

MFS INTERMEDIATE HIGH INCOME FUND

Form N-CSR

January 30, 2017

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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 811-05567

MFS INTERMEDIATE HIGH INCOME FUND

(Exact name of registrant as specified in charter)

111 Huntington Avenue, Boston, Massachusetts 02199

(Address of principal executive offices) (Zip code)

Christopher R. Bohane

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: November 30, 2016

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ITEM 1. REPORTS TO STOCKHOLDERS.

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ANNUAL REPORT

November 30, 2016

MFS® INTERMEDIATE HIGH INCOME FUND

CIH-ANN

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MANAGED DISTRIBUTION POLICY

The MFS Intermediate High Income Fund's (the fund) Board of Trustees adopted a managed distribution policy. The fund seeks to pay monthly distributions based on an annual rate of 9.50% of the fund's average monthly net asset value. The primary purpose of the managed distribution policy is to provide shareholders with a constant, but not guaranteed, fixed minimum rate of distribution each month. You should not draw any conclusions about the fund's investment performance from the amount of the current distribution or from the terms of the fund's managed distribution policy. The Board may amend or terminate the managed distribution policy at any time without prior notice to fund shareholders. The amendment or termination of the managed distribution policy could have an adverse effect on the market price of the fund's shares.

With each distribution, the fund will issue a notice to shareholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the fund's investment experience during its fiscal year and may be subject to changes based on tax regulations. The fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. Please refer to "Tax Matters and Distributions" under Note 2 of the Notes to Financial Statements for information regarding the tax character of the fund's distributions.

Under a managed distribution policy the fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you. Any such returns of capital will decrease the fund's total assets and, therefore, could have the effect of increasing the fund's expense ratio. In addition, in order to make the level of distributions called for under its managed distribution policy, the fund may have to sell portfolio securities at a less than opportune time. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with yield or income. The fund's total return in relation to changes in net asset value is presented in the Financial Highlights.

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MFS® INTERMEDIATE HIGH INCOME FUND

New York Stock Exchange Symbol: **CIF**

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NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE

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LETTER FROM THE CHAIRMAN

Dear Shareholders:

Despite June's unexpected vote by the United Kingdom to leave the European Union and the surprising result in November's U.S. presidential election, most markets have

proved resilient. U.S. share prices quickly reversed post-Brexit declines, and indices reached new highs following the November elections. U.S. bond yields rose after Trump's victory on hopes that his proposed policy mix of lower taxes, increased spending on infrastructure and a lower regulatory burden on businesses will lift both U.S. economic growth and inflation. However, even after a recent rise in bond yields, interest rates in most developed markets remain very low, with major central banks maintaining extremely accommodative monetary policies.

Globally, economic growth has shown signs of recovery of late, led by the United States and the eurozone. Despite better growth,

there are few immediate signs of worrisome inflation. Emerging market economies are recovering at a somewhat slower pace amid fears that restrictive U.S. trade policies could further hamper the already slow pace of global trade growth.

At MFS®, we believe in a patient, long-term approach to investing. Viewing investments with a long lens makes it possible to filter out short-term market noise and focus on achieving solid risk-adjusted returns over a full market cycle.

In our view, such an approach, along with the professional guidance of a financial advisor, will help you reach your investment objectives.

Respectfully,

Robert J. Manning

Executive Chairman

MFS Investment Management

January 13, 2017

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

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Medical & Health Technology & Services	9.1%
Midstream	8.8%
Cable TV	8.0%
Energy-Independent	7.1%
Metals & Mining	6.1%

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

BBB	3.3%
BB	60.7%
B	52.3%
CCC	19.0%
C (o)	0.0%
D	0.2%
Not Rated	(0.1)%
Cash & Cash Equivalents	(36.5)%
Other	1.1%

Portfolio facts (i)

Average Duration (d)	5.4
Average Effective Maturity (m)	6.7 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 or may not have held all of these instruments on this date. 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 value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than value. The bond component will include any accrued interest amounts.
- (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 & Cash Equivalents may be negative due to borrowings for leverage transactions and/or timing of cash receipts.

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

Cash & Cash Equivalents includes any cash, investments in money market funds, short-term securities, and other assets less liabilities. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and other assets and liabilities.

Other includes equivalent exposure from currency derivatives and/or any offsets to derivative positions.

Percentages are based on net assets as of 11/30/16.

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

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MANAGEMENT REVIEW

Summary of Results

MFS Intermediate High Income Fund (fund) is a closed-end fund. The fund s investment objective is to seek high current income but may also consider capital appreciation. MFS normally invests at least 80% of the fund s net assets, including borrowings for investment purposes, in high income debt instruments.

For the twelve months ended November 30, 2016, shares of the MFS Intermediate High Income Fund provided a total return of 13.94%, at net asset value and a total return of 18.72%, at market value. This compares with a return of 12.11% for the fund s benchmark, the Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (formerly Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index).

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

Market Environment

Sluggish global growth weighed on both developed and emerging market (EM) economies during the reporting period. The US Federal Reserve began its long-anticipated monetary tightening cycle toward the end of the period, but the tightening cycle has proved to be more gradual than initially anticipated. Globally, central bank policy remained highly accommodative, which forced many government, and even some corporate, bond yields into negative territory. During the second half of the period, the United Kingdom voted to leave the European Union (EU), beginning a multi-year process of negotiation in order to achieve Brexit. While markets initially reacted to the vote with alarm, the spillover to European and EM economies was relatively short-lived, although risks of further hits to EU cohesiveness could re-emerge. Late in the period, the surprising US presidential election outcome prompted a significant rally in equities and a rise in bond yields in anticipation of a reflationary policy mix from the incoming Trump administration.

During much of the reporting period, US earnings headwinds expanded beyond the energy, materials and industrial sectors, to include most sectors of the market. Headwinds eased somewhat at the end of the period as stabilizing oil prices pushed energy earnings higher relative to expectations. The sharp rise in the US dollar also weighed on earnings. US consumer spending held up well during the second half of the period amid a modest increase in real wages and low gasoline prices. Demand for autos reached near-record territory before plateauing late in the period, while the housing market continued its recovery. Slow global trade continued to mirror slow global growth, particularly for many EM countries. That said, EM countries began to show signs of a modest upturn in activity along with adjustment in their external accounts. These improved conditions appeared to have reassured investors and contributed to record inflows into the asset class during July and August as negative yields for an increasing share of developed market bonds drove yield-hungry investors further out on the risk spectrum. Similar investor inflows were experienced in the investment grade and high yield corporate markets. Late in the reporting period, however, new challenges

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Management Review continued

emerged for emerging markets debt (EMD) as a result of the US presidential election, which raised concerns about the potential for a protectionist turn in US trade policy which could negatively impact EM economies. These concerns, along with rising expectations for US growth, inflation and rates, have turned the tables on flows into EMD. Since the election, flows have reversed. As of the end of the period, the markets seemed to be in wait-and-see mode, looking for evidence to either confirm or refute the repricing of risk that has occurred since Election Day.

