39	\$ 55,000	\$ 59,199
Missouri Health & Educational Facilities Authority Rev. (SSM Health Care), A, 5%, 6/01/31	205,000	232,031
St. Louis, MO, Industrial Development Authority Leasehold Rev. (Convention Center Hotel), Capital Appreciation, AMBAC, 0%, 7/15/18	300,000	269,865
		\$ 561,095
National - 0.7%		
Centerline Capital Group, Inc., FHLMC, 6.3%, 5/15/19 (n)	\$ 500,000	\$ 561,865
Resolution Trust Corp., Pass-Through Certificates, 1993, 9.544%, 12/01/16 (z)	227,741	226,039
		\$ 787,904
Nebraska - 0.6%		
Douglas County, NE, Educational Facilities Rev. (Creighton University), A, 5.875%, 7/01/40	\$ 645,000	\$ 712,557
Nevada - 0.7%		
Las Vegas Valley, NV, Water District, C, 5%, 6/01/29	\$ 755,000	\$ 851,119
New Hampshire - 0.4%		
New Hampshire Business Finance Authority Rev. (Elliot Hospital Obligated Group), A, 6%, 10/01/27	\$ 445,000	\$ 486,163
New Jersey - 6.1%		
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B, 6.875%, 1/01/37	\$ 500,000	\$ 508,700
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.75%, 1/01/25	310,000	311,358
New Jersey Economic Development Authority Rev. (Lions Gate), A, 5.875%, 1/01/37	100,000	100,120
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.375%, 1/01/43	225,000	240,170
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5.5%, 1/01/27	40,000	45,690
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), 5%, 1/01/28	40,000	43,788

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
New Jersey - continued		
New Jersey Economic Development Authority Rev. (The Goethals Bridge Replacement Project), AGM, 5%, 1/01/31	\$ 115,000	\$ 125,697
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 4.875%, 9/15/19	125,000	127,763
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 5.25%, 9/15/29	260,000	268,447
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), A , 5.625%, 11/15/30	40,000	42,570
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), B , 5.625%, 11/15/30	35,000	37,249
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B , 7.5%, 6/01/19 (c)	460,000	599,743
New Jersey Tobacco Settlement Financing Corp., 1-A , 4.5%, 6/01/23	1,440,000	1,434,730
New Jersey Tobacco Settlement Financing Corp., 1-A , 4.75%, 6/01/34	1,850,000	1,445,535
New Jersey Tobacco Settlement Financing Corp., 1-A , 5%, 6/01/41	1,835,000	1,436,640
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-B , 0%, 6/01/41	2,260,000	545,654
New Jersey Tobacco Settlement Financing Corp., Capital Appreciation, 1-C , 0%, 6/01/41	30,000	7,121
		\$ 7,320,975
New Mexico - 0.4%		
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 6/01/40	\$ 400,000	\$ 441,480
New York - 24.2%		
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 7/15/30	\$ 200,000	\$ 220,664
Hempstead, NY, Local Development Corp. Rev. (Hofstra University Project), 5%, 7/01/25	130,000	147,079
Hempstead, NY, Local Development Corp. Rev. (Hofstra University Project), 5%, 7/01/26	95,000	106,386
Hempstead, NY, Local Development Corp. Rev. (Hofstra University Project), 5%, 7/01/28	20,000	22,156
Hudson Yards, NY, Infrastructure Corp. Rev., A , 5.75%, 2/15/47	350,000	400,001
Liberty, NY, Development Corp. Rev. (Goldman Sachs Headquarters), 5.25%, 10/01/35	1,725,000	2,015,939
New York Dormitory Authority Rev. (Columbia University), 5%, 7/01/38 (u)	15,000,000	16,714,950
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.5%, 8/15/30	165,000	194,312

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
New York - continued		
New York Dormitory Authority Rev., Non-State Supported Debt (Bronx-Lebanon Hospital Center), LOC, 6.25%, 2/15/35	\$ 100,000	\$ 114,371
New York Environmental Facilities Corp., Municipal Water Finance Authority Project, 5%, 6/15/25	200,000	235,152
New York Environmental Facilities, C, 5%, 5/15/41	255,000	282,548
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 7/15/49	435,000	480,257
New York Liberty Development Corp., Liberty Rev. (World Trade Center Project), 5%, 11/15/31	200,000	220,616
New York Liberty Development Corp., Liberty Rev. (World Trade Center Project), 5%, 11/15/44	500,000	536,580
New York Power Authority Rev., A, 5%, 11/15/38	1,000,000	1,105,850
New York Tobacco Settlement Financing Corp., Asset-Backed Rev., B, 5%, 6/01/21	410,000	445,408
New York Urban Development Corp., State Personal Income Tax Rev., C, 5%, 3/15/31	1,000,000	1,139,260
New York, NY, Municipal Water Finance Authority, Water & Sewer System Rev., AA, 5%, 6/15/34	1,610,000	1,779,404
Niagara County, NY, Industrial Development Agency, Solid Waste Disposal Rev. (Covanta Energy Project), A, 5.25%, 11/01/42	175,000	177,770
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/36	195,000	218,166
Port Authority of NY & NJ, Special Obligation Rev. (JFK International Air Terminal LLC), 6%, 12/01/42	225,000	250,913
Triborough Bridge & Tunnel Authority Rev., NY, Capital Appreciation, A, 0%, 11/15/29	1,125,000	630,855
Utility Debt Securitization Authority Restructuring Rev., NY, E, 5%, 12/15/41	1,500,000	1,693,965
		\$ 29,132,602
North Carolina - 2.1%		
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2/01/38	\$ 358,762	\$ 341,423
North Carolina Turnpike Authority, Monroe Connector System State Appropriation Rev., 5%, 7/01/36	2,000,000	2,222,260
		\$ 2,563,683
Ohio - 2.7%		
Bowling Green, OH, Student Housing Rev. (State University Project), 6%, 6/01/45	\$ 285,000	\$ 295,571
Butler County, OH, Hospital Facilities Rev. (UC Health), 5.75%, 11/01/40	105,000	116,545
Cleveland-Cuyahoga County, OH, Port Authority Rev., 7%, 5/15/40	95,000	104,023

