

MFS INTERMEDIATE HIGH INCOME FUND

Form N-CSRS

July 29, 2011

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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 811-5567

MFS INTERMEDIATE HIGH INCOME FUND

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: May 31, 2011

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ITEM 1. REPORTS TO STOCKHOLDERS.

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MFS® Intermediate
High Income Fund

SEMIANNUAL REPORT

May 31, 2011

CIH-SEM

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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 CEO

Dear Shareholders:

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

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

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

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

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management®

July 15, 2011

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

Table of Contents**PORTFOLIO COMPOSITION****Portfolio structure (i)**

Top five industries (i)	
Energy Independent	10.0%
Broadcasting	7.4%
Medical & Health Technology & Services	6.9%
Gaming & Lodging	6.7%
Utilities Electric Power	6.5%
Composition including fixed income credit quality (a)(i)	
A	1.0%
BBB	6.9%
BB	40.4%
B	55.5%
CCC	20.3%
CC	2.0%
C	0.7%
Not Rated	(1.0)%
Non-Fixed Income	1.9%
Cash & Other	(27.7)%
Portfolio facts (i)	
Average Duration (d)	5.6
Average Effective Maturity (m)	7.1 yrs.

- (a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. Cash & Other includes cash, other assets less liabilities, offsets to derivative positions, and short-term securities. The fund may not hold all of these instruments. The fund itself has not been rated.
- (d) Duration is a measure of how much a bond's price is likely to fluctuate with general changes in interest rates, e.g., if rates rise 1.00%, a bond with a 5-year duration is likely to lose about 5.00% of its value due to the interest rate move.
- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if applicable. These amounts may be negative

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Portfolio Composition continued

from time to time. The bond component will include any accrued interest amounts. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. Where the fund holds convertible bonds, these are treated as part of the equity portion of the portfolio.

(m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity. From time to time Cash & Other Net Assets may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

Percentages are based on net assets as of 5/31/11.

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

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PORTFOLIO MANAGERS PROFILES

William Adams Investment Officer of MFS; employed in the investment management area of MFS since 2009.

David Cole Portfolio Manager of the Fund since May 2011.

Investment Officer of MFS; employed in the investment management area of MFS since 2004.

Portfolio Manager of the fund since June 2007.

Note to Shareholders: Effective May 1, 2011, William Adams replaced John Addeo as a co-manager of the fund.

OTHER NOTES

The fund's shares may trade at a discount or premium to net asset value. Shareholders do not have the right to cause the fund to repurchase their shares at net asset value. When fund shares trade at a premium, buyers pay more than the net asset value underlying fund shares, and shares purchased at a premium would receive less than the amount paid for them in the event of the fund's liquidation. As a result, the total return that is calculated based on the net asset value and New York Stock Exchange price can be different.

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 shares of the fund in the open market at the option of the Board of Trustees and on such terms as the Trustees shall determine.

Table of Contents**PORTFOLIO OF INVESTMENTS**

5/31/11 (unaudited)

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

Bonds - 124.4%		
Issuer	Shares/Par	Value (\$)
Aerospace - 2.5%		
BE Aerospace, Inc., 8.5%, 2018	\$ 315,000	\$ 348,860
Bombardier, Inc., 7.5%, 2018 (n)	405,000	453,600
Bombardier, Inc., 7.75%, 2020 (n)	95,000	107,350
CPI International Acquisition, Inc., 8%, 2018 (n)	160,000	161,000
Hawker Beechcraft Acquisition Co. LLC, 8.5%, 2015	316,000	266,230
Heckler & Koch GmbH, 9.5%, 2018 (z)	EUR 115,000	155,567
Huntington Ingalls Industries, Inc., 7.125%, 2021 (n)	\$ 160,000	167,000
		\$ 1,659,607
Apparel Manufacturers - 1.3%		
Hanesbrands, Inc., 8%, 2016	\$ 245,000	\$ 265,825
Hanesbrands, Inc., 6.375%, 2020	110,000	108,075
Hanesbrands, Inc., FRN, 3.831%, 2014	220,000	219,175
Phillips-Van Heusen Corp., 7.375%, 2020	240,000	259,200
		\$ 852,275
Asset-Backed & Securitized - 2.9%		
Banc of America Commercial Mortgage, Inc., FRN, 6.247%, 2051 (z)	\$ 450,000	\$ 249,361
Citigroup Commercial Mortgage Trust, FRN, 5.697%, 2049	275,000	175,655
G-Force LLC, CDO, A2, 4.83%, 2036 (z)	125,342	125,969
JPMorgan Chase Commercial Mortgage Securities Corp., B, FRN, 5.741%, 2049	250,617	184,824
JPMorgan Chase Commercial Mortgage Securities Corp., C, FRN, 5.741%, 2049	404,598	253,906
JPMorgan Chase Commercial Mortgage Securities Corp., C, FRN, 6.06%, 2051	155,000	122,511
JPMorgan Chase Commercial Mortgage Securities Corp., D, FRN, 5.741%, 2049	1,169,622	587,651
Wachovia Bank Commercial Mortgage Trust, FRN, 5.693%, 2047	250,000	133,038
Wachovia Bank Commercial Mortgage Trust, FRN, 5.753%, 2047	175,000	76,808
		\$ 1,909,723
Automotive - 4.9%		
Accuride Corp., 9.5%, 2018	\$ 375,000	\$ 411,561
Allison Transmission, Inc., 11%, 2015 (n)	310,000	333,250
Allison Transmission, Inc., 7.125%, 2019 (n)	205,000	203,460
Ford Motor Credit Co. LLC, 8%, 2014	125,000	140,396
Ford Motor Credit Co. LLC, 12%, 2015	1,310,000	1,674,238