Contributors to Performance

A greater exposure to BB and CCC (r) bonds, which outperformed higher-rated securities during the reporting period, contributed to performance relative to the Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index. The portion of the fund's return derived from yield, which was greater than that of the benchmark, was also a primary contributor to relative performance. Bond selection, particularly within industrials, further supported relative performance.

The fund employs leverage which has been created through the use of loan agreements with a bank. To the extent that investments are purchased through the use of leverage, the fund's net asset value will increase or decrease at a greater rate than a comparable unleveraged fund. During the reporting period, the fund's use of leverage positively impacted performance.

Detractors from Performance

A greater exposure to corporate bonds in the *industrial* sector detracted from relative returns as this market sector underperformed over the reporting period. Additionally, the fund's longer duration^(d) stance relative to the benchmark hurt relative returns as interest rates rose during the period.

Respectfully,

William Adams
Portfolio Manager

David Cole
Portfolio Manager

(d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value.

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

Ratings are shown in the S&P and Fitch scale (e.g., AAA). For securities which are not rated by any of the three agencies, the security is considered Not Rated. The views expressed in this report are those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily reflect the views of MFS or any other person in the MFS organization. These views are subject to change at any time based on market or other conditions, and MFS disclaims any responsibility to update such views. These views may not be relied upon as investment advice or an indication of trading intent on behalf of any MFS portfolio. References to specific securities are not recommendations of such securities, and may not be representative of any MFS portfolio's current or future investments.

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PERFORMANCE SUMMARY THROUGH 11/30/16

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

Price Summary for MFS Intermediate High Income Fund

	Date	Price
Net Asset Value	11/30/16	\$2.77
	11/30/15	\$2.70
New York Stock Exchange Price	11/30/16	\$2.48
Year Ended	9/08/16 (high) (t)	\$2.61
11/30/16	2/16/16 (low) (t)	\$2.06
	11/30/15	\$2.32

Total Returns vs Benchmark

	MFS Intermediate High Income Fund at	
	New York Stock Exchange Price (r)	18.72%
	Net Asset Value (r)	13.94%
Year Ended	Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (f)	
11/30/16		12.11%

(f) Source: FactSet Research Systems Inc.

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

(t) For the period December 1, 2015 through November 30, 2016.

Benchmark Definition

Bloomberg Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index (formerly Barclays U.S. High-Yield Corporate Bond 2% Issuer Capped Index) a component of the Bloomberg Barclays U.S. High-Yield Corporate Bond Index, which measures performance of non-investment grade, fixed rate debt. The index limits the maximum exposure to any one issuer to 2%.

It is not possible to invest directly in an index.

Notes to Performance Summary

The fund's shares may trade at a discount or premium to net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund

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Performance Summary continued

shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's concurrent liquidation.

The fund's monthly distributions may include a return of capital to shareholders to the extent that the fund's net investment income and net capital gains, determined in accordance with federal income tax regulations, are insufficient to meet the fund's target annual distribution rate. 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. It may also result in a recharacterization of what economically represents a return of capital to ordinary income in those situations where a fund has long term capital gains and a capital loss carryforward. Returns of shareholder capital have the effect of reducing the fund's assets and increasing the fund's expense ratio.

The fund's target annual distribution rate is calculated based on an annual rate of 9.50% of the fund's average monthly net asset value, not a fixed share price, and the fund's dividend amount will fluctuate with changes in the fund's average monthly net assets.

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

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

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PORTFOLIO MANAGERS PROFILES

Portfolio Manager	Primary Role	Since	Title and Five Year History
William Adams	Portfolio Manager	2011	Investment Officer of MFS; employed in the investment management area of MFS since 2009; Credit Analyst at MFS from 1997 to 2005.
David Cole	Portfolio Manager	2007	Investment Officer of MFS; employed in the investment management area of MFS since 2004.

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DIVIDEND REINVESTMENT AND CASH

PURCHASE PLAN

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

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

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

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

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11/30/16

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

Bonds - 130.4%		
Issuer	Shares/Par	Value (\$)
Aerospace - 1.1%		
CPI International, Inc., 8.75%, 2/15/2018	\$ 290,000	\$ 291,450
TransDigm, Inc., 6%, 7/15/2022	55,000	56,650
TransDigm, Inc., 6.5%, 7/15/2024	265,000	274,606
		\$ 622,706
Asset-Backed & Securitized - 0.0%		
Citigroup Commercial Mortgage Trust, FRN, 5.9%, 12/10/2049	\$ 275,000	\$ 22,637
Automotive - 2.4%		
Allison Transmission, Inc., 5%, 10/01/2024 (n)	\$ 300,000	\$ 302,250
Gates Global LLC, 6%, 7/15/2022 (n)	205,000	195,775
IHO Verwaltungs GmbH, 4.75%, 9/15/2026 (n)	400,000	381,000
ZF North America Capital, Inc., 4.5%, 4/29/2022 (n)	300,000	309,750
ZF North America Capital, Inc., 4.75%, 4/29/2025 (n)	150,000	150,281
		\$ 1,339,056
Broadcasting - 3.7%		
AMC Networks, Inc., 5%, 4/01/2024	\$ 150,000	\$ 150,375
CBS Radio, Inc., 7.25%, 11/01/2024 (z)	160,000	168,099
Clear Channel Worldwide Holdings, Inc., A , 6.5%, 11/15/2022	85,000	83,300
Clear Channel Worldwide Holdings, Inc., B , 6.5%, 11/15/2022	305,000	308,050
iHeartMedia, Inc., 9%, 3/01/2021	173,000	127,564
Liberty Media Corp., 8.5%, 7/15/2029	250,000	275,000
Liberty Media Corp., 8.25%, 2/01/2030	10,000	10,600
Match Group, Inc., 6.375%, 6/01/2024	150,000	158,438
Netflix, Inc., 5.375%, 2/01/2021	250,000	267,500
Netflix, Inc., 5.875%, 2/15/2025	145,000	155,166
Netflix, Inc., 4.375%, 11/15/2026 (z)	125,000	121,720
Nexstar Broadcasting, Inc., 6.875%, 11/15/2020	290,000	298,700
		\$ 2,124,512
Building - 4.2%		
Allegion PLC, 5.875%, 9/15/2023	\$ 117,000	\$ 124,166
Allegion U.S. Holding Co., Inc., 5.75%, 10/01/2021	380,000	395,200
Beacon Roofing Supply, Inc., 6.375%, 10/01/2023	230,000	244,375
Gibraltar Industries, Inc., 6.25%, 2/01/2021	250,000	256,875
HD Supply, Inc., 5.75%, 4/15/2024 (n)	190,000	194,275
PriSo Acquisition Corp., 9%, 5/15/2023 (n)	250,000	240,000
Standard Industries, Inc., 5.375%, 11/15/2024 (n)	380,000	386,650