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Ohio - continued		
Lake County, OH, Hospital Facilities Rev. (Lake Hospital), C, 6%, 8/15/43	\$ 265,000	\$ 283,160
Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/33	85,000	85,770
Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/44	55,000	53,609
Muskingum County, OH, Hospital Facilities Rev. (Genesis Health System Obligated Group), 5%, 2/15/48	85,000	82,699
Scioto County, OH, Hospital Facilities Rev. (Southern Ohio Medical Center), 5.75%, 2/15/38	555,000	594,144
Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 5/15/40	35,000	38,319
Summit County, OH, Port Authority Building Rev. (Seville Project), A, 5.1%, 5/15/25	335,000	335,275
Toledo Lucas County, OH, Authority Port Rev., Facilities (CSX, Inc. Project), 6.45%, 12/15/21	1,000,000	1,241,660
		\$ 3,230,775
Oklahoma - 1.3%		
Oklahoma Industries Authority Rev. (Oklahoma Medical Research Foundation Project), 5.5%, 7/01/29	\$ 600,000	\$ 657,846
Tulsa, OK, Industrial Authority Rev. (University of Tulsa), 6%, 10/01/27	535,000	619,985
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 6/01/35	140,000	144,508
Tulsa, OK, Municipal Airport Trust Rev. (American Airlines, Inc.), B, 5.5%, 12/01/35	170,000	175,474
		\$ 1,597,813
Oregon - 0.3%		
Cow Creek Band of Umpqua Tribe of Indians, OR, C, 5.625%, 10/01/26 (n)	\$ 350,000	\$ 348,586
Pennsylvania - 4.7%		
Clarion County, PA, Industrial Development Authority, Student Housing Rev. (Clarion University Foundation, Inc.), 5%, 7/01/34	\$ 35,000	\$ 35,918
Commonwealth of Pennsylvania, State Public School Building Authority Lease Rev. (School District of Philadelphia Project), 5%, 4/01/28	140,000	154,662
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 1/01/29	570,000	622,651
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/39	35,000	35,693

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Pennsylvania - continued		
East Hempfield, PA, Industrial Development Authority Rev. (Millersville University Student Services), 5%, 7/01/46	\$ 20,000	\$ 20,284
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), A, 5%, 12/01/43	900,000	966,087
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B, 0%, 12/01/36	940,000	302,172
Lehigh County, PA, Water and Sewer Authority Rev. (Allentown Concession), Capital Appreciation, B, 0%, 12/01/37	760,000	229,642
Luzerne County, PA, AGM, 6.75%, 11/01/23	370,000	428,175
Pennsylvania Economic Development Financing Authority Rev., Resource Recovery Rev. (Colver), G, 5.125%, 12/01/15	125,000	129,644
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 1/01/32	260,000	278,762
Pennsylvania Higher Educational Facilities Authority Rev. (East Stroudsburg University), 5%, 7/01/42	200,000	203,766
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 7/01/30	65,000	69,695
Pennsylvania Higher Educational Facilities Authority Rev. (Edinboro University Foundation), 6%, 7/01/43	85,000	89,311
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.5%, 6/15/33	180,000	186,887
Philadelphia, PA, Authority for Industrial Development Rev. (Philadelphia Performing Arts Charter School Project), 6.75%, 6/15/43	140,000	145,102
Philadelphia, PA, Authority for Industrial Development Rev. (Tacony Academy Charter School Project), A-1, 7%, 6/15/43	100,000	103,097
Philadelphia, PA, Municipal Authority Rev., 6.5%, 4/01/34	105,000	121,388
Philadelphia, PA, Water & Wastewater Rev., A, 5%, 1/01/36	1,000,000	1,078,260
Pittsburgh, PA, Urban Redevelopment Authority Rev., C, GNMA, 4.8%, 4/01/28	460,000	464,145
		\$ 5,665,341
Puerto Rico - 0.8%		
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 7/01/38	\$ 505,000	\$ 401,859
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A, 6%, 7/01/44	20,000	15,941
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 6/01/26	320,000	301,229
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/17	35,000	35,924



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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Puerto Rico - continued		
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/18	\$ 25,000	\$ 25,628
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 4%, 4/01/20	10,000	9,568
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/21	40,000	39,701
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/22	50,000	48,840
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5%, 4/01/27	80,000	72,907
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.125%, 4/01/32	30,000	25,879
Puerto Rico Industrial, Tourist, Educational, Medical, & Environmental Control Facilities Financing Authority, Higher Education Rev. (Ana G. Mendez University System Project), 5.375%, 4/01/42	45,000	36,888
		\$ 1,014,364
Rhode Island - 0.8%		
Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A , ASSD GTY, 7%, 5/15/39	\$ 855,000	\$ 999,563
South Carolina - 3.5%		
Columbia, SC, Waterworks and Sewer System Rev., 5%, 2/01/38	\$ 1,000,000	\$ 1,123,880
Laurens County, SC, School District No. 55, Installment Purchase Rev., 5.25%, 12/01/30	350,000	361,403
Newberry, SC, Investing in Children s Education (Newberry County School District Program), 5%, 12/01/30	350,000	366,517
Richland County, SC, General Obligation, B , 5%, 3/01/23	1,000,000	1,225,130
South Carolina Public Service Authority Rev., A , 5.125%, 12/01/43	215,000	235,904
South Carolina Public Service Authority Rev., B , 5.125%, 12/01/43	515,000	565,073
South Carolina Public Service Authority Rev., C , 5%, 12/01/36	260,000	285,147
		\$ 4,163,054
South Dakota - 0.1%		
South Dakota Health & Educational Facilities Authority Rev. (Avera Health), A , 5%, 7/01/42	\$ 95,000	\$ 99,335