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Automotive - continued		
General Motors Financial Co., Inc., 6.75%, 2018 (z)	\$ 80,000	\$ 80,608
Goodyear Tire & Rubber Co., 10.5%, 2016	107,000	121,178
Jaguar Land Rover PLC, 8.125%, 2021 (z)	195,000	198,900
UCI International, Inc., 8.625%, 2019 (n)	60,000	63,000
		\$ 3,226,591
Basic Industry - 0.4%		
Trimas Corp., 9.75%, 2017	\$ 215,000	\$ 238,919
Broadcasting - 6.6%		
Allbritton Communications Co., 8%, 2018	\$ 255,000	\$ 265,835
Citadel Broadcasting Corp., 7.75%, 2018 (n)	40,000	43,250
Entravision Communications Corp., 8.75%, 2017	65,000	69,063
Gray Television, Inc., 10.5%, 2015	50,000	53,125
Inmarsat Finance PLC, 7.375%, 2017 (n)	330,000	349,800
Intelsat Bermuda Ltd., 11.25%, 2017	165,000	178,200
Intelsat Jackson Holdings Ltd., 9.5%, 2016	695,000	729,750
Intelsat Jackson Holdings Ltd., 11.25%, 2016	195,000	206,700
Lamar Media Corp., 6.625%, 2015	260,000	265,850
Lamar Media Corp., C, 6.625%, 2015	165,000	168,300
LBI Media, Inc., 8.5%, 2017 (z)	150,000	126,375
Liberty Media Corp., 8.5%, 2029	160,000	156,800
Local TV Finance LLC, 9.25%, 2015 (p)(z)	268,809	268,809
Newport Television LLC, 13%, 2017 (n)(p)	151,820	155,647
Nexstar Broadcasting, Inc., 7%, 2014 (p)	293,998	294,366
Salem Communications Corp., 9.625%, 2016	36,000	38,610
Sinclair Broadcast Group, Inc., 9.25%, 2017 (n)	125,000	139,688
Sinclair Broadcast Group, Inc., 8.375%, 2018	40,000	42,700
SIRIUS XM Radio, Inc., 13%, 2013 (n)	110,000	130,900
SIRIUS XM Radio, Inc., 8.75%, 2015 (n)	220,000	245,850
SIRIUS XM Radio, Inc., 7.625%, 2018 (n)	125,000	132,813
Univision Communications, Inc., 6.875%, 2019 (n)	205,000	205,000
Univision Communications, Inc., 7.875%, 2020 (n)	90,000	95,400
Young Broadcasting, Inc., 8.75%, 2014 (d)	120,000	0
		\$ 4,362,831
Brokerage & Asset Managers - 1.0%		
E*TRADE Financial Corp., 7.875%, 2015	\$ 260,000	\$ 268,125
E*TRADE Financial Corp., 12.5%, 2017	300,000	360,750
		\$ 628,875
Building - 2.6%		
Building Materials Holding Corp., 6.875%, 2018 (n)	\$ 165,000	\$ 168,300

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Building - continued		
Building Materials Holding Corp., 7%, 2020 (n)	\$ 115,000	\$ 120,175
Building Materials Holding Corp., 6.75%, 2021 (n)	100,000	100,750
CEMEX S.A., 9.25%, 2020	375,000	383,906
Masonite International Corp., 8.25%, 2021 (n)	100,000	100,750
Nortek, Inc., 10%, 2018 (n)	120,000	124,800
Nortek, Inc., 8.5%, 2021 (n)	245,000	233,669
Owens Corning, 9%, 2019	220,000	263,441
Ply Gem Industries, Inc., 13.125%, 2014	185,000	201,650
		\$ 1,697,441
Business Services - 1.8%		
First Data Corp., 12.625%, 2021 (n)	\$ 80,000	\$ 87,000
Interactive Data Corp., 10.25%, 2018 (n)	275,000	305,938
Iron Mountain, Inc., 6.625%, 2016	185,000	185,000
SunGard Data Systems, Inc., 10.25%, 2015	377,000	392,080
SunGard Data Systems, Inc., 7.375%, 2018	100,000	102,000
SunGard Data Systems, Inc., 7.625%, 2020	105,000	108,938
		\$ 1,180,956
Cable TV - 5.4%		
Bresnan Broadband Holdings LLC, 8%, 2018 (n)	\$ 60,000	\$ 63,525
Cablevision Systems Corp., 8.625%, 2017	375,000	422,810
CCH II LLC, 13.5%, 2016	285,000	339,150
CCO Holdings LLC, 7.875%, 2018	355,000	376,300
CCO Holdings LLC, 8.125%, 2020	200,000	216,250
Cequel Communications Holdings, 8.625%, 2017 (n)	80,000	85,000
Charter Communications Operating LLC, 10.875%, 2014 (n)	120,000	133,200
CSC Holdings LLC, 8.5%, 2014	255,000	285,600
CSC Holdings LLC, 8.5%, 2015	90,000	97,650
Insight Communications Co., Inc., 9.375%, 2018 (n)	200,000	224,000
Mediacom LLC, 9.125%, 2019	205,000	222,425
ONO Finance II PLC, 10.875%, 2019 (n)	150,000	166,500
Telenet Finance Luxembourg, 6.375%, 2020 (n)	EUR 100,000	137,974
UPCB Finance III Ltd., 6.625%, 2020 (n)	\$ 354,000	353,115
Videotron LTEE, 6.875%, 2014	110,000	111,513
Virgin Media Finance PLC, 9.125%, 2016	100,000	105,500
Virgin Media Finance PLC, 9.5%, 2016	200,000	228,500
		\$ 3,569,012
Chemicals - 5.7%		
Ashland, Inc., 9.125%, 2017	\$ 250,000	\$ 285,000
Celanese U.S. Holdings LLC, 6.625%, 2018	335,000	353,006
Hexion U.S. Finance Corp/Hexion Nova Scotia Finance, 8.875%, 2018	365,000	391,919