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Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Building - continued		
Standard Industries, Inc., 6%, 10/15/2025 (n)	\$ 155,000	\$ 161,200
Summit Materials LLC/Summit Materials Finance Co., 6.125%, 7/15/2023	400,000	406,000
		\$ 2,408,741
Business Services - 2.7%		
Alliance Data Systems Corp., 5.875%, 11/01/2021 (z)	\$ 260,000	\$ 260,650
Alliance Data Systems Corp., 5.375%, 8/01/2022 (z)	60,000	57,150
Equinix, Inc., 4.875%, 4/01/2020	190,000	194,750
Equinix, Inc., 5.375%, 1/01/2022	70,000	72,975
Equinix, Inc., 5.375%, 4/01/2023	240,000	246,300
Equinix, Inc., 5.75%, 1/01/2025	40,000	41,250
Iron Mountain, Inc., REIT, 6%, 10/01/2020 (n)	120,000	126,300
Iron Mountain, Inc., REIT, 6%, 8/15/2023	320,000	339,200
NeuStar, Inc., 4.5%, 1/15/2023	225,000	206,156
		\$ 1,544,731
Cable TV - 7.9%		
Alice Financing S.A., 6.625%, 2/15/2023 (n)	\$ 480,000	\$ 487,200
CCO Holdings LLC/CCO Holdings Capital Corp., 5.125%, 5/01/2023 (n)	260,000	266,338
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/2024	425,000	444,656
CCO Holdings LLC/CCO Holdings Capital Corp., 5.375%, 5/01/2025 (n)	80,000	81,300
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 2/15/2026 (n)	125,000	128,438
Cequel Communications Holdings, 6.375%, 9/15/2020 (n)	275,000	280,500
CSC Holdings LLC, 5.5%, 4/15/2027 (n)	400,000	394,750
DISH DBS Corp., 5%, 3/15/2023	190,000	187,625
DISH DBS Corp., 5.875%, 11/15/2024	310,000	314,263
Intelsat Jackson Holdings S.A., 7.25%, 4/01/2019	125,000	98,125
Intelsat Jackson Holdings S.A., 5.5%, 8/01/2023	150,000	97,875
Intelsat Jackson Holdings S.A., 8%, 2/15/2024 (n)	65,000	65,488
LGE Holdco VI B.V., 7.125%, 5/15/2024 (n)	EUR 135,000	160,636
Sirius XM Radio, Inc., 4.625%, 5/15/2023 (n)	\$ 125,000	122,813
Sirius XM Radio, Inc., 6%, 7/15/2024 (n)	325,000	338,000
Sirius XM Radio, Inc., 5.375%, 4/15/2025 (n)	165,000	164,589
Unitymedia Hessen, 5.5%, 1/15/2023 (n)	250,000	256,250
Virgin Media Finance PLC, 5.75%, 1/15/2025 (n)	200,000	198,000
Virgin Media Secured Finance PLC, 5.375%, 4/15/2021 (n)	180,000	185,625
Ziggo Bond Finance B.V., 5.875%, 1/15/2025 (n)	200,000	196,500
		\$ 4,468,971

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - 3.2%		
Axalta Coating Systems Co., 4.875%, 8/15/2024 (n)	\$ 150,000	\$ 149,250
Chemours Co., 6.625%, 5/15/2023	165,000	162,938
GCP Applied Technologies Co., 9.5%, 2/01/2023 (n)	205,000	232,163
Hexion U.S. Finance Corp., 6.625%, 4/15/2020	130,000	111,800
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2/01/2018	225,000	217,688
Momentive Performance Materials, Inc., 3.88%, 10/24/2021	165,000	154,275
Tronox Finance LLC, 6.375%, 8/15/2020	330,000	300,713
Tronox Finance LLC, 7.5%, 3/15/2022 (n)	245,000	223,563
W.R. Grace & Co., 5.125%, 10/01/2021 (n)	245,000	257,250
		\$ 1,809,640
Computer Software - 1.2%		
Diamond 1 Finance Corp./Diamond 2 Finance Corp., 6.02%, 6/15/2026 (n)	\$ 235,000	\$ 247,224
Diamond 1 Finance Corp./Diamond 2 Finance Corp., 5.875%, 6/15/2021 (n)	90,000	94,792
VeriSign, Inc., 4.625%, 5/01/2023	330,000	335,363
		\$ 677,379
Computer Software - Systems - 2.5%		
CDW LLC/CDW Finance Corp., 6%, 8/15/2022	\$ 140,000	\$ 148,400
CDW LLC/CDW Finance Corp., 5.5%, 12/01/2024	125,000	128,125
JDA Software Group, Inc., 7.375%, 10/15/2024 (n)	185,000	189,856
Quintiles IMS Holdings, Inc., 5%, 10/15/2026 (n)	200,000	197,500
Sabre GLBL, Inc., 5.375%, 4/15/2023 (n)	415,000	420,188
Western Digital Corp., 10.5%, 4/01/2024 (n)	290,000	335,675
		\$ 1,419,744
Conglomerates - 4.4%		
Amsted Industries Co., 5%, 3/15/2022 (n)	\$ 495,000	\$ 490,050
Apex Tool Group, 7%, 2/01/2021 (n)	285,000	256,500
EnerSys, 5%, 4/30/2023 (n)	485,000	486,213
Enpro Industries, Inc., 5.875%, 9/15/2022	305,000	311,863
Entegris, Inc., 6%, 4/01/2022 (n)	360,000	374,400
Renaissance Acquisition, 6.875%, 8/15/2021 (n)	350,000	344,750
SPX FLOW, Inc., 5.625%, 8/15/2024 (n)	220,000	216,150
		\$ 2,479,926
Construction - 0.0%		
Empresas ICA S.A.B. de C.V., 8.9%, 2/04/2021 (a)(d)	\$ 135,000	\$ 24,644

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Products - 1.4%		
NBTY, Inc., 7.625%, 5/15/2021 (n)	\$ 320,000	\$ 315,600
Prestige Brands, Inc., 5.375%, 12/15/2021 (n)	230,000	236,325
Spectrum Brands, Inc., 6.125%, 12/15/2024	40,000	42,400
Spectrum Brands, Inc., 5.75%, 7/15/2025	185,000	191,938
		\$ 786,263
Consumer Services - 4.4%		
ADT Corp., 6.25%, 10/15/2021	\$ 510,000	\$ 549,525
ADT Corp., 4.125%, 6/15/2023	85,000	80,963
Garda World Security Corp., 7.25%, 11/15/2021 (n)	155,000	143,375
Garda World Security Corp., 7.25%, 11/15/2021 (n)	225,000	208,125
Interval Acquisition Corp., 5.625%, 4/15/2023	495,000	507,375
Mobile Mini, Inc., 5.875%, 7/01/2024	275,000	284,625
Monitronics International, Inc., 9.125%, 4/01/2020	300,000	280,500
Service Corp. International, 5.375%, 5/15/2024	190,000	197,619
ServiceMaster Co. LLC, 5.125%, 11/15/2024 (z)	245,000	245,613
		\$ 2,497,720
Containers - 5.6%		
Ball Corp., 5%, 3/15/2022	\$ 250,000	\$ 263,125
Berry Plastics Group, Inc., 5.5%, 5/15/2022	335,000	348,400
Berry Plastics Group, Inc., 6%, 10/15/2022	165,000	173,456
Crown American LLC, 4.5%, 1/15/2023	326,000	330,075
Crown American LLC, 4.25%, 9/30/2026 (n)	125,000	119,375
Multi-Color Corp., 6.125%, 12/01/2022 (n)	320,000	333,600
Plastipak Holdings, Inc., 6.5%, 10/01/2021 (n)	326,000	340,670
Reynolds Group, 5.75%, 10/15/2020	130,000	133,738
Reynolds Group, 8.25%, 2/15/2021	176,865	182,613
Reynolds Group, 5.125%, 7/15/2023 (n)	130,000	131,300
Reynolds Group, 7%, 7/15/2024 (n)	15,000	15,834
Sealed Air Corp., 4.875%, 12/01/2022 (n)	335,000	342,538
Sealed Air Corp., 5.125%, 12/01/2024 (n)	95,000	96,425
Signode Industrial Group, 6.375%, 5/01/2022 (n)	345,000	347,588
		\$ 3,158,737
Electronics - 1.8%		
Micron Technology, Inc., 5.875%, 2/15/2022	\$ 155,000	\$ 160,425
Micron Technology, Inc., 5.5%, 2/01/2025	170,000	167,025
NXP B.V./NXP Funding LLC, 5.75%, 3/15/2023 (n)	245,000	259,088
Sensata Technologies B.V., 5.625%, 11/01/2024 (n)	155,000	161,588
Sensata Technologies B.V., 5%, 10/01/2025 (n)	260,000	256,100
		\$ 1,004,226