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Tennessee - 6.9%		
Chattanooga, TN, Health Educational & Housing Facility Board Rev. (Catholic Health Initiatives), A , 5.25%, 1/01/45	\$ 820,000	\$ 894,694
Clarksville, TN, Water, Sewer & Gas Rev., 5%, 2/01/38	1,000,000	1,099,400
Memphis, TN, Refunding General Improvement, B , 5%, 4/01/31	205,000	237,013
Metropolitan Government of Nashville & Davidson County, TN, Electric Rev., A , 5%, 5/15/36	1,000,000	1,106,720
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Meharry Medical College), AMBAC, 6%, 12/01/16	1,575,000	1,663,436
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 9/01/26	1,365,000	1,431,339
Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 9/01/36	135,000	140,310
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/17	180,000	199,946
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/22	205,000	234,743
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/23	300,000	345,225
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 9/01/26	610,000	704,324
Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2/01/25	185,000	207,054
		\$ 8,264,204
Texas - 12.7%		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/17	\$ 95,000	\$ 100,499
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/19	190,000	201,581
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/20	155,000	164,725
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 1/01/24	90,000	94,364
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 10/01/38 (a)(d)	270,000	13,838
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2 , 4.95%, 5/15/33	590,000	628,002
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.125%, 12/01/40	100,000	112,226
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.25%, 12/01/45	70,000	78,841
Conroe, TX, Independent School District, Unlimited Tax School Building and Refunding, PSF, 5%, 2/15/39	155,000	176,570
Dallas and Fort Worth ,TX, International Airport Rev., A , 5%, 11/01/38	335,000	351,636

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Texas - continued		
Dallas County, TX, Flood Control District, 7.25%, 4/01/32	\$ 500,000	\$ 500,875
Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 8/15/34	465,000	502,419
Fort Worth, TX, Independent School District, Unlimited Tax School Building, PSF, 5%, 2/15/39	315,000	359,676
Frenship, TX, Independent School District, AGM, 5%, 2/15/33	1,000,000	1,080,280
Frisco, TX, Independent School District, Unlimited Tax School Building, PSF, 5%, 8/15/23	1,170,000	1,437,017
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 4/01/28	250,000	250,220
Harris County, TX, Cultural Education Facilities Finance Corp. Medical Facilities Rev. (Baylor College of Medicine), D , 5.625%, 11/15/32	490,000	540,166
Houston, TX, Airport System Rev., Subordinate Lien, A , 5%, 7/01/31	140,000	152,600
Houston, TX, Airport Systems Rev., B , 5%, 7/01/26	160,000	182,006
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 3/01/23	305,000	311,548
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A , 6.25%, 8/15/39	150,000	164,580
La Vernia, TX, Higher Education Finance Corp. Rev. (Lifeschool of Dallas), A , 7.5%, 8/15/41	385,000	505,482
Lufkin, TX, Health Facilities Development Corp. Rev. (Memorial Health System), 5.5%, 2/15/37	45,000	46,953
Matagorda County, TX, Navigation District 1 (Houston Lighting), AMBAC, 5.125%, 11/01/28	2,000,000	2,296,680
North Texas Education Finance Corp., Education Rev. (Uplift Education), A , 5.125%, 12/01/42	150,000	157,776
North Texas Tollway Authority Rev., 6%, 1/01/38	620,000	705,244
North Texas Tollway Authority Rev. (Special Projects System), D , 5%, 9/01/31	1,000,000	1,122,350
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), A , 6.05%, 11/15/46	366,000	256,775
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), C , 6.25%, 5/09/53	32,000	22,450
Red River, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement System, Inc.), D , 6.05%, 11/15/46	64,000	44,900
San Leanna, TX, Educational Facilities Corp., Higher Education Rev. (St. Edwards University), 5.125%, 6/01/36	115,000	117,216
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.125%, 11/15/29	40,000	43,248

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

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Texas - continued		
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village Foundation, Inc.), 6.375%, 11/15/44	\$ 315,000	\$ 334,341
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 11/15/44	500,000	441,175
Texas Gas Acquisition & Supply Corp III., Gas Supply Rev., 5%, 12/15/31	135,000	142,081
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 7%, 12/31/38	115,000	142,331
Texas Private Activity Surface Transportation Corp. Senior Lien Rev. (NTE Mobility Partners Segments 3 LLC Segments 3A & 3B Facility), 6.75%, 6/30/43	95,000	114,522
Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/30	175,000	197,377
Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/31	75,000	84,229
Texas Tech University Rev., Refunding & Improvement, A, 5%, 8/15/32	75,000	83,716
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A, 5.25%, 11/01/32	265,000	267,536
Waco Education Finance Corp. Rev. (Baylor University), 5%, 3/01/43	675,000	730,256
		\$ 15,260,307
U.S. Virgin Islands - 0.1%		
Virgin Islands Public Finance Authority Rev. (Diageo Project), A, 6.75%, 10/01/37	\$ 160,000	\$ 177,584
Vermont - 0.2%		
Vermont Economic Development Authority, Solid Waste Disposal Rev. (Casella Waste Systems, Inc.), 4.75%, 4/01/36 (b)	\$ 195,000	\$ 190,525
Virginia - 0.4%		
Embrey Mill Community Development Authority, VA, Special Assessment Rev., 7.25%, 3/01/43	\$ 165,000	\$ 166,993
Virginia Small Business Financing Authority Rev. (Elizabeth River Crossings Opco LLC Project), 5.5%, 1/01/42	275,000	291,335
		\$ 458,328
Washington - 3.5%		
Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 12/01/32	\$ 535,000	\$ 585,846
Snohomish County, WA, Public Hospital District No.3, 5%, 12/01/31	505,000	537,724

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*Portfolio of Investments (unaudited) continued*