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Chemicals - continued		
Hexion U.S. Finance Corp/Hexion Nova Scotia Finance, 9%, 2020	\$ 60,000	\$ 64,500
Huntsman International LLC, 8.625%, 2021	285,000	318,844
Lyondell Chemical Co., 8%, 2017 (n)	100,000	112,500
Lyondell Chemical Co., 11%, 2018	880,539	991,707
Momentive Performance Materials, Inc., 12.5%, 2014	455,000	500,500
Momentive Performance Materials, Inc., 11.5%, 2016	344,000	370,660
Polypore International, Inc., 7.5%, 2017 (n)	170,000	180,625
Solutia, Inc., 7.875%, 2020	145,000	159,500
		\$ 3,728,761
Computer Software - 0.2%		
Syniverse Holdings, Inc., 9.125%, 2019 (n)	\$ 135,000	\$ 144,619
Computer Software - Systems - 0.7%		
DuPont Fabros Technology, Inc., REIT, 8.5%, 2017	\$ 350,000	\$ 385,438
Eagle Parent, Inc., 8.625%, 2019 (z)	95,000	96,069
		\$ 481,507
Conglomerates - 1.4%		
Amsted Industries, Inc., 8.125%, 2018 (n)	\$ 180,000	\$ 190,800
Griffon Corp., 7.125%, 2018 (n)	255,000	260,100
Pinafore LLC, 9%, 2018 (n)	415,000	455,463
		\$ 906,363
Consumer Products - 1.5%		
ACCO Brands Corp., 10.625%, 2015	\$ 30,000	\$ 33,675
ACCO Brands Corp., 7.625%, 2015	80,000	81,100
Easton-Bell Sports, Inc., 9.75%, 2016	145,000	162,763
Elizabeth Arden, Inc., 7.375%, 2021	120,000	126,000
Jarden Corp., 7.5%, 2020	195,000	207,675
Libbey Glass, Inc., 10%, 2015	131,000	142,790
Visant Corp., 10%, 2017	215,000	227,363
		\$ 981,366
Consumer Services - 1.9%		
KAR Holdings, Inc., 10%, 2015	\$ 121,000	\$ 127,353
Realogy Corp., 10.5%, 2014	85,000	87,125
Realogy Corp., 11.5%, 2017 (n)	115,000	121,325
Service Corp. International, 6.75%, 2015	25,000	26,844
Service Corp. International, 7%, 2017	785,000	854,669
		\$ 1,217,316

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Containers - 2.7%		
Exopack Holding Corp., 10%, 2018 (z)	\$ 155,000	\$ 155,000
Graham Packaging Co. LP/GPC Capital Corp., 9.875%, 2014	195,000	202,313
Graham Packaging Co. LP/GPC Capital Corp., 8.25%, 2018	40,000	43,600
Greif, Inc., 6.75%, 2017	350,000	371,875
Owens-Illinois, Inc., 7.375%, 2016	110,000	121,550
Packaging Dynamics Corp., 8.75%, 2016 (z)	65,000	68,006
Reynolds Group, 8.5%, 2016 (n)	305,000	326,350
Reynolds Group, 7.125%, 2019 (n)	130,000	135,200
Reynolds Group, 9%, 2019 (n)	200,000	212,250
Reynolds Group, 8.25%, 2021 (n)	105,000	106,838
		\$ 1,742,982
Defense Electronics - 0.5%		
ManTech International Corp., 7.25%, 2018	\$ 225,000	\$ 237,375
MOOG, Inc., 7.25%, 2018	90,000	95,625
		\$ 333,000
Electronics - 1.0%		
Freescal Semiconductor, Inc., 10.125%, 2018 (n)	\$ 150,000	\$ 170,813
Freescal Semiconductor, Inc., 9.25%, 2018 (n)	160,000	178,400
Jabil Circuit, Inc., 7.75%, 2016	160,000	181,200
Sensata Technologies B.V., 6.5%, 2019 (z)	155,000	156,744
		\$ 687,157
Energy - Independent - 9.8%		
ATP Oil & Gas Corp., 11.875%, 2015	\$ 95,000	\$ 98,800
Berry Petroleum Co., 10.25%, 2014	150,000	173,250
Bill Barrett Corp., 9.875%, 2016	160,000	181,600
Carrizo Oil & Gas, Inc., 8.625%, 2018 (n)	300,000	318,750
Chaparral Energy, Inc., 8.875%, 2017	220,000	229,900
Concho Resources, Inc., 8.625%, 2017	110,000	119,900
Concho Resources, Inc., 6.5%, 2022	225,000	226,125
Connacher Oil & Gas Ltd., 8.5%, 2019 (z)	210,000	207,375
Continental Resources, Inc., 8.25%, 2019	165,000	181,500
Denbury Resources, Inc., 8.25%, 2020	170,000	187,850
Energy XXI Gulf Coast, Inc., 9.25%, 2017 (n)	175,000	188,563
Harvest Operations Corp., 6.875%, 2017 (n)	285,000	300,675
Hilcorp Energy I LP, 9%, 2016 (n)	280,000	291,200
LINN Energy LLC, 6.5%, 2019 (z)	100,000	100,000
LINN Energy LLC, 8.625%, 2020	20,000	21,900
LINN Energy LLC, 7.75%, 2021 (n)	174,000	183,570
Newfield Exploration Co., 6.625%, 2014	155,000	158,100
Newfield Exploration Co., 6.625%, 2016	90,000	93,038