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Independent - 7.1%		
Bonanza Creek Energy, Inc., 6.75%, 4/15/2021	\$ 195,000	\$ 101,400
Carrizo Oil & Gas, Inc., 6.25%, 4/15/2023	350,000	357,000
Chaparral Energy, Inc., 7.625%, 11/15/2022 (a)(d)	155,000	128,650
Concho Resources, Inc., 5.5%, 4/01/2023	285,000	293,023
Consol Energy, Inc., 5.875%, 4/15/2022	120,000	115,200
Consol Energy, Inc., 8%, 4/01/2023	295,000	300,900
Continental Resources, Inc., 4.5%, 4/15/2023	340,000	330,650
Gulfport Energy Corp., 6%, 10/15/2024 (z)	230,000	234,025
PDC Energy, Inc., 6.125%, 9/15/2024 (n)	255,000	261,375
QEP Resources, Inc., 5.25%, 5/01/2023	385,000	373,450
Range Resources Corp., 4.875%, 5/15/2025	380,000	359,100
Rice Energy, Inc., 7.25%, 5/01/2023	310,000	325,500
Sanchez Energy Corp., 6.125%, 1/15/2023	395,000	345,625
Seven Generations Energy, 8.25%, 5/15/2020 (n)	155,000	164,881
Whiting Petroleum Corp., 6.25%, 4/01/2023	330,000	322,163
		\$ 4,012,942
Energy - Integrated - 0.5%		
Cenovus Energy, Inc., 6.75%, 11/15/2039	\$ 157,000	\$ 166,107
Cenovus Energy, Inc., 4.45%, 9/15/2042	125,000	103,146
		\$ 269,253
Entertainment - 1.9%		
Cedar Fair LP, 5.25%, 3/15/2021	\$ 260,000	\$ 268,840
Cedar Fair LP, 5.375%, 6/01/2024	95,000	98,800
Cinemark USA, Inc., 5.125%, 12/15/2022	165,000	169,538
Cinemark USA, Inc., 4.875%, 6/01/2023	230,000	232,300
Six Flags Entertainment Corp., 5.25%, 1/15/2021 (n)	320,000	329,840
		\$ 1,099,318
Financial Institutions - 6.3%		
Aircastle Ltd., 4.625%, 12/15/2018	\$ 175,000	\$ 182,438
Aircastle Ltd., 5.125%, 3/15/2021	125,000	131,563
Aircastle Ltd., 5.5%, 2/15/2022	235,000	246,750
CIT Group, Inc., 6.625%, 4/01/2018 (n)	319,000	334,950
CIT Group, Inc., 5.5%, 2/15/2019 (n)	280,000	295,575
Credit Acceptance Corp., 6.125%, 2/15/2021	26,000	26,195
Credit Acceptance Corp., 7.375%, 3/15/2023	285,000	291,413
Nationstar Mortgage LLC/Capital Corp., 6.5%, 8/01/2018	175,000	176,969
Nationstar Mortgage LLC/Capital Corp., 7.875%, 10/01/2020	520,000	531,700
Nationstar Mortgage LLC/Capital Corp., 6.5%, 7/01/2021	120,000	120,300
Navient Corp., 8%, 3/25/2020	515,000	565,856
Navient Corp., 5.875%, 3/25/2021	100,000	102,500
Navient Corp., 7.25%, 1/25/2022	350,000	362,250

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Financial Institutions - continued		
Navient Corp., 7.25%, 9/25/2023	\$ 90,000	\$ 91,125
Navient Corp., 6.125%, 3/25/2024	105,000	99,356
		\$ 3,558,940
Food & Beverages - 2.5%		
JBS USA LLC/JBS USA Finance, Inc., 5.875%, 7/15/2024 (n)	\$ 330,000	\$ 328,350
Lamb Weston Holdings, Inc., 4.625%, 11/01/2024 (n)	115,000	114,497
Lamb Weston Holdings, Inc., 4.875%, 11/01/2026 (n)	60,000	59,700
Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 5.875%, 1/15/2024	225,000	236,813
Sun Merger Sub, Inc., 5.875%, 8/01/2021 (n)	315,000	327,206
U.S. Foods Holding Corp., 5.875%, 6/15/2024 (n)	350,000	358,750
		\$ 1,425,316
Forest & Paper Products - 0.2%		
Appvion, Inc., 9%, 6/01/2020 (n)	\$ 150,000	\$ 91,500
Gaming & Lodging - 4.7%		
CCM Merger, Inc., 9.125%, 5/01/2019 (n)	\$ 186,000	\$ 192,975
GLP Capital LP/GLP Financing II, Inc., 5.375%, 11/01/2023	340,000	355,307
GLP Capital LP/GLP Financing II, Inc., 5.375%, 4/15/2026	40,000	40,900
Greektown Holdings LLC, 8.875%, 3/15/2019 (n)	285,000	298,181
Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., 5.625%, 10/15/2021	415,000	428,477
Isle of Capri Casinos, Inc., 8.875%, 6/15/2020	80,000	84,000
Isle of Capri Casinos, Inc., 5.875%, 3/15/2021	325,000	338,203
MGM Resorts International, 6.625%, 12/15/2021	180,000	196,650
MGM Resorts International, 6%, 3/15/2023	285,000	306,375
Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2021	305,000	309,575
Ryman Hospitality Properties, Inc., REIT, 5%, 4/15/2023	140,000	141,750
		\$ 2,692,393
Industrial - 1.4%		
Dematic S.A., 7.75%, 12/15/2020 (n)	\$ 385,000	\$ 400,708
Howard Hughes Corp., 6.875%, 10/01/2021 (n)	375,000	395,400
		\$ 796,108
Insurance - Health - 0.6%		
Centene Corp., 5.625%, 2/15/2021	\$ 115,000	\$ 118,450
Centene Corp., 6.125%, 2/15/2024	235,000	238,784
		\$ 357,234