Issuer	Shares/Par	Value (\$)
<b>Municipal Bonds - continued</b>		
Washington - continued		
Tacoma, WA, Housing Authority Multi-Family Rev. (Redwood/Juniper, Pine Tree Harbor, & Conifer South), GNMA, 5.05%, 11/20/37	\$ 1,040,000	\$ 1,043,744
Washington Health Care Facilities Authority Rev. (Highline Medical Center), FHA, 6.25%, 8/01/36	695,000	842,611
Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A, 6.25%, 8/15/42	570,000	597,964
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 10/01/34	225,000	250,859
Washington Housing Finance Community Nonprofit Housing Rev. (Rockwood Retirement Communities), 5.125%, 1/01/20	320,000	320,896
		\$ 4,179,644
West Virginia - 0.2%		
West Virginia Hospital Finance Authority, Hospital Rev. (Thomas Health System), 6.5%, 10/01/38	\$ 285,000	\$ 292,507
Wisconsin - 0.8%		
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/26	\$ 185,000	\$ 202,823
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), A, 5%, 7/15/28	55,000	59,649
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc. Project), 5.375%, 5/01/18	385,000	386,159
Wisconsin Health & Educational Facilities Authority Rev. (ProHealth Care, Inc. Obligated Group), 6.625%, 2/15/39	100,000	117,394
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/22	120,000	133,634
Wisconsin Public Finance Authority, Airport Facilities Rev. (Transportation Infrastructure Properties LLC), B, 5%, 7/01/42	60,000	60,753
		\$ 960,412
<b>Total Municipal Bonds (Identified Cost, \$160,818,168)</b>		<b>\$ 172,880,434</b>
Floating Rate Demand Notes - 0.8%		
Lincoln County, WY, Pollution Control Rev. (Exxon Mobil Corp.), B, 0.05%, due 6/02/14, at Cost and Value	\$ 900,000	\$ 900,000
<b>Total Investments (Identified Cost, \$161,718,168)</b>		<b>\$ 173,780,434</b>
Other Assets, Less Liabilities - (3.9)%		(4,659,460)
ARPS, at liquidation value (issued by the fund) - (0.7)%		(825,000)
VMTPS, at liquidation value (issued by the fund) - (39.8)%		(47,925,000)
<b>Net assets applicable to common shares - 100.0%</b>		<b>\$ 120,370,974</b>

(a) Non-income producing security.

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*Portfolio of Investments (unaudited) continued*

- (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.
- (e) 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 \$1,186,799 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.
- (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:

<b>Restricted Securities</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Value</b>
Resolution Trust Corp., Pass-Through Certificates, 1993, 9.544%, 12/01/16	8/27/93	\$228,741	\$226,039
% of Net assets applicable to common shares			0.2%

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

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

**See Notes to Financial Statements**

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

At 5/31/14 (unaudited)

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

<b>Assets</b>	
Investments, at value (identified cost, \$161,718,168)	\$173,780,434
Cash	808,690
Receivables for	
Investments sold	620,842
Interest	2,673,823
Deferred VMTPS offering costs	68,129
Other assets	14,492
<b>Total assets</b>	<b>\$177,966,410</b>
<b>Liabilities</b>	
Payables for	
Distributions on common shares	\$25,489
Distributions on ARPS	15
Investments purchased	1,115,940
Interest expense and fees	73,129
Payable to the holders of the floating rate certificates from trust assets	7,537,725
Payable to affiliates	
Investment adviser	9,016
Transfer agent and dividend disbursing costs	586
Payable for independent Trustees' compensation	85
Accrued expenses and other liabilities	83,451
VMTPS, at liquidation value	47,925,000
<b>Total liabilities</b>	<b>\$56,770,436</b>
ARPS, at liquidation value	\$825,000
<b>Net assets applicable to common shares</b>	<b>\$120,370,974</b>
<b>Net assets consist of</b>	
Paid-in capital - common shares	\$128,656,565
Unrealized appreciation (depreciation) on investments	12,062,266
Accumulated net realized gain (loss) on investments	(20,715,951)
Undistributed net investment income	368,094
<b>Net assets applicable to common shares</b>	<b>\$120,370,974</b>
ARPS, at liquidation value (33 shares of series M issued and outstanding at \$25,000 per share)	\$825,000
VMTPS, at liquidation value (1,917 shares of Series 2016/9 issued and outstanding at \$25,000 per share)	47,925,000
<b>Total preferred shares</b>	<b>\$48,750,000</b>
<b>Net assets including preferred shares</b>	<b>\$169,120,974</b>
Common shares of beneficial interest issued and outstanding	11,586,957
<b>Net asset value per common share (net assets of \$120,370,974 / 11,586,957 shares of beneficial interest outstanding)</b>	<b>\$10.39</b>

**See Notes to Financial Statements**

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

Six months ended 5/31/14 (unaudited)

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

<b>Net investment income</b>	
Interest income	\$4,228,269
<b>Expenses</b>	
Management fee	\$530,170
Transfer agent and dividend disbursing costs	8,312
Administrative services fee	15,259
Independent Trustees compensation	8,214
Stock exchange fee	11,885
ARPS service fee	618
Custodian fee	9,074
Shareholder communications	14,285
Audit and tax fees	41,498
Legal fees	1,720
Amortization of VMTPS offering costs	14,868
Interest expense and fees	338,064
Miscellaneous	40,932
Total expenses	\$1,034,899
Fees paid indirectly	(932)
Reduction of expenses by investment adviser	(16,415)
Net expenses	\$1,017,552
Net investment income	\$3,210,717
<b>Realized and unrealized gain (loss) on investments</b>	
Realized gain (loss) (identified cost basis)	
Investments	\$446,953
Futures contracts	(101,961)
Net realized gain (loss) on investments	\$344,992
Change in unrealized appreciation (depreciation)	
Investments	\$8,552,259
Futures contracts	(30,511)
Net unrealized gain (loss) on investments	\$8,521,748
Net realized and unrealized gain (loss) on investments	\$8,866,740
Distributions declared to shareholders of ARPS	\$(462)
Change in net assets from operations	\$12,076,995

**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>Six months ended 5/31/14 (unaudited)</b>	<b>Year ended 11/30/13</b>
<b>Change in net assets</b>		
<b>From operations</b>		
Net investment income	\$3,210,717	\$6,553,511
Net realized gain (loss) on investments	344,992	(325,747)
Net unrealized gain (loss) on investments	8,521,748	(15,403,438)
Distributions declared to shareholders of ARPS	(462)	(1,423)
Change in net assets from operations	\$12,076,995	\$(9,177,097)
<b>Distributions declared to common shareholders</b>		
From net investment income	\$(3,105,305)	\$(6,396,201)
Total change in net assets	\$8,971,690	\$(15,573,298)
<b>Net assets applicable to common shares</b>		
At beginning of period	111,399,284	126,972,582
At end of period (including undistributed net investment income of \$368,094 and \$263,144, respectively)	\$120,370,974	\$111,399,284

**See Notes to Financial Statements**

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

Six months ended 5/31/14 (unaudited)