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Energy - Independent - continued		
Newfield Exploration Co., 6.875%, 2020	\$ 65,000	\$ 68,900
OGX Petroleo e Gas Participacoes S.A., 8.5%, 2018 (z)	202,000	206,747
OPTI Canada, Inc., 9.75%, 2013 (n)	135,000	135,844
OPTI Canada, Inc., 8.25%, 2014	600,000	298,500
Petrohawk Energy Corp., 7.25%, 2018	65,000	68,169
Pioneer Natural Resources Co., 6.875%, 2018	300,000	328,843
Pioneer Natural Resources Co., 7.5%, 2020	200,000	227,141
Plains Exploration & Production Co., 7%, 2017	390,000	400,725
QEP Resources, Inc., 6.875%, 2021	410,000	440,750
Quicksilver Resources, Inc., 9.125%, 2019	165,000	180,675
Range Resources Corp., 8%, 2019	115,000	125,638
SandRidge Energy, Inc., 8%, 2018 (n)	455,000	477,750
Whiting Petroleum Corp., 6.5%, 2018	215,000	223,600
		\$ 6,445,378
Engineering - Construction - 0.2%		
B-Corp. Merger Sub, Inc., 8.25%, 2019 (z)	\$ 105,000	\$ 106,181
Entertainment - 1.4%		
AMC Entertainment, Inc., 8.75%, 2019	\$ 250,000	\$ 268,436
AMC Entertainment, Inc., 9.75%, 2020 (n)	125,000	132,656
Cinemark USA, Inc., 8.625%, 2019	380,000	415,150
NAI Entertainment Holdings LLC, 8.25%, 2017 (n)	90,000	97,200
		\$ 913,442
Financial Institutions - 7.5%		
CIT Group, Inc., 5.25%, 2014 (n)	\$ 250,000	\$ 254,652
CIT Group, Inc., 7%, 2016	420,000	421,575
CIT Group, Inc., 7%, 2017	1,345,000	1,350,044
CIT Group, Inc., 6.625%, 2018 (n)	274,000	288,118
Credit Acceptance Corp., 9.125%, 2017	135,000	146,475
Credit Acceptance Corp., 9.125%, 2017 (z)	55,000	59,538
General Electric Capital Corp., 6.375% to 2017, FRN to 2067	265,000	275,600
International Lease Finance Corp., 8.75%, 2017	300,000	339,750
International Lease Finance Corp., 7.125%, 2018 (n)	246,000	269,370
International Lease Finance Corp., 8.25%, 2020	60,000	67,350
Nationstar Mortgage LLC, 10.875%, 2015 (n)	415,000	435,750
SLM Corp., 8.45%, 2018	80,000	90,200
SLM Corp., 8%, 2020	510,000	562,430
Springleaf Finance Corp., 6.9%, 2017	410,000	389,500
		\$ 4,950,352
Food & Beverages - 2.4%		
ARAMARK Corp., 8.5%, 2015	\$ 430,000	\$ 447,200

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Food & Beverages - continued		
B&G Foods, Inc., 7.625%, 2018	\$ 205,000	\$ 220,375
Constellation Brands, Inc., 7.25%, 2016	180,000	196,875
Pinnacle Foods Finance LLC, 9.25%, 2015	330,000	345,675
Pinnacle Foods Finance LLC, 10.625%, 2017	65,000	69,713
Pinnacle Foods Finance LLC, 8.25%, 2017	50,000	53,063
TreeHouse Foods, Inc., 7.75%, 2018	215,000	232,200
		\$ 1,565,101
Forest & Paper Products - 2.0%		
Boise, Inc., 8%, 2020	\$ 225,000	\$ 243,000
Cascades, Inc., 7.75%, 2017	205,000	217,300
Georgia-Pacific Corp., 7.125%, 2017 (n)	190,000	201,875
Georgia-Pacific Corp., 8%, 2024	85,000	102,425
Georgia-Pacific Corp., 7.25%, 2028	55,000	62,356
Graphic Packaging Holding Co., 7.875%, 2018	125,000	136,250
JSG Funding PLC, 7.75%, 2015	10,000	10,263
Smurfit Kappa Group PLC, 7.75%, 2019 (n)	EUR 120,000	180,031
Xerium Technologies, Inc., 8.875%, 2018 (z)	\$ 155,000	155,000
		\$ 1,308,500
Gaming & Lodging - 6.3%		
American Casinos, Inc., 7.5%, 2021 (n)	\$ 200,000	\$ 207,500
Boyd Gaming Corp., 7.125%, 2016	65,000	61,344
Firekeepers Development Authority, 13.875%, 2015 (n)	335,000	392,788
Fontainebleau Las Vegas Holdings LLC, 10.25%, 2015 (d)(n)	695,000	348
GWR Operating Partnership LLP, 10.875%, 2017	135,000	147,150
Harrah s Operating Co., Inc., 11.25%, 2017	330,000	371,250
Harrah s Operating Co., Inc., 10%, 2018	164,000	147,600
Harrah s Operating Co., Inc., 10%, 2018	320,000	296,000
Host Hotels & Resorts, Inc., 6.75%, 2016	195,000	201,338
Host Hotels & Resorts, Inc., 9%, 2017	380,000	429,400
MGM Mirage, 10.375%, 2014	40,000	46,200
MGM Mirage, 11.125%, 2017	300,000	348,000
MGM Resorts International, 11.375%, 2018	110,000	126,500
MGM Resorts International, 9%, 2020	170,000	189,125
Penn National Gaming, Inc., 8.75%, 2019	277,000	302,276
Seven Seas Cruises S. de R.L., 9.125%, 2019 (z)	90,000	92,475
Starwood Hotels & Resorts Worldwide, Inc., 6.75%, 2018	100,000	109,750
Station Casinos, Inc., 6.875%, 2016 (d)	715,000	72
Station Casinos, Inc., 6.625%, 2018 (d)	875,000	88
Wyndham Worldwide Corp., 6%, 2016	170,000	181,593
Wyndham Worldwide Corp., 7.375%, 2020	170,000	191,244
Wynn Las Vegas LLC, 7.75%, 2020	280,000	306,950
		\$ 4,148,991