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Machinery & Tools - 2.3%		
Ashtead Capital, Inc., 5.625%, 10/01/2024 (n)	\$ 265,000	\$ 275,600
CNH Industrial Capital LLC, 4.375%, 11/06/2020	395,000	401,518
CNH Industrial N.V., 4.5%, 8/15/2023	160,000	158,000
H&E Equipment Services Co., 7%, 9/01/2022	370,000	389,425
Light Tower Rentals, Inc., 8.125%, 8/01/2019 (a)(d)(n)	200,000	90,000
		\$ 1,314,543
Major Banks - 1.8%		
Bank of America Corp., FRN, 6.1%, 12/29/2049	\$ 450,000	\$ 450,000
JPMorgan Chase & Co., 6% to 8/01/2023, FRN to 12/29/2049	405,000	403,178
Royal Bank of Scotland Group PLC, 7.5% to 8/10/2020, FRN to 12/29/2049	200,000	180,500
		\$ 1,033,678
Medical & Health Technology & Services - 8.6%		
AmSurg Corp., 5.625%, 7/15/2022	\$ 265,000	\$ 270,631
CHS/Community Health Systems, Inc., 6.875%, 2/01/2022	320,000	213,400
DaVita, Inc., 5.125%, 7/15/2024	100,000	98,750
DaVita, Inc., 5%, 5/01/2025	235,000	229,125
Envision Healthcare Corp., 6.25%, 12/01/2024 (z)	95,000	98,325
HCA, Inc., 4.25%, 10/15/2019	185,000	190,550
HCA, Inc., 7.5%, 2/15/2022	380,000	422,750
HCA, Inc., 5.875%, 3/15/2022	420,000	450,975
HCA, Inc., 5%, 3/15/2024	220,000	220,550
HCA, Inc., 5.375%, 2/01/2025	265,000	259,369
HCA, Inc., 5.875%, 2/15/2026	130,000	129,513
HealthSouth Corp., 5.125%, 3/15/2023	305,000	300,425
HealthSouth Corp., 5.75%, 11/01/2024	150,000	150,375
LifePoint Health, Inc., 5.375%, 5/01/2024 (z)	185,000	177,484
MEDNAX, Inc., 5.25%, 12/01/2023 (n)	215,000	218,225
Quorum Health Corp., 11.625%, 4/15/2023 (n)	200,000	157,000
Tenet Healthcare Corp., 8%, 8/01/2020	480,000	459,900
Tenet Healthcare Corp., 8.125%, 4/01/2022	360,000	329,400
Tenet Healthcare Corp., 6.75%, 6/15/2023	255,000	218,025
Universal Health Services, Inc., 7.625%, 8/15/2020	315,000	299,880
		\$ 4,894,652
Medical Equipment - 1.0%		
Hologic, Inc., 5.25%, 7/15/2022 (n)	\$ 250,000	\$ 259,375
Teleflex, Inc., 5.25%, 6/15/2024	225,000	228,094
Teleflex, Inc., 4.875%, 6/01/2026	105,000	103,950
		\$ 591,419

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Metals & Mining - 6.0%		
Century Aluminum Co., 7.5%, 6/01/2021 (n)	\$ 245,000	\$ 226,625
Commercial Metals Co., 4.875%, 5/15/2023	270,000	270,405
First Quantum Minerals Ltd., 7.25%, 10/15/2019 (n)	400,000	402,500
Freeport-McMoRan Copper & Gold, Inc., 3.875%, 3/15/2023	195,000	183,300
Freeport-McMoRan Oil & Gas LLC, 6.5%, 11/15/2020	30,000	30,885
Freeport-McMoRan Oil & Gas LLC, 6.875%, 2/15/2023	158,000	169,060
Freeport-McMoRan, Inc., 5.45%, 3/15/2043	95,000	81,225
GrafTech International Co., 6.375%, 11/15/2020	210,000	165,900
Hudbay Minerals, Inc., 9.5%, 10/01/2020	185,000	194,713
Kaiser Aluminum Corp., 5.875%, 5/15/2024	230,000	237,475
Kinross Gold Corp., 5.125%, 9/01/2021	100,000	100,500
Kinross Gold Corp., 5.95%, 3/15/2024	95,000	97,375
Lundin Mining Corp., 7.5%, 11/01/2020 (n)	165,000	175,890
Lundin Mining Corp., 7.875%, 11/01/2022 (n)	150,000	162,000
Steel Dynamics, Inc., 5.125%, 10/01/2021	100,000	104,250
Steel Dynamics, Inc., 5.25%, 4/15/2023	160,000	166,000
Steel Dynamics, Inc., 5.5%, 10/01/2024	100,000	105,750
Suncoke Energy Partners LP/Suncoke Energy Partners Finance Corp., 7.375%, 2/01/2020	305,000	301,950
Suncoke Energy, Inc., 7.625%, 8/01/2019	29,000	26,825
TMS International Corp., 7.625%, 10/15/2021 (n)	260,000	212,550
		\$ 3,415,178
Midstream - 8.7%		
Blue Racer Midstream LLC/Blue Racer Finance Corp., 6.125%, 11/15/2022 (n)	\$ 345,000	\$ 336,375
Crestwood Midstream Partners LP, 6%, 12/15/2020	225,000	228,938
Crestwood Midstream Partners LP, 6.125%, 3/01/2022	135,000	136,350
Crestwood Midstream Partners LP, 6.25%, 4/01/2023	75,000	76,125
Energy Transfer Equity LP, 7.5%, 10/15/2020	420,000	469,350
EnLink Midstream Partners LP, 4.4%, 4/01/2024	250,000	243,364
Ferrellgas LP/Ferrellgas Finance Corp., 6.5%, 5/01/2021	230,000	217,350
Ferrellgas LP/Ferrellgas Finance Corp., 6.75%, 1/15/2022	235,000	221,488
Kinder Morgan (Delaware), Inc., 7.75%, 1/15/2032	355,000	420,461
MPLX LP, 5.5%, 2/15/2023	230,000	238,530
MPLX LP, 4.5%, 7/15/2023	290,000	290,342
Sabine Pass Liquefaction LLC, 5.625%, 2/01/2021	200,000	212,000
Sabine Pass Liquefaction LLC, 5.625%, 4/15/2023	450,000	470,250
Sabine Pass Liquefaction LLC, 5.75%, 5/15/2024	135,000	142,425
Sabine Pass Liquefaction LLC, 5.625%, 3/01/2025	265,000	276,263
Sabine Pass Liquefaction LLC, 5.875%, 6/30/2026 (n)	90,000	95,063
Targa Resources Partners LP/Targa Resources Finance Corp., 4.125%, 11/15/2019	240,000	242,400