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	\$12,076,995
Distributions to shareholders of ARPS	462
Change in net assets from operations excluding distributions declared to shareholders of ARPS	\$12,077,457
<b>Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:</b>	
Purchase of investment securities	(21,398,865)
Proceeds from disposition of investment securities	13,718,045
Payments for futures contracts	(101,961)
Proceeds from disposition of short-term investments, net	4,700,000
Realized gain/loss on investments	(446,953)
Realized gain/loss on futures contracts	101,961
Unrealized appreciation/depreciation on investments	(8,552,259)
Net amortization/accretion of income	(76,184)
Amortization of VMTPS offering costs	14,868
Increase in interest receivable	(149,893)
Decrease in accrued expenses and other liabilities	(14,226)
Decrease in receivable for daily variation margin on open futures contracts	9,844
Decrease in deposits with brokers	210,250
Increase in other assets	(12,598)
Increase in payable for interest expense and fees	3,012
Net cash provided by operating activities	\$82,498
<b>Cash flows from financing activities:</b>	
Cash distributions paid on common shares	(3,107,566)
Cash distributions paid on ARPS	(461)
Net cash used by financing activities	\$(3,108,027)
Net decrease in cash	\$(3,025,529)
<b>Cash:</b>	
Beginning of period	\$3,834,219
End of period	\$808,690

Supplemental disclosure of cash flow information:

Cash paid during the six months ended May 31, 2014 for interest was \$335,052.

**See Notes to Financial Statements**

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

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

Common Shares	Six months	Years ended 11/30				
	ended 5/31/14	2013	2012	2011	2010	2009
	(unaudited)					
Net asset value, beginning of period	\$9.61	\$10.96	\$9.48	\$9.40	\$9.35	\$7.91
<b>Income (loss) from investment operations</b>						
Net investment income (d)	\$0.28	\$0.57	\$0.61	\$0.67	\$0.68	\$0.69
Net realized and unrealized gain (loss) on investments	0.77	(1.37)	1.30	0.07	0.04	1.38
Distributions declared to shareholders of ARPS	(0.00)(w)	(0.00)(w)	(0.01)	(0.01)	(0.02)	(0.03)
Total from investment operations	\$1.05	\$(0.80)	\$1.90	\$0.73	\$0.70	\$2.04
<b>Less distributions declared to common shareholders</b>						
From net investment income	\$(0.27)	\$(0.55)	\$(0.63)	\$(0.65)	\$(0.65)	\$(0.60)
Net increase resulting from tender and repurchase of ARPS	\$	\$	\$0.21	\$	\$	\$
Net asset value, end of period (x)	\$10.39	\$9.61	\$10.96	\$9.48	\$9.40	\$9.35
Market value, end of period	\$9.49	\$8.30	\$11.03	\$9.43	\$9.21	\$9.08
Total return at market value (%) (p)	17.78(n)	(20.20)	24.28	9.99	8.54	53.99
Total return at net asset value (%) (j)(r)(s)(x)	11.38(n)	(7.02)	22.84(y)	8.34	7.58	27.29
<b>Ratios (%) (to average net assets applicable to common shares) and Supplemental data:</b>						
Expenses before expense reductions (f)(p)	1.81(a)	1.79	1.46	1.33	1.32	1.44
Expenses after expense reductions (f)(p)	1.78(a)	1.76	1.43	1.30	1.29	1.40
Net investment income (p)	5.60(a)	5.53	5.94	7.21	7.05	7.94
Portfolio turnover	9(n)	19	14	29	7	14
Net assets at end of period (000 omitted)	\$120,371	\$111,399	\$126,973	\$109,445	\$108,455	\$107,666

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*Financial Highlights continued*

	Six months ended 5/31/14 (unaudited)	2013	Years ended 11/30			2009
			2012	2011	2010	
<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)	1.19(a)	1.17	1.16	1.25	1.24	1.33
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)	0.83(a)	0.83	0.82	0.86	0.86	0.89
Net investment income available to common shares	5.60(a)	5.53	5.86	7.06	6.87	7.59
<b>Senior Securities:</b>						
ARPS	33	33	33	1,950	1,950	1,950
VMTPS	1,917	1,917	1,917			
Total preferred shares outstanding	1,950	1,950	1,950	1,950	1,950	1,950
Asset coverage per preferred share (k)	\$86,729	\$82,128	\$90,114	\$81,125	\$80,618	\$80,213
Involuntary liquidation preference per preferred share (m)	\$25,000	\$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	\$25,000

- (a) Annualized.
- (d) Per share data is based on average shares outstanding.
- (f) Ratios do not reflect reductions from fees paid indirectly, if applicable.
- (j) Total return at net asset value is calculated using the net asset value of the fund, not the publicly traded price and therefore may be different than the total return at market value.
- (k) Calculated by subtracting the fund's total liabilities (not including liquidation preference of ARPS and VMTPS) from the fund's total assets and dividing this number by the total number of preferred shares outstanding.
- (l) Interest expense and fees relate to payments made to the holders of the floating rate certificates from trust assets and interest expense paid to shareholders of VMTPS. For the year ended November 30, 2012, the expense ratio also excludes fees and expenses related to the tender and repurchase of a portion of the fund's ARPS.
- (m) Amount excludes accrued unpaid distributions on ARPS and accrued interest on VMTPS.
- (n) Not annualized.
- (p) Ratio excludes dividend payment on ARPS.
- (r) Certain expenses have been reduced without which performance would have been lower.
- (s) From time to time the fund may receive proceeds from litigation settlements, without which performance would be lower.
- (u) Average market value represents the approximate fair value of each of the fund's ARPS and VMTPS.
- (w) Per share amount was less than \$0.01.
- (x) The net asset values per share and total returns at net asset value per share have been calculated on net assets which include adjustments made in accordance with U.S. generally accepted accounting principles required at period end for financial reporting purposes.
- (y) Included in the total return at net asset value is the impact of the tender and repurchase by the fund of a portion of its ARPS at 95% of the ARPS per share liquidation preference. Had this transaction not occurred, the total return at net asset value for the year ended November 30, 2012 would have been lower by 1.87%.