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Industrial - 1.8%		
Altra Holdings, Inc., 8.125%, 2016	\$ 115,000	\$ 124,486
Dematic S.A., 8.75%, 2016 (z)	200,000	203,000
Diversey, Inc., 8.25%, 2019	160,000	172,800
Hillman Group, Inc., 10.875%, 2018	140,000	154,000
Hillman Group, Inc., 10.875%, 2018 (z)	35,000	38,500
Hyva Global B.V., 8.625%, 2016 (n)	200,000	205,000
Mueller Water Products, Inc., 7.375%, 2017	49,000	49,123
Mueller Water Products, Inc., 8.75%, 2020	156,000	174,720
WCA Waste Corp., 7.5%, 2019 (z)	85,000	86,275
		\$ 1,207,904
Insurance - 2.0%		
ING Capital Funding Trust III, FRN, 3.907%, 2049	\$ 80,000	\$ 77,196
ING Groep N.V., 5.775% to 2015, FRN to 2049	485,000	451,050
MetLife, Inc., 9.25% to 2038, FRN to 2068 (n)	600,000	762,000
		\$ 1,290,246
Insurance - Property & Casualty - 1.8%		
Liberty Mutual Group, Inc., 10.75% to 2038, FRN to 2088 (n)	\$ 330,000	\$ 447,150
USI Holdings Corp., 9.75%, 2015 (z)	320,000	328,000
XL Group PLC, 6.5% to 2017, FRN to 2049	430,000	405,813
		\$ 1,180,963
International Market Sovereign - 0.4%		
Republic of Ireland, 4.5%, 2020	EUR 85,000	\$ 80,267
Republic of Ireland, 5.4%, 2025	210,000	197,978
		\$ 278,245
Machinery & Tools - 1.5%		
Case Corp., 7.25%, 2016	\$ 90,000	\$ 98,211
Case New Holland, Inc., 7.875%, 2017 (n)	525,000	584,063
Rental Service Corp., 9.5%, 2014	178,000	186,455
RSC Equipment Rental, Inc., 8.25%, 2021	95,000	98,088
		\$ 966,817
Major Banks - 2.7%		
Bank of America Corp., 8% to 2018, FRN to 2049	\$ 730,000	\$ 784,492
JPMorgan Chase & Co., 7.9% to 2018, FRN to 2049	445,000	490,110
Royal Bank of Scotland Group PLC, 7.648% to 2031, FRN to 2049	450,000	426,375
Royal Bank of Scotland Group PLC, 6.99% to 2017, FRN to 2049 (d)(n)	100,000	92,500
		\$ 1,793,477

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Medical & Health Technology & Services - 6.8%		
Biomet, Inc., 10.375%, 2017 (p)	\$ 85,000	\$ 94,350
Biomet, Inc., 11.625%, 2017	475,000	533,186
CDRT Merger Sub, Inc., 8.125%, 2019 (z)	80,000	80,700
Davita, Inc., 6.375%, 2018	440,000	450,450
Davita, Inc., 6.625%, 2020	105,000	107,625
Fresenius Medical Care AG & Co. KGaA, 9%, 2015 (n)	165,000	188,719
HCA, Inc., 9.25%, 2016	515,000	549,763
HCA, Inc., 8.5%, 2019	480,000	537,000
HealthSouth Corp., 8.125%, 2020	435,000	478,500
United Surgical Partners International, Inc., 8.875%, 2017	95,000	100,581
United Surgical Partners International, Inc., 9.25%, 2017 (p)	125,000	132,656
Universal Health Services, Inc., 7%, 2018	80,000	83,700
Universal Hospital Services, Inc., 8.5%, 2015 (p)	400,000	414,000
Vanguard Health Systems, Inc., 0%, 2016 (z)	45,000	29,081
Vanguard Health Systems, Inc., 8%, 2018	230,000	239,775
VWR Funding, Inc., 10.25%, 2015 (p)	402,062	420,657
		\$ 4,440,743
Metals & Mining - 2.3%		
Arch Coal, Inc., 7.25%, 2020	\$ 110,000	\$ 116,050
Arch Western Finance LLC, 6.75%, 2013	85,000	85,319
Cloud Peak Energy, Inc., 8.25%, 2017	165,000	179,850
Cloud Peak Energy, Inc., 8.5%, 2019	225,000	250,875
Consol Energy, Inc., 8%, 2017	170,000	186,150
Consol Energy, Inc., 8.25%, 2020	110,000	122,100
Novelis, Inc., 8.375%, 2017	110,000	119,900
Novelis, Inc., 8.75%, 2020	60,000	66,300
Peabody Energy Corp., 7.375%, 2016	350,000	395,500
		\$ 1,522,044
Natural Gas - Distribution - 0.7%		
AmeriGas Partners LP, 7.125%, 2016	\$ 295,000	\$ 304,586
Ferrellgas Partners LP, 8.625%, 2020	117,000	128,700
		\$ 433,286
Natural Gas - Pipeline - 2.4%		
Atlas Pipeline Partners LP, 8.75%, 2018	\$ 200,000	\$ 216,000
Colorado Interstate Gas Co., 6.8%, 2015	91,000	106,594
Crosstex Energy, Inc., 8.875%, 2018	235,000	254,975
El Paso Corp., 7%, 2017	185,000	214,487
El Paso Corp., 7.75%, 2032	205,000	249,707
Energy Transfer Equity LP, 7.5%, 2020	290,000	316,100
Enterprise Products Partners LP, 8.375% to 2016, FRN to 2066	109,000	118,810

