

MFS INTERMEDIATE HIGH INCOME FUND

Form N-CSRS

August 05, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-5567

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)

Susan S. Newton

Massachusetts Financial Services Company

111 Huntington Avenue

Boston, Massachusetts 02199

(Name and address of agents for service)

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

Date of fiscal year end: November 30

Date of reporting period: May 31, 2014

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ITEM 1. REPORTS TO STOCKHOLDERS.

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SEMIANNUAL REPORT

May 31, 2014

MFS® INTERMEDIATE HIGH INCOME FUND

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 CHAIRMAN AND CEO

Dear Shareholders:

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

U.S. economy could be regaining traction.

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

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

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

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

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

Respectfully,

Robert J. Manning

Chairman and Chief Executive Officer

MFS Investment Management

July 16, 2014

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

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

Energy Independent	11.4%
Medical & Health Technology & Services	6.5%
Broadcasting	6.4%
Telecommunications Wireless	5.7%
Cable TV	5.4%

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

BBB	3.0%
BB	46.3%
B	61.0%
CCC	17.8%
C	0.1%
Not Rated	1.3%
Non-Fixed Income	0.8%
Cash & Other	(30.3)%

Portfolio facts (i)

Average Duration (d)	5.6
Average Effective Maturity (m)	6.9 yrs.

(a) For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). Securities rated BBB or higher are considered investment grade. All ratings are subject to change. Not Rated includes fixed income securities, including fixed income futures contracts, which have not been rated by any rating agency. Non-Fixed Income includes equity securities (including convertible bonds and equity derivatives) and commodities. The fund may not hold all of these instruments. The fund is not rated by these agencies.

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

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Portfolio Composition continued

- (i) For purposes of this presentation, the components include the market value of securities, and reflect the impact of the equivalent exposure of derivative positions, if any. These amounts may be negative from time to time. Equivalent exposure is a calculated amount that translates the derivative position into a reasonable approximation of the amount of the underlying asset that the portfolio would have to hold at a given point in time to have the same price sensitivity that results from the portfolio's ownership of the derivative contract. When dealing with derivatives, equivalent exposure is a more representative measure of the potential impact of a position on portfolio performance than market value. The bond component will include any accrued interest amounts.
 - (m) In determining an instrument's effective maturity for purposes of calculating the fund's dollar-weighted average effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a put, pre-refunding or prepayment) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.
- From time to time Cash & Other may be negative due to borrowings for leverage transactions, timing of cash receipts, and/or equivalent exposure from any derivative holdings.

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

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

Percentages are based on net assets as of 5/31/14.

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

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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.

OTHER NOTES

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

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

In accordance with Section 23(c) of the Investment Company Act of 1940, the fund hereby gives notice that it may from time to time repurchase 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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5/31/14 (unaudited)

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

Bonds - 123.3%		
Issuer	Shares/Par	Value (\$)
Aerospace - 3.9%		
Alliant Techsystems, Inc., 5.25%, 10/01/21 (n)	\$ 62,000	\$ 64,635
Bombardier, Inc., 7.5%, 3/15/18 (n)	235,000	266,138
Bombardier, Inc., 7.75%, 3/15/20 (n)	135,000	152,550
Bombardier, Inc., 6.125%, 1/15/23 (n)	310,000	316,975
CPI International, Inc., 8.75%, 2/15/18	300,000	312,000
Gencorp, Inc., 7.125%, 3/15/21	325,000	353,438
Huntington Ingalls Industries, Inc., 7.125%, 3/15/21	405,000	442,463
Kratos Defense & Security Solutions, Inc., 10%, 6/01/17	555,000	584,831
TransDigm, Inc., 6%, 7/15/22 (z)	25,000	25,188
TransDigm, Inc., 6.5%, 7/15/24 (z)	100,000	101,500
		\$ 2,619,718
Apparel Manufacturers - 0.6%		
Hanesbrands, Inc., 6.375%, 12/15/20	\$ 225,000	\$ 243,844
PVH Corp., 4.5%, 12/15/22	145,000	142,825
		\$ 386,669
Asset-Backed & Securitized - 0.6%		
Banc of America Commercial Mortgage, Inc., FRN, 6.273%, 2/10/51 (z)	\$ 450,000	\$ 239,093
Citigroup Commercial Mortgage Trust, FRN, 5.709%, 12/10/49	275,000	43,137
G-Force LLC, CDO, A2, 4.83%, 8/22/36 (z)	1,858	1,901
JPMorgan Chase Commercial Mortgage Securities Corp., C, FRN, 6.006%, 2/15/51	155,000	91,422
		\$ 375,553
Automotive - 3.5%		
Accuride Corp., 9.5%, 8/01/18	\$ 425,000	\$ 448,906
Allison Transmission, Inc., 7.125%, 5/15/19 (n)	585,000	627,413
Goodyear Tire & Rubber Co., 6.5%, 3/01/21	385,000	419,650
Goodyear Tire & Rubber Co., 7%, 5/15/22	85,000	94,775
Jaguar Land Rover PLC, 8.125%, 5/15/21 (n)	345,000	389,419
Jaguar Land Rover PLC, 5.625%, 2/01/23 (n)	150,000	157,500
Lear Corp., 8.125%, 3/15/20	133,000	144,638
Lear Corp., 4.75%, 1/15/23	110,000	109,725
		\$ 2,392,026
Broadcasting - 6.3%		
AMC Networks, Inc., 7.75%, 7/15/21	\$ 351,000	\$ 392,243
Clear Channel Communications, Inc., 9%, 3/01/21	208,000	222,040