See Notes to Financial Statements

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**NOTES TO FINANCIAL STATEMENTS**

(unaudited)

**(1) Business and Organization**

MFS Investment Grade Municipal Trust (the fund) is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940, as amended, as a diversified closed-end management investment company.

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

**(2) Significant Accounting Policies**

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

In this reporting period, the fund adopted the disclosure provisions of FASB Accounting Standards Update 2011-11 ( ASU 2011-11 ), Balance Sheet (Topic 210) – Disclosures about Offsetting Assets and Liabilities along with the related scope clarification provisions of FASB Accounting Standards Update 2013-01 ( ASU 2013-01 ) entitled Balance Sheet (Topic 210) – Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 is intended to enhance disclosures on the offsetting of financial assets and liabilities by requiring entities to disclose both gross and net information about financial instruments and transactions that are either offset in the statement of financial position or subject to an enforceable Master Netting Agreement or similar arrangement. ASU 2013-01 limits the scope of ASU 2011-11's disclosure requirements on offsetting to financial assets and financial liabilities related to derivatives, repurchase and reverse repurchase agreements, and securities lending and securities borrowing transactions.

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*Notes to Financial Statements (unaudited) continued*

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

**Investment Valuations** Debt instruments and floating rate loans (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. 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

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

net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. The following is a summary of the levels used as of May 31, 2014 in valuing the fund's assets or liabilities:

<b>Investments at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Municipal Bonds	\$	\$172,880,434	\$	\$172,880,434
Short Term Securities		900,000		900,000
<b>Total Investments</b>	<b>\$</b>	<b>\$173,780,434</b>	<b>\$</b>	<b>\$173,780,434</b>

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

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

The derivative instruments used by the fund were futures contracts. At May 31, 2014, the fund did not have any outstanding derivative instruments.

The following table presents, by major type of derivative contract, the realized gain (loss) on derivatives held by the fund for the six months ended May 31, 2014 as reported in the Statement of Operations:

<b>Risk</b>	<b>Futures Contracts</b>
Interest Rate	\$(101,961)

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*Notes to Financial Statements (unaudited) continued*

The following table presents, by major type of derivative contract, the change in unrealized appreciation (depreciation) on derivatives held by the fund for the six months ended May 31, 2014 as reported in the Statement of Operations:

Risk	Futures Contracts
Interest Rate	\$(30,511)

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

Collateral and margin requirements differ by type of derivative. Margin requirements are set by the broker or clearing house for cleared derivatives (i.e., futures contracts, cleared swaps, and exchange-traded options) while collateral terms are contract specific for over-the-counter traded derivatives (i.e., forward foreign currency exchange contracts, uncleared swap agreements, and over-the-counter options). For derivatives traded under an ISDA Master Agreement, the collateral requirements are netted across all transactions traded under such agreement and one amount is posted from one party to the other to collateralize such obligations. Cash that has been segregated to cover the fund's collateral or margin obligations under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities as Restricted cash or Deposits with brokers. Securities pledged as collateral or margin for the same purpose, if any, are noted in the Portfolio of Investments.

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

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



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

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.

**Inverse Floaters** The fund invests in municipal inverse floating rate securities which are structured by the issuer (known as primary market inverse floating rate securities) or by an investment banker utilizing municipal bonds which have already been issued (known as secondary market inverse floating rate securities) to have variable rates of interest which typically move in the opposite direction of short term interest rates. A secondary market inverse floating rate security is created when an investment banker transfers a fixed rate municipal bond to a special purpose trust, and causes the trust to (a) issue floating rate certificates to third parties, in an amount equal to a fraction of the par amount of the deposited bonds (these certificates usually pay tax-exempt interest at short-term interest rates that typically reset weekly; and the certificate holders typically, on seven days notice, have the option to tender their certificates to the investment banker or another party for redemption at par plus accrued interest), and (b) issue inverse floating rate certificates (sometimes referred to as inverse floaters). If the holders of the inverse floaters transfer the municipal bonds to an investment banker for the purpose of depositing the municipal bonds into the special purpose trust, the inverse floating rate certificates that are issued by the trust are referred to as self-deposited inverse floaters. If the bonds held by the trust are purchased by the investment banker for deposit into the trust from someone other than the purchasers of the inverse floaters, the inverse floating rate certificates that are issued by the trust are referred to as externally deposited inverse floaters. Such self-deposited inverse floaters held by the fund are accounted for as secured borrowings, with the municipal bonds reflected in the investments of the fund and amounts owed to the holders of the floating rate certificates under the provisions of the trust, which amounts are paid solely from the assets of the trust, reflected as liabilities of the fund in the Statement of Assets and Liabilities under the caption, Payable to the holders of the floating rate certificates from trust assets. The carrying value of the fund's payable to the holders of the floating rate certificates from trust assets as reported in the fund's Statement of Assets and Liabilities approximates its fair value. The value of the payable to the holders of the floating rate certificates from trust assets as of the reporting date is considered level 2 under the fair value hierarchy disclosure. At May 31, 2014, the fund's payable to the holders of the floating rate certificates from trust assets was \$7,537,725 and the interest rate on the floating rate certificates issued by the trust was 0.06%. For the six months ended May 31, 2014, the average payable to the holders of the floating rate certificates from trust assets was \$7,533,675 at a weighted average interest rate of 0.06%. Interest expense and fees relate to interest payments made to the holders of certain floating rate certificates and associated fees, both of which are made from trust assets. Interest expense and fees are recorded as incurred. For the six months ended May 31, 2014, interest expense and

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*Notes to Financial Statements (unaudited) continued*

fees in connection with self-deposited inverse floaters were \$22,487. Primary and externally deposited inverse floaters held by the fund are not accounted for as secured borrowings.

**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. Debt obligations may be placed on non-accrual status or set to accrue at a rate of interest less than the contractual coupon when the collection of all or a portion of interest has become doubtful. Interest income for those debt obligations may be further reduced by the write-off of the related interest receivables when deemed uncollectible.

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

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

**Fees Paid Indirectly** The fund's custody fee may be reduced according to an arrangement that measures the value of cash deposited with the custodian by the fund. This amount, for the six months ended May 31, 2014, is shown as a reduction of total expenses in the Statement of Operations.