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Natural Gas - Pipeline - continued		
Enterprise Products Partners LP, 7.034% to 2018, FRN to 2068	\$ 67,000	\$ 70,685
		\$ 1,547,358
Network & Telecom - 2.8%		
Cincinnati Bell, Inc., 8.75%, 2018	\$ 270,000	\$ 260,550
Citizens Communications Co., 9%, 2031	70,000	73,063
Frontier Communications Corp., 8.25%, 2017	65,000	71,338
Frontier Communications Corp., 8.125%, 2018	195,000	214,256
Qwest Communications International, Inc., 8%, 2015	105,000	114,975
Qwest Communications International, Inc., 7.125%, 2018 (n)	315,000	341,381
Qwest Communications International, Inc. B, 7.5%, 2014	250,000	253,438
Qwest Corp., 7.5%, 2014	145,000	164,575
Windstream Corp., 8.125%, 2018	45,000	49,106
Windstream Corp., 7.75%, 2020	200,000	215,000
Windstream Corp., 7.75%, 2021	100,000	108,250
		\$ 1,865,932
Oil Services - 1.2%		
Edgen Murray Corp., 12.25%, 2015	\$ 105,000	\$ 107,625
Expro Finance Luxembourg, 8.5%, 2016 (n)	190,000	185,250
McJunkin Red Man Holding Corp., 9.5%, 2016 (n)	160,000	164,800
Pioneer Drilling Co., 9.875%, 2018	230,000	249,263
Unit Corp., 6.625%, 2021	50,000	50,750
		\$ 757,688
Oils - 0.3%		
Petroplus Holdings AG, 9.375%, 2019 (n)	\$ 205,000	\$ 210,125
Other Banks & Diversified Financials - 1.5%		
Capital One Financial Corp., 10.25%, 2039	\$ 220,000	\$ 234,025
Groupe BPCE S.A., 12.5% to 2019, FRN to 2049 (n)	125,000	147,471
LBG Capital No.1 PLC, 7.875%, 2020 (n)	210,000	206,850
Santander UK PLC, 8.963% to 2030, FRN to 2049	352,000	396,774
		\$ 985,120
Printing & Publishing - 0.7%		
American Media, Inc., 13.5%, 2018 (z)	\$ 28,207	\$ 30,605
McClatchy Co., 11.5%, 2017	100,000	109,500
Morris Publishing Group LLC, 10%, 2014	87,311	85,128
Nielsen Finance LLC, 11.5%, 2016	97,000	114,703
Nielsen Finance LLC, 7.75%, 2018 (n)	105,000	112,613
		\$ 452,549

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Railroad & Shipping - 0.6%		
Kansas City Southern de Mexico, 6.125%, 2021 (z)	\$ 90,000	\$ 90,450
Kansas City Southern Railway, 8%, 2015	310,000	337,125
		\$ 427,575
Real Estate - 1.2%		
CB Richard Ellis Group, Inc., 11.625%, 2017	\$ 180,000	\$ 212,400
CNL Lifestyle Properties, Inc., REIT, 7.25%, 2019 (n)	80,000	76,400
Entertainment Properties Trust, REIT, 7.75%, 2020 (n)	200,000	220,000
Kennedy Wilson, Inc., 8.75%, 2019 (n)	155,000	156,938
MPT Operating Partnership, 6.875%, 2021 (n)	130,000	130,650
		\$ 796,388
Restaurants - 0.1%		
Dunkin Finance Corp., 9.625%, 2018 (n)	\$ 54,000	\$ 54,472
Retailers - 3.1%		
Burlington Coat Factory Warehouse Corp., 10%, 2019 (n)	\$ 100,000	\$ 100,250
Express LLC/Express Finance Corp., 8.75%, 2018	110,000	119,350
J. Crew Group, Inc., 8.125%, 2019 (n)	70,000	67,200
Limited Brands, Inc., 6.9%, 2017	125,000	136,250
Limited Brands, Inc., 6.95%, 2033	175,000	162,969
Neiman Marcus Group, Inc., 10.375%, 2015	300,000	315,750
QVC, Inc., 7.375%, 2020 (n)	125,000	134,063
Sally Beauty Holdings, Inc., 10.5%, 2016	275,000	298,375
Toys R Us Property Co. II LLC, 8.5%, 2017	330,000	353,513
Toys R Us, Inc., 10.75%, 2017	280,000	316,400
Yankee Holdings Corp., 10.25%, 2016 (n)(p)	55,000	56,650
		\$ 2,060,770
Specialty Stores - 0.4%		
Michaels Stores, Inc., 11.375%, 2016	\$ 125,000	\$ 135,156
Michaels Stores, Inc., 7.75%, 2018 (n)	155,000	158,488
		\$ 293,644
Telecommunications - Wireless - 6.0%		
Clearwire Corp., 12%, 2015 (n)	\$ 435,000	\$ 475,781
Cricket Communications, Inc., 7.75%, 2016	135,000	143,438
Crown Castle International Corp., 9%, 2015	215,000	238,650
Crown Castle International Corp., 7.125%, 2019	345,000	367,425
Digicel Group Ltd., 8.25%, 2017 (n)	235,000	246,750
Digicel Group Ltd., 10.5%, 2018 (n)	100,000	113,000
EH Holding Corp., 7.625%, 2021 (z)	55,000	56,238
MetroPCS Wireless, Inc., 7.875%, 2018	205,000	220,631