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Midstream - continued		
Targa Resources Partners LP/Targa Resources Finance Corp., 5.25%, 5/01/2023	\$ 105,000	\$ 104,475
Targa Resources Partners LP/Targa Resources Finance Corp., 5.375%, 2/01/2027 (n)	250,000	246,875
Williams Cos., Inc., 4.55%, 6/24/2024	250,000	243,750
		\$ 4,912,174
Network & Telecom - 2.4%		
Centurylink, Inc., 6.45%, 6/15/2021	\$ 310,000	\$ 319,881
Centurylink, Inc., 7.65%, 3/15/2042	245,000	207,393
Frontier Communications Corp., 6.25%, 9/15/2021	175,000	164,063
Frontier Communications Corp., 7.125%, 1/15/2023	160,000	138,800
Frontier Communications Corp., 9%, 8/15/2031	285,000	239,400
Telecom Italia Capital, 6%, 9/30/2034	70,000	65,450
Telecom Italia S.p.A., 5.303%, 5/30/2024 (n)	250,000	246,250
		\$ 1,381,237
Oil Services - 0.7%		
Bristow Group, Inc., 6.25%, 10/15/2022	\$ 183,000	\$ 142,740
Weatherford International Ltd., 8.25%, 6/15/2023	265,000	258,375
		\$ 401,115
Oils - 1.0%		
CITGO Holding, Inc., 10.75%, 2/15/2020 (n)	\$ 200,000	\$ 208,750
CITGO Petroleum Corp., 6.25%, 8/15/2022 (n)	340,000	345,100
		\$ 553,850
Other Banks & Diversified Financials - 1.2%		
Groupe BPCE S.A., 12.5% to 9/30/2019, FRN to 8/29/2049 (n)	\$ 225,000	\$ 276,750
UBS Group AG, 6.875%, 12/29/2049	400,000	387,074
		\$ 663,824
Pharmaceuticals - 2.5%		
Endo Finance LLC/Endo Finco, Inc., 7.25%, 1/15/2022 (n)	\$ 425,000	\$ 406,406
Mallinckrodt International Finance S.A., 5.75%, 8/01/2022 (n)	270,000	251,775
Mallinckrodt International Finance S.A., 5.5%, 4/15/2025 (n)	155,000	131,750
Valeant Pharmaceuticals International, Inc., 7%, 10/01/2020 (n)	395,000	341,675
Valeant Pharmaceuticals International, Inc., 7.5%, 7/15/2021 (n)	125,000	105,625
Valeant Pharmaceuticals International, Inc., 7.25%, 7/15/2022 (n)	230,000	188,600
		\$ 1,425,831
Precious Metals & Minerals - 1.0%		
Eldorado Gold Corp., 6.125%, 12/15/2020 (n)	\$ 320,000	\$ 322,400
Teck Resources Ltd., 4.5%, 1/15/2021	105,000	106,969

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Precious Metals & Minerals - continued		
Teck Resources Ltd., 8%, 6/01/2021 (n)	\$ 95,000	\$ 104,348
Teck Resources Ltd., 3.75%, 2/01/2023	65,000	61,750
		\$ 595,467
Printing & Publishing - 2.1%		
Nielsen Finance LLC, 5%, 4/15/2022 (n)	\$ 440,000	\$ 448,800
Outdoor Americas Capital LLC/Outfront Media Capital Corp., 5.625%, 2/15/2024	210,000	215,775
TEGNA, Inc., 5.125%, 7/15/2020	185,000	191,013
TEGNA, Inc., 4.875%, 9/15/2021 (n)	100,000	102,875
TEGNA, Inc., 6.375%, 10/15/2023	195,000	205,117
		\$ 1,163,580
Real Estate - Healthcare - 1.0%		
MPT Operating Partnership LP, REIT, 6.375%, 2/15/2022	\$ 320,000	\$ 328,400
MPT Operating Partnership LP, REIT, 5.25%, 8/01/2026	250,000	234,375
		\$ 562,775
Real Estate - Other - 1.2%		
DuPont Fabros Technology LP, REIT, 5.875%, 9/15/2021	\$ 360,000	\$ 375,750
Felcor Lodging LP, REIT, 5.625%, 3/01/2023	315,000	320,513
		\$ 696,263
Restaurants - 0.3%		
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, 5.25%, 6/01/2026 (n)	\$ 180,000	\$ 181,800
Retailers - 2.4%		
Dollar Tree, Inc., 5.75%, 3/01/2023	\$ 360,000	\$ 384,300
DriveTime Automotive Group, Inc./DT Acceptance Corp., 8%, 6/01/2021 (n)	240,000	229,200
Hanesbrands, Inc., 4.875%, 5/15/2026 (n)	185,000	184,501
Rite Aid Corp., 9.25%, 3/15/2020	155,000	162,169
Rite Aid Corp., 6.75%, 6/15/2021	65,000	68,514
Rite Aid Corp., 6.125%, 4/01/2023 (n)	170,000	181,713
Sally Beauty Holdings, Inc., 5.625%, 12/01/2025	140,000	145,250
		\$ 1,355,647
Specialty Chemicals - 1.5%		
Chemtura Corp., 5.75%, 7/15/2021	\$ 435,000	\$ 452,400
Univar USA, Inc., 6.75%, 7/15/2023 (n)	380,000	386,650
		\$ 839,050

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Specialty Stores - 1.5%		
Argos Merger Sub, Inc., 7.125%, 3/15/2023 (n)	\$ 320,000	\$ 327,600
Group 1 Automotive, Inc., 5%, 6/01/2022	305,000	297,375
Michaels Stores, Inc., 5.875%, 12/15/2020 (n)	235,000	241,933
		\$ 866,908
Supermarkets - 0.5%		
Albertsons Cos. LLC/Safeway, Inc., 6.625%, 6/15/2024 (n)	\$ 285,000	\$ 294,576
Telecommunications - Wireless - 5.9%		
Altice Luxembourg S.A., 7.75%, 5/15/2022 (n)	\$ 200,000	\$ 209,500
Altice Luxembourg S.A., 7.625%, 2/15/2025 (n)	200,000	205,000
Digicel Group Ltd., 7.125%, 4/01/2022 (n)	200,000	148,500
Digicel Group Ltd., 6.75%, 3/01/2023 (n)	225,000	193,500
SFR Group S.A., 7.375%, 5/01/2026 (z)	250,000	249,375
Sprint Capital Corp., 6.875%, 11/15/2028	285,000	274,142
Sprint Corp., 7.875%, 9/15/2023	250,000	258,125
Sprint Corp., 7.125%, 6/15/2024	410,000	407,696
Sprint Nextel Corp., 9%, 11/15/2018 (n)	150,000	164,813
Sprint Nextel Corp., 6%, 11/15/2022	230,000	221,847
T-Mobile USA, Inc., 6.125%, 1/15/2022	35,000	36,648
T-Mobile USA, Inc., 6.5%, 1/15/2024	95,000	101,501
T-Mobile USA, Inc., 6.25%, 4/01/2021	500,000	521,250
T-Mobile USA, Inc., 6.633%, 4/28/2021	125,000	130,469
T-Mobile USA, Inc., 6.5%, 1/15/2026	195,000	210,600
		\$ 3,332,966
Telephone Services - 0.8%		
Level 3 Financing, Inc., 5.375%, 1/15/2024	\$ 100,000	\$ 100,500
Level 3 Financing, Inc., 5.375%, 5/01/2025	350,000	348,250
		\$ 448,750
Transportation - Services - 1.1%		
Navios Maritime Acquisition Corp., 8.125%, 11/15/2021 (n)	\$ 280,000	\$ 230,300
Navios Maritime Holding, Inc., 7.375%, 1/15/2022 (n)	285,000	169,575
Navios South American Logistics, Inc./Navios Logistics Finance (U.S.), Inc., 7.25%, 5/01/2022	45,000	38,700
Syncreon Group BV/Syncre, 8.625%, 11/01/2021 (n)	200,000	146,000
Ultrapetrol (Bahamas) Ltd., 8.875%, 6/15/2021 (a)(d)	55,000	11,000
		\$ 595,575
Utilities - Electric Power - 3.2%		
Calpine Corp., 5.5%, 2/01/2024	\$ 260,000	\$ 248,300
Calpine Corp., 5.75%, 1/15/2025	180,000	171,900
Covanta Holding Corp., 7.25%, 12/01/2020	265,000	272,619