**Tax Matters and Distributions** The fund intends to qualify as a regulated investment company, as defined under Subchapter M of the Internal Revenue Code,

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Notes to Financial Statements (unaudited) continued

and to distribute all of its taxable and tax-exempt income, including realized capital gains. As a result, no provision for federal income tax is required. The fund's federal tax returns, when filed, will remain subject to examination by the Internal Revenue Service for a three year period. Management has analyzed the fund's tax positions taken on federal and state tax returns for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

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

Book/tax differences primarily relate to amortization and accretion of debt securities, defaulted bonds, secured borrowings, and non-deductible expenses that result from the treatment of VMTPS as equity for tax purposes.

The tax character of distributions made during the current period will be determined at fiscal year end. The tax character of distributions declared to shareholders for the last fiscal year is as follows:

	<b>11/30/13</b>
Ordinary income (including any short-term capital gains)	\$12,746
Tax-exempt income	7,031,293
<b>Total distributions</b>	<b>\$7,044,039</b>

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

<b>As of 5/31/14</b>	
Cost of investments	\$153,200,363
Gross appreciation	14,320,786
Gross depreciation	(1,278,440)
Net unrealized appreciation (depreciation)	\$13,042,346
<b>As of 11/30/13</b>	
Undistributed ordinary income	60,402
Undistributed tax-exempt income	508,441
Capital loss carryforwards	(21,877,093)
Other temporary differences	(305,699)
Net unrealized appreciation (depreciation)	4,356,668

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

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

As of November 30, 2013, the fund had capital loss carryforwards available to offset future realized gains as follows:

**Pre-enactment losses which expire as follows:**

11/30/15	\$(6,815,841)
11/30/16	(6,501,801)
11/30/17	(5,772,221)
11/30/18	(2,208,465)
11/30/19	(266,825)
Total	\$(21,565,153)

**Post-enactment losses which are characterized as follows:**

Short-Term	\$(311,940)
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**(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 reduce its management fee to 0.63% of average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until November 30, 2015. For the six months ended May 31, 2014, this management fee reduction amounted to \$16,313, which is included in the reduction of total expenses in the Statement of Operations. The management fee incurred for the six months ended May 31, 2014 was equivalent to an annual effective rate of 0.63% 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 (including interest expenses and fees associated with investments in inverse floating rate instruments) other than auction rate preferred shares service fees, such that total fund operating expenses do not exceed 0.89% annually of the fund's average daily net assets (including the value of auction rate preferred shares and variable rate municipal term preferred shares). This written agreement will continue until modified by the fund's Board of Trustees, but such agreement will continue at least until November 30, 2015. For the six months

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*Notes to Financial Statements (unaudited) continued*

ended May 31, 2014, the fund's actual operating expenses did not exceed the limit and therefore, the investment adviser did not pay any portion of the fund's expenses related to this agreement.

**Transfer Agent** The fund engages Computershare Trust Company, N.A. ( Computershare ) as the sole transfer agent for the fund's common shares. MFS Service Center, Inc. (MFSC) monitors and supervises the activities of Computershare for an agreed upon fee approved by the Board of Trustees. For the six months ended May 31, 2014, these fees paid to MFSC amounted to \$1,859.

**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 six months ended May 31, 2014 was equivalent to an annual effective rate of 0.0187% of the fund's average daily net assets (including the value of the auction rate preferred shares and variable rate municipal term preferred shares).

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

**Other** This fund and certain other funds managed by MFS (the funds) have entered into services agreements (the Agreements) which provide for payment of fees by the funds to Tarantino LLC and Griffin Compliance LLC in return for the provision of services of an Independent Chief Compliance Officer (ICCO) and Assistant ICCO, respectively, for the funds. The ICCO and Assistant ICCO are officers of the funds and the sole members of Tarantino LLC and Griffin Compliance LLC, respectively. The funds can terminate the Agreements with Tarantino LLC and Griffin Compliance LLC at any time under the terms of the Agreements. For the six months ended May 31, 2014, the aggregate fees paid by the fund to Tarantino LLC and Griffin Compliance LLC were \$335 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 \$102, which is included in the reduction of total expenses in the Statement of Operations. Additionally, MFS has agreed to bear all expenses associated with office space, other administrative support, and supplies provided to the ICCO and Assistant ICCO. Effective May 31, 2014, Ms. Griffin resigned as Assistant ICCO and the service agreement between the funds and Griffin Compliance LLC was terminated.

**(4) Portfolio Securities**

For the six months ended May 31, 2014, purchases and sales of investments, other than short-term obligations, aggregated \$22,105,251 and \$13,616,184, 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

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*Notes to Financial Statements (unaudited) continued*

repurchase shares of beneficial interest of the fund subject to Trustee approval. During the six months ended May 31, 2014 and the year ended November 30, 2013, the fund did not repurchase any shares. There were no other transactions in fund shares for the six months ended May 31, 2014 and the year ended November 30, 2013.

**(6) Line of Credit**

The fund and certain other funds managed by MFS participate in a \$1.1 billion unsecured committed line of credit, subject to a \$1 billion sublimit, provided by a syndication of banks under a credit agreement. Borrowings may be made for temporary financing needs. Interest is charged to each fund, based on its borrowings, generally at a rate equal to the higher of the Federal Reserve funds rate or one month LIBOR plus an agreed upon spread. A commitment fee, based on the average daily, unused portion of the committed line of credit, is allocated among the participating funds at the end of each calendar quarter. In addition, the fund and other funds 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 six months ended May 31, 2014, the fund's commitment fee and interest expense were \$237 and \$0, respectively, and are included in Miscellaneous expense in the Statement of Operations.

**(7) Preferred Shares**

The fund has 33 shares issued and outstanding of Auction Rate Preferred Shares (ARPS), series M. Dividends are cumulative at a rate that is reset every seven days for the series through an auction process. If the ARPS are unable to be remarketed on a remarketing date as part of the auction process, the fund would be required to pay the maximum applicable rate on ARPS to holders of such shares for successive dividend periods until such time when the shares are successfully remarketed. The maximum rate on ARPS rated aa3/AA- or better is equal to 110% of the higher of (i) the Taxable Equivalent of the Short-Term Municipal Bond Rate or (ii) the AA Composite Commercial Paper Rate.