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Telecommunications - Wireless - continued		
Nextel Communications, Inc., 7.375%, 2015	\$ 170,000	\$ 171,063
NII Holdings, Inc., 10%, 2016	160,000	183,600
NII Holdings, Inc., 8.875%, 2019	100,000	110,750
NII Holdings, Inc., 7.625%, 2021	100,000	106,125
SBA Communications Corp., 8%, 2016	80,000	86,900
SBA Communications Corp., 8.25%, 2019	125,000	137,656
Sprint Capital Corp., 6.875%, 2028	90,000	87,300
Sprint Nextel Corp., 8.375%, 2017	450,000	507,375
Sprint Nextel Corp., 8.75%, 2032	110,000	121,413
Wind Acquisition Finance S.A., 11.75%, 2017 (n)	300,000	348,750
Wind Acquisition Finance S.A., 7.25%, 2018 (n)	210,000	223,125
		\$ 3,945,970
Telephone Services - 0.2%		
Cogent Communications Group, Inc., 8.375%, 2018 (n)	\$ 100,000	\$ 104,500
Transportation - 0.1%		
Navios South American Logistics, Inc., 9.25%, 2019 (n)	\$ 81,000	\$ 82,620
Transportation - Services - 2.8%		
ACL I Corp., 10.625%, 2016 (p)(z)	\$ 150,000	\$ 144,881
Aguila American Resources Ltd., 7.875%, 2018 (n)	150,000	153,375
American Petroleum Tankers LLC, 10.25%, 2015	131,000	139,186
Atlas Airlines, Inc. Pass-Through Certificates, A-1, 7.2%, 2019	107,009	110,219
Atlas Airlines, Inc. Pass-Through Certificates, B, 7.68%, 2014	122,966	120,507
Commercial Barge Line Co., 12.5%, 2017	315,000	365,400
Hertz Corp., 8.875%, 2014	55,000	56,375
Hertz Corp., 7.5%, 2018 (n)	130,000	136,500
Hertz Corp., 7.375%, 2021 (n)	90,000	93,150
Navios Maritime Acquisition Corp., 8.625%, 2017 (z)	95,000	97,138
Navios Maritime Acquisition Corp., 8.625%, 2017	105,000	107,363
Navios Maritime Holdings, Inc., 8.875%, 2017	90,000	96,525
Swift Services Holdings, Inc., 10%, 2018 (n)	200,000	222,000
		\$ 1,842,619
Utilities - Electric Power - 6.4%		
AES Corp., 8%, 2017	\$ 390,000	\$ 421,686
Calpine Corp., 8%, 2016 (n)	415,000	452,350
Calpine Corp., 7.875%, 2020 (n)	215,000	227,900
Covanta Holding Corp., 7.25%, 2020	205,000	220,285
Dynegy Holdings, Inc., 7.5%, 2015	65,000	54,763
Dynegy Holdings, Inc., 7.125%, 2018	540,000	378,000
Dynegy Holdings, Inc., 7.75%, 2019	255,000	186,150

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Utilities - Electric Power - continued		
Edison Mission Energy, 7%, 2017	\$ 395,000	\$ 326,863
EDP Finance B.V., 6%, 2018 (n)	175,000	170,310
Energy Future Holdings Corp., 10%, 2020	270,000	292,318
Energy Future Holdings Corp., 10%, 2020	455,000	494,884
GenOn Energy, Inc., 9.875%, 2020	475,000	499,938
NRG Energy, Inc., 7.375%, 2017	165,000	174,075
NRG Energy, Inc., 8.25%, 2020	160,000	164,000
Texas Competitive Electric Holdings Co. LLC, 11.5%, 2020 (n)	120,000	121,500
		\$ 4,185,022
Total Bonds (Identified Cost, \$79,931,471)		\$ 81,713,323
Floating Rate Loans (g)(r) - 0.7%		
Aerospace - 0.1%		
Hawker Beechcraft Acquisition Co. LLC, Term Loan, 10.5%, 2014	\$ 103,344	\$ 104,946
Broadcasting - 0.3%		
Gray Television, Inc., Term Loan B, 3.71%, 2014	\$ 64,826	\$ 64,316
Local TV Finance LLC, Term Loan B, 2.31%, 2013	14,880	14,573
New Young Broadcasting Holding Co., Inc., Term Loan, 8%, 2015	92,724	93,246
		\$ 172,135
Building - 0.0%		
Goodman Global Holdings, Inc., 2nd Lien Term Loan, 9%, 2017	\$ 9,907	\$ 10,202
Financial Institutions - 0.1%		
Springleaf Finance Corp., Term Loan, 5.5%, 2017	\$ 80,705	\$ 80,579
Gaming & Lodging - 0.2%		
Green Valley Ranch Gaming LLC, Second Lien Term Loan, 3.5%, 2014 (d)	\$ 525,000	\$ 4,115
MGM Mirage, Term Loan, 7%, 2014	119,806	119,107
		\$ 123,222
Total Floating Rate Loans (Identified Cost, \$812,955)		\$ 491,084
Convertible Preferred Stocks - 0.6%		
Automotive - 0.3%		
General Motors Co., 4.75%	4,360	\$ 218,436
Insurance - 0.3%		
MetLife, Inc., 5%	2,330	\$ 192,714
Total Convertible Preferred Stocks (Identified Cost, \$410,831)		\$ 411,150

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Portfolio of Investments (unaudited) continued

Preferred Stocks - 0.6%				
Issuer		Shares/Par		Value (\$)
Other Banks & Diversified Financials - 0.6%				
Ally Financial, Inc., 7% (n)		\$ 100		\$ 96,597
Ally Financial, Inc., A, 8.5%		4,835		127,354
GMAC Capital Trust I, 8.125%		5,675		149,082
Total Preferred Stocks (Identified Cost, \$363,968)				\$ 373,033
Common Stocks - 0.5%				
Automotive - 0.1%				
Accuride Corp. (a)		4,099		\$ 53,697
Broadcasting - 0.2%				
New Young Broadcasting Holding Co., Inc. (a)		42		\$ 115,500
Printing & Publishing - 0.2%				
American Media Operations, Inc. (a)		7,229		\$ 125,351
Special Products & Services - 0.0%				
Mark IV Industries LLC, Common Units, A (a)		207		\$ 11,747
Total Common Stocks (Identified Cost, \$431,914)				\$ 306,295
		Strike Price	First Exercise	
Warrants - 0.2%				
Broadcasting - 0.2%				
New Young Broadcasting Holding Co., Inc. (1 share for 1 warrant)				
(Identified Cost, \$71,909) (a)	\$ 0.01	7/14/10	38	\$ 104,500
Money Market Funds (v) - 4.3%				
MFS Institutional Money Market Portfolio, 0.13%, at Cost and Net Asset Value			2,843,542	\$ 2,843,542
Total Investments (Identified Cost, \$84,866,590)				\$ 86,242,927
Other Assets, Less Liabilities - (31.3)%				(20,543,935)
Net Assets - 100.0%				\$ 65,698,992

(a) Non-income producing security.