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Portfolio of Investments continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Electric Power - continued		
Covanta Holding Corp., 6.375%, 10/01/2022	\$ 70,000	\$ 69,475
Covanta Holding Corp., 5.875%, 3/01/2024	235,000	229,125
Dynegy, Inc., 7.375%, 11/01/2022	335,000	318,250
Dynegy, Inc., 8%, 1/15/2025 (z)	65,000	59,800
NRG Energy, Inc., 6.625%, 3/15/2023	330,000	328,350
NRG Energy, Inc., 7.25%, 5/15/2026 (n)	140,000	136,850
		\$ 1,834,669
Total Bonds (Identified Cost, \$74,970,754)		\$ 74,048,164
Floating Rate Loans (g)(r) - 4.1%		
Aerospace - 0.2%		
TransDigm, Inc., Term Loan C, 3.82%, 2/28/2020	\$ 129,004	\$ 128,975
Broadcasting - 0.2%		
Nexstar Broadcasting, Inc., Term Loan B, 9/23/2023 (o)	\$ 89,090	\$ 89,424
Building - 0.6%		
ABC Supply Co., Inc., Term Loan, 3.36%, 4/16/2020	\$ 224,107	\$ 224,854
HD Supply, Inc., Term Loan B, 3.59%, 8/13/2021	93,963	94,237
		\$ 319,091
Chemicals - 0.1%		
GCP Applied Technologies, Inc., Term Loan B, 4.09%, 2/03/2022	\$ 78,252	\$ 78,839
Computer Software - Systems - 0.3%		
CDW LLC, Term Loan B, 3%, 8/17/2023	\$ 93,965	\$ 94,346
Sabre, Inc., Term Loan B, 2/19/2019 (o)	72,200	72,576
		\$ 166,922
Conglomerates - 0.2%		
Entegris, Inc., Term Loan B, 3.5%, 4/30/2021	\$ 134,843	\$ 135,517
Consumer Products - 0.1%		
Spectrum Brands, Inc., Term Loan, 6/23/2022 (o)	\$ 72,200	\$ 72,642
Entertainment - 0.3%		
Cedar Fair LP, Term Loan B, 3.25%, 3/06/2020	\$ 79,345	\$ 79,493
Six Flags Theme Parks, Inc., Term Loan B, 6/30/2022 (o)	72,200	72,531
		\$ 152,024
Food & Beverages - 0.1%		
Pinnacle Foods Finance LLC, Term Loan I, 3.33%, 1/13/2023 (o)	\$ 72,019	\$ 72,469

Table of Contents*Portfolio of Investments continued*

Issuer	Shares/Par	Value (\$)
Floating Rate Loans (g)(r) - continued		
Gaming & Lodging - 0.3%		
Hilton Worldwide Finance LLC, Term Loan B1, 3.5%, 10/25/2020	\$ 163,165	\$ 163,661
Medical & Health Technology & Services - 0.3%		
DaVita HealthCare Partners, Inc., Term Loan B, 3.5%, 6/24/2021	\$ 164,163	\$ 164,112
Printing & Publishing - 0.2%		
Outfront Media Capital LLC, Term Loan B, 3%, 1/31/2021	\$ 108,195	\$ 108,038
Retailers - 0.1%		
Rite Aid Corp., Second Lien Term Loan, 4.88%, 6/21/2021	\$ 79,361	\$ 79,539
Telephone Services - 0.2%		
Level 3 Financing, Inc., Term Loan B, 4%, 1/15/2020	\$ 86,400	\$ 87,021
Transportation - Services - 0.6%		
Commercial Barge Line Co., First Lien Term Loan, 9.75%, 11/12/2020	\$ 358,342	\$ 335,050
Utilities - Electric Power - 0.3%		
Calpine Construction Finance Co. LP, Term Loan B1, 3.09%, 5/03/2020	\$ 197,697	\$ 195,374
Total Floating Rate Loans (Identified Cost, \$2,357,066)		\$ 2,348,698
Money Market Funds - 3.1%		
MFS Institutional Money Market Portfolio, 0.46% (v) (Identified Cost, \$1,760,699)	1,760,699	\$ 1,760,699
Total Investments (Identified Cost, \$79,088,519)		\$ 78,157,561
Other Assets, Less Liabilities - (37.6)%		(21,373,002)
Net Assets - 100.0%		\$ 56,784,559

(a) Non-income producing security.

(d) In default.

(g) The rate shown represents a weighted average coupon rate on settled positions at period end, unless otherwise indicated.

(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was \$27,522,044, representing 48.5% of net assets.

(o) All or a portion of this position has not settled. Upon settlement date, interest rates for unsettled amounts will be determined. The rate shown, if any, represents the weighted average coupon rate for settled amounts.

(r) Remaining maturities of floating rate loans may be less than stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be

Table of Contents*Portfolio of Investments continued*

predicted with certainty. These loans may be subject to restrictions on resale. Floating rate loans generally have rates of interest which are determined periodically by reference to a base lending rate plus a premium.

- (v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.
- (z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
Alliance Data Systems Corp., 5.875%, 11/01/2021	10/24/16-11/09/16	\$260,826	\$260,650
Alliance Data Systems Corp., 5.375%, 8/01/2022	11/29/16	57,450	57,150
CBS Radio, Inc., 7.25%, 11/01/2024	10/07/16-11/08/16	164,468	168,099
Dynegy, Inc., 8%, 1/15/2025	10/05/16-10/06/16	65,247	59,800
Envision Healthcare Corp., 6.25%, 12/01/2024	11/16/16-11/18/16	95,644	98,325
Gulfport Energy Corp., 6%, 10/15/2024	10/06/16-10/21/16	235,648	234,025
LifePoint Health, Inc., 5.375%, 5/01/2024	10/24/16-11/21/16	183,843	177,484
Netflix, Inc., 4.375%, 11/15/2026	10/24/16	125,000	121,720
SFR Group S.A., 7.375%, 5/01/2026	11/30/16	250,000	249,375
ServiceMaster Co. LLC, 5.125%, 11/15/2024	11/03/16-11/09/16	245,989	245,613
Total Restricted Securities			\$1,672,241
% of Net assets			2.9%

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

FRN Floating Rate Note. Interest rate resets periodically and the current rate may not be the rate reported at period end.