Since February 2008, regularly scheduled auctions for ARPS issued by closed end funds, including this fund, have consistently failed because of insufficient demand (bids to buy shares) to meet the supply (shares offered for sale) at each auction. In a failed auction, ARPS holders cannot sell their shares tendered for sale. While repeated auction failures have affected the liquidity for ARPS, they do not constitute a default or automatically alter the credit quality of the ARPS, and ARPS holders have continued to receive dividends at the previously defined maximum rate. During the six months ended May 31, 2014, the ARPS dividend rates ranged from 0.07% to 0.23% for series M. For the six months ended May 31, 2014, the average dividend rate was 0.11% for series M. These developments with respect to ARPS do not affect the management or investment policies of the fund. However, one implication of these auction failures for common shareholders is that the fund's cost of leverage will be higher than it otherwise would have been had the auctions continued to be successful. As a result, the fund's future common share earnings may be lower than they otherwise would have been.

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*Notes to Financial Statements (unaudited) continued*

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

In addition to ARPS, the fund has 1,917 shares issued and outstanding of Variable Rate Municipal Term Preferred Shares (VMTPS), series 2016/9. The outstanding VMTPS are redeemable at the option of the fund in whole or in part at the liquidation preference of \$25,000 per share, plus accumulated and unpaid dividends, but generally solely for the purpose of decreasing the leverage of the fund. The VMTPS are subject to a mandatory term redemption date of September 30, 2016 unless extended through negotiation with the private investors. Dividends on the VMTPS are cumulative and are set weekly to a fixed spread against the Securities Industry and Financial Markets Association Municipal Swap Index. During the six months ended May 31, 2014, the VMTPS dividend rates ranged from 1.28% to 1.37%. For the six months ended May 31, 2014, the average dividend rate was 1.31%.

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 six months ended May 31, 2014, interest expense related to VMTPS amounted to \$315,577 and is included in Interest expense and fees in the Statement of Operations. Costs directly related to the issuance of the VMTPS are considered debt issuance costs which have been deferred and are being amortized into expense over the life of the VMTPS. The period-end carrying value for the VMTPS in the fund's Statement of Assets and Liabilities is its liquidation value which approximates its fair value and would be considered level 2 under the fair value hierarchy.

Under the terms of a purchase agreement between the fund and the investor in VMTPS, there are investment-related requirements that are in various respects more restrictive than those to which the fund is otherwise subject in accordance with its investment objectives and policies, 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.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders of MFS Investment Grade Municipal Trust:

We have reviewed the accompanying statement of assets and liabilities, including the portfolio of investments, of MFS Investment Grade Municipal Trust (the Fund) as of May 31, 2014, and the related statements of operations, changes in net assets, cash flows, and financial highlights for the six-month period ended May 31, 2014. These interim financial statements and the financial highlights are the responsibility of the Fund's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements and financial highlights for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended November 30, 2013, and the financial highlights for each of the five years in the period ended November 30, 2013, and in our report dated January 15, 2014, we expressed an unqualified opinion on such statement of changes in net assets and the financial highlights.

Boston, Massachusetts

July 16, 2014



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

MFS votes proxies on behalf of the fund pursuant to proxy voting policies and procedures that are available without charge, upon request, by calling 1-800-225-2606, by visiting the Proxy Voting section of *mfs.com* or by visiting the SEC's Web site at <http://www.sec.gov>.

Information regarding how the fund voted proxies relating to portfolio securities during the twelve-month period ended June 30, 2013 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 **Commentary & Announcements** and **Market Outlooks** sections of *mfs.com* or by clicking on the fund's name under **Closed-End Funds** in the **Products** section of *mfs.com*.

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**CONTACT US**

**TRANSFER AGENT, REGISTRAR, AND**

**DIVIDEND DISBURSING AGENT**

**CALL**

1-800-637-2304

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

**WRITE**

Computershare Trust Company, N.A.

P.O. Box 43078

Providence, RI 02940-3078

New York Stock Exchange Symbol: **CXH**

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**ITEM 2. CODE OF ETHICS.**

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.

**ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.**

Not applicable for semi-annual reports.

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

Not applicable for semi-annual reports.

**ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.**

Not applicable for semi-annual reports.

**ITEM 6. SCHEDULE OF INVESTMENTS**

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

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

Not applicable for semi-annual reports.

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

There were no changes during this period.

**Table of Contents****ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.****MFS Investment Grade Municipal Trust**

<b>Period</b>	<b>(a) Total number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs</b>
12/01/13-12/31/13	0	N/A	0	1,158,695
1/01/14-1/31/14	0	N/A	0	1,158,695
2/01/14-2/28/14	0	N/A	0	1,158,695
3/01/14-3/31/14	0	N/A	0	1,158,695
4/01/14-4/30/14	0	N/A	0	1,158,695
5/01/14-5/31/14	0	N/A	0	1,158,695
<b>Total</b>	<b>0</b>		<b>0</b>	

Note: The Board of Trustees approves procedures to repurchase shares annually. The notification to shareholders of the program is part of the semi-annual and annual reports sent to shareholders. These annual programs begin on March 1<sup>st</sup> of each year. The programs conform to the conditions of Rule 10b-18 of the Securities Exchange Act of 1934 and limit the aggregate number of shares that may be purchased in each annual period (March 1 through the following February 28) to 10% of the Registrant's outstanding shares as of the first day of the plan year (March 1). The aggregate number of shares available for purchase for the March 1, 2014 plan year is 1,158,695.

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

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

**ITEM 11. CONTROLS AND PROCEDURES.**

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

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

**ITEM 12. EXHIBITS.**

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

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**Notice**

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

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SIGNATURES

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

Registrant: MFS INVESTMENT GRADE MUNICIPAL TRUST

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

Date: July 16, 2014

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

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

(Principal Executive Officer)

Date: July 16, 2014

By (Signature and Title)\* DAVID L. DILORENZO  
David L. DiLorenzo, Treasurer

(Principal Financial Officer

and Accounting Officer)

Date: July 16, 2014

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