(d) Non-income producing security - 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 \$20,414,868, representing 31.1% of net assets.

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Portfolio of Investments (unaudited) continued

(p) Payment-in-kind security.

(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 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 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:

	Acquisition		
Restricted Securities	Date	Cost	Value
ACL I Corp., 10.625%, 2016	2/10/11	\$147,494	\$144,881
American Media, Inc., 13.5%, 2018	12/22/10	28,642	30,605
B-Corp. Merger Sub, Inc., 8.25%, 2019	5/17/11	105,000	106,181
Banc of America Commercial Mortgage, Inc., FRN, 6.247%, 2051	6/19/08	328,329	249,361
CDRT Merger Sub, Inc., 8.125%, 2019	5/13/11	80,000	80,700
Connacher Oil & Gas Ltd., 8.5%, 2019	5/20/11	210,000	207,375
Credit Acceptance Corp., 9.125%, 2017	2/28/11	58,188	59,538
Dematic S.A., 8.75%, 2016	4/19/11	202,954	203,000
EH Holding Corp., 7.625%, 2021	5/17/11	55,000	56,238
Eagle Parent, Inc., 8.625%, 2019	5/11/11-5/24/11	95,674	96,069
Exopack Holding Corp., 10%, 2018	5/25/11	155,344	155,000
G-Force LLC, CDO, A2, 4.83%, 2036	1/20/11	121,620	125,969
General Motors Financial Co., Inc., 6.75%, 2018	5/26/11	80,000	80,608
Heckler & Koch GmbH, 9.5%, 2018	5/10/11	162,505	155,567
Hillman Group, Inc., 10.875%, 2018	3/11/11	38,168	38,500
Jaguar Land Rover PLC, 8.125%, 2021	5/16/11	200,593	198,900
Kansas City Southern de Mexico, 6.125%, 2021	5/06/11-5/09/11	90,711	90,450
LBI Media, Inc., 8.5%, 2017	7/18/07	148,238	126,375
LINN Energy LLC, 6.5%, 2019	5/10/11	99,236	100,000
Local TV Finance LLC, 9.25%, 2015	5/02/07-2/16/11	269,996	268,809
Navios Maritime Acquisition Corp., 8.625%, 2017	5/12/11	97,133	97,138
OGX Petroleo e Gas Participacoes S.A., 8.5%, 2018	5/26/11	202,000	206,747
Packaging Dynamics Corp., 8.75%, 2016	1/25/11-2/01/11	65,787	68,006
Sensata Technologies B.V., 6.5%, 2019	5/06/11-5/18/11	156,208	156,744
Seven Seas Cruises S. de R.L., 9.125%, 2019	5/13/11	90,000	92,475
USI Holdings Corp., 9.75%, 2015	4/26/07-9/13/07	317,709	328,000
Vanguard Health Systems, Inc., 2016	5/20/11	29,303	29,081
WCA Waste Corp., 7.5%, 2019	5/26/11	85,000	86,275
Xerium Technologies, Inc., 8.875%, 2018	5/20/11	155,000	155,000
Total Restricted Securities			\$3,793,592
% of Net Assets			5.8%

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Portfolio of Investments (unaudited) continued

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

CDO Collateralized Debt Obligation

FRN Floating Rate Note. Interest rate resets periodically and 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 5/31/11

Forward Foreign Currency Exchange Contracts at 5/31/11

Type	Currency	Counterparty	Contracts to Deliver/Receive	Settlement Date Range	In Exchange for	Contracts at Value	Net Unrealized Appreciation (Depreciation)
Asset Derivatives							
BUY	EUR	Citibank N.A.	69,125	7/12/11	\$ 99,084	\$ 99,385	\$ 301
BUY	EUR	Credit Suisse Group	204,038	7/12/11	291,245	293,357	2,112
SELL	EUR	HSBC Bank	125,825	7/12/11	183,622	180,905	2,717
							\$ 5,130
Liability Derivatives							
SELL	EUR	Citibank N.A.	112,874	7/12/11	\$ 162,169	\$ 162,286	\$ (117)
SELL	EUR	Deutsche Bank AG	35,739	7/12/11	50,709	51,384	(675)
SELL	EUR	Goldman Sachs International	69,125	7/12/11	99,370	99,385	(15)
SELL	EUR	UBS AG	477,655	6/15/11-7/12/11	681,352	686,775	(5,423)
							\$ (6,230)

Futures Contracts Outstanding at 5/31/11

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Liability Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Bond 30 yr (Short)	USD	2	\$249,688	September - 2011	\$ (804)
U.S. Treasury Note 10 yr (Short)	USD	8	980,875	September - 2011	(6,653)
					\$(7,457)

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

See Notes to Financial Statements

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

At 5/31/11 (unaudited)

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

Assets		
Investments-		
Non-affiliated issuers, at value (identified cost, \$82,023,048)	\$83,399,385	
Underlying affiliated funds, at cost and value	2,843,542	
Total investments, at value (identified cost, \$84,866,590)		\$86,242,927
Restricted cash	18,300	
Receivables for		
Forward foreign currency exchange contracts	5,130	
Investments sold	401,303	
Interest and dividends	1,714,624	
Other assets	17,496	
Total assets		\$88,399,780
Liabilities		
Notes payable	\$22,000,000	
Payable to custodian	9,929	
Payables for		
Distributions	31,172	
Forward foreign currency exchange contracts	6,230	
Daily variation margin on open futures contracts	1,625	
Investments purchased	527,000	
Payable to affiliates		
Investment adviser	24,048	
Transfer agent and dividend disbursing costs	782	
Payable for independent Trustees' compensation	3,020	
Accrued interest expense	43,200	
Accrued expenses and other liabilities	53,782	
Total liabilities		\$22,700,788
Net assets		