PLC Public Limited Company

REIT Real Estate Investment Trust

Abbreviations indicate amounts shown in currencies other than the U.S. dollar. All amounts are stated in U.S. dollars unless otherwise indicated. A list of abbreviations is shown below:

EUR Euro

Derivative Contracts at 11/30/16**Forward Foreign Currency Exchange Contracts at 11/30/16**

Type	Currency	Counter-party	Contracts to Deliver/Receive	Settlement Date Range	In Exchange For	Contracts at Value	Unrealized Appreciation (Depreciation)
Asset Derivatives							
SELL	EUR	Goldman Sachs International	157,614	12/09/16	\$177,155	\$167,085	\$10,070

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Portfolio of Investments continued

Futures Contracts at 11/30/16

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Asset Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	5	\$622,578	March - 2017	\$1,466

At November 30, 2016, the fund had cash collateral of \$7,250 to cover any commitments for certain derivative contracts. Cash collateral is comprised of Deposits with brokers in the Statement of Assets and Liabilities.

See Notes to Financial Statements

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

At 11/30/16

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

Assets	
Investments	
Non-affiliated issuers, at value (identified cost, \$77,327,820)	\$76,396,862
Underlying affiliated funds, at value (identified cost, \$1,760,699)	1,760,699
Total investments, at value (identified cost, \$79,088,519)	\$78,157,561
Cash	127,076
Deposits with brokers	7,250
Receivables for	
Forward foreign currency exchange contracts	10,070
Daily variation margin on open futures contracts	2,968
Investments sold	726,066
Interest	1,129,358
Other assets	1,937
Total assets	\$80,162,286
Liabilities	
Notes payable	\$22,000,000
Payables for	
Distributions	24,432
Investments purchased	1,088,134
Capital shares reacquired	144,529
Payable to affiliates	
Investment adviser	2,835
Transfer agent and dividend disbursing costs	273
Payable for independent Trustees' compensation	13
Accrued interest expense	21,933
Accrued expenses and other liabilities	95,578
Total liabilities	\$23,377,727
Net assets	\$56,784,559
Net assets consist of	
Paid-in capital	\$69,487,675
Unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	(919,422)
Accumulated net realized gain (loss) on investments and foreign currency	(11,711,594)
Accumulated distributions in excess of net investment income	(72,100)
Net assets	\$56,784,559
Shares of beneficial interest outstanding (20,613,092 shares authorized less 121,844 capital shares)	20,491,248
Net asset value per share (net assets of \$56,784,559 / 20,491,248 shares of beneficial interest outstanding)	\$2.77

See Notes to Financial Statements

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

Year ended 11/30/16

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

Net investment income	
Income	
Interest	\$4,917,334
Dividends	2
Dividends from underlying affiliated funds	8,095
Total investment income	\$4,925,431
Expenses	
Management fee	\$592,310
Transfer agent and dividend disbursing costs	16,346
Administrative services fee	18,404
Independent Trustees compensation	13,099
Stock exchange fee	23,757
Custodian fee	8,636
Shareholder communications	53,907
Audit and tax fees	79,152
Legal fees	36,405
Interest expense	276,263
Miscellaneous	36,366
Total expenses	\$1,154,645
Reduction of expenses by investment adviser	(125,155)
Net expenses	\$1,029,490
Net investment income	\$3,895,941
Realized and unrealized gain (loss) on investments and foreign currency	
Realized gain (loss) (identified cost basis)	
Investments:	
Non-affiliated issuers	\$(3,070,337)
Futures contracts	(2,630)
Foreign currency	2,439
Net realized gain (loss) on investments and foreign currency	\$(3,070,528)
Change in unrealized appreciation (depreciation)	
Investments	\$5,759,920
Futures contracts	1,587
Translation of assets and liabilities in foreign currencies	(890)
Net unrealized gain (loss) on investments and foreign currency translation	\$5,760,617
Net realized and unrealized gain (loss) on investments and foreign currency	\$2,690,089
Change in net assets from operations	\$6,586,030

See Notes to Financial Statements

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

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

	Years ended 11/30	
	2016	2015
Change in net assets		
From operations		
Net investment income	\$3,895,941	\$4,121,726
Net realized gain (loss) on investments and foreign currency	(3,070,528)	(301,284)
Net unrealized gain (loss) on investments and foreign currency translation	5,760,617	(6,682,913)
Change in net assets from operations	\$6,586,030	\$(2,862,471)
Distributions declared to shareholders		
From net investment income	\$(4,104,447)	\$(4,389,624)
From tax return of capital	(1,200,808)	(992,080)
Total distributions declared to shareholders	\$(5,305,255)	\$(5,381,704)
Change in net assets from fund share transactions	\$(857,785)	\$(494,424)
Total change in net assets	\$422,990	\$(8,738,599)
Net assets		
At beginning of period	56,361,569	65,100,168
At end of period (including accumulated distributions in excess of net investment income of \$72,100 and \$42,308, respectively)	\$56,784,559	\$56,361,569
See Notes to Financial Statements		

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

Year ended 11/30/16

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

Cash flows from operating activities:	
Change in net assets from operations	\$6,586,030
Adjustments to reconcile change in net assets from operations to net cash provided by operating activities:	
Purchase of investment securities	(30,530,539)
Proceeds from disposition of investment securities	33,007,382
Purchases of short-term investments, net	(473,296)
Realized gain/loss on investments	3,070,337
Unrealized appreciation/depreciation on investments	(5,759,920)
Unrealized appreciation/depreciation on foreign currency contracts	895
Net amortization/accretion of income	99,227
Decrease in interest receivable	162,053
Decrease in accrued expenses and other liabilities	(7,105)
Increase in receivable for daily variation margin on open futures contracts	(2,655)
Decrease in restricted cash	6,750
Increase in deposits with brokers	(7,250)
Decrease in other assets	51
Decrease in interest payable	(15,335)
Net cash provided by operating activities	\$6,136,625
Cash flows from financing activities:	
Distributions paid in cash	(5,304,416)
Repurchase of shares of beneficial interest	(713,256)
Net cash used by financing activities	\$(6,017,672)
Net increase in cash	\$118,953
Cash:	
Beginning of period	\$8,123
End of period	\$127,076
Supplemental disclosure of cash flow information:	

Cash paid during the year ended November 30, 2016 for interest was \$291,598.

See Notes to Financial Statements

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

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

	Years ended 11/30				
	2016	2015	2014	2013	2012
Net asset value, beginning of period	\$2.70	\$3.09	\$3.16	\$3.12	\$2.84
Income (loss) from investment operations					
Net investment income (d)	\$0.19	\$0.20	\$0.21	\$0.23	\$0.26
Net realized and unrealized gain (loss) on investments and foreign currency	0.14	(0.33)	(0.05)	0.05	0.31
Total from investment operations	\$0.33	\$(0.13)	\$0.16	\$0.28	\$0.57
Less distributions declared to shareholders					&n