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Broadcasting - continued		
Clear Channel Worldwide Holdings, Inc., A , 7.625%, 3/15/20	\$ 10,000	\$ 10,700
Clear Channel Worldwide Holdings, Inc., A , 6.5%, 11/15/22	45,000	47,869
Clear Channel Worldwide Holdings, Inc., B , 7.625%, 3/15/20	185,000	198,875
Clear Channel Worldwide Holdings, Inc., B , 6.5%, 11/15/22	205,000	219,350
IAC/InterActive Corp., 4.875%, 11/30/18	45,000	47,138
IAC/InterActive Corp., 4.75%, 12/15/22	165,000	162,113
Inmarsat Finance PLC, 7.375%, 12/01/17 (n)	165,000	171,749
Intelsat Jackson Holdings S.A., 6.625%, 12/15/22 (n)	52,000	54,210
Intelsat Jackson Holdings S.A., 6.625%, 12/15/22	330,000	344,025
Intelsat Jackson Holdings S.A., 5.5%, 8/01/23 (n)	234,000	232,830
Intelsat Luxembourg S.A., 8.125%, 6/01/23	365,000	392,375
Liberty Media Corp., 8.5%, 7/15/29	250,000	279,375
Liberty Media Corp., 8.25%, 2/01/30	10,000	11,050
Netflix, Inc., 5.375%, 2/01/21	250,000	260,625
Nexstar Broadcasting, Inc., 6.875%, 11/15/20	260,000	277,550
SIRIUS XM Radio, Inc., 4.25%, 5/15/20 (n)	70,000	68,950
SIRIUS XM Radio, Inc., 5.875%, 10/01/20 (n)	30,000	31,800
SIRIUS XM Radio, Inc., 4.625%, 5/15/23 (n)	125,000	119,063
SIRIUS XM Radio, Inc., 6%, 7/15/24 (z)	135,000	138,713
Univision Communications, Inc., 6.875%, 5/15/19 (n)	280,000	299,600
Univision Communications, Inc., 7.875%, 11/01/20 (n)	195,000	214,744
Univision Communications, Inc., 8.5%, 5/15/21 (n)	80,000	87,800
		\$ 4,284,787
Brokerage & Asset Managers - 0.8%		
E*TRADE Financial Corp., 6.375%, 11/15/19	\$ 485,000	\$ 526,831
Building - 4.3%		
Allegion U.S. Holding Co., Inc., 5.75%, 10/01/21 (n)	\$ 220,000	\$ 232,650
Building Materials Holding Corp., 6.875%, 8/15/18 (n)	185,000	192,516
Building Materials Holding Corp., 7%, 2/15/20 (n)	115,000	122,475
Building Materials Holding Corp., 6.75%, 5/01/21 (n)	160,000	172,800
CEMEX Espana S.A., 9.25%, 5/12/20 (n)	205,000	224,475
CEMEX S.A.B. de C.V., 9.25%, 5/12/20	170,000	186,150
Gibraltar Industries, Inc., 6.25%, 2/01/21	140,000	147,350
HD Supply, Inc., 8.125%, 4/15/19	125,000	137,813
HD Supply, Inc., 7.5%, 7/15/20	390,000	423,150
Headwaters, Inc., 7.25%, 1/15/19 (n)	90,000	95,400
Headwaters, Inc., 7.625%, 4/01/19	60,000	64,500
Nortek, Inc., 8.5%, 4/15/21	290,000	319,725
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 6/01/20 (n)	222,000	236,985
USG Corp., 6.3%, 11/15/16	179,000	193,320

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Building - continued		
USG Corp., 7.875%, 3/30/20 (n)	\$ 110,000	\$ 122,100
USG Corp., 5.875%, 11/01/21 (n)	60,000	63,600
		\$ 2,935,009
Business Services - 1.9%		
Equinix, Inc., 4.875%, 4/01/20	\$ 190,000	\$ 195,225
Equinix, Inc., 5.375%, 4/01/23	110,000	112,200
Fidelity National Information Services, Inc., 5%, 3/15/22	170,000	178,934
First Data Corp., 10.625%, 6/15/21	80,000	91,700
Iron Mountain, Inc., 8.375%, 8/15/21	187,000	196,810
Iron Mountain, Inc., 6%, 8/15/23	170,000	180,625
Lender Processing Services, Inc., 5.75%, 4/15/23	70,000	75,338
NeuStar, Inc., 4.5%, 1/15/23	260,000	234,000
		\$ 1,264,832
Cable TV - 5.3%		
CCO Holdings LLC/CCO Holdings Capital Corp., 8.125%, 4/30/20	\$ 445,000	\$ 485,050
CCO Holdings LLC/CCO Holdings Capital Corp., 7.375%, 6/01/20	75,000	82,125
CCO Holdings LLC/CCO Holdings Capital Corp., 6.5%, 4/30/21	350,000	373,625
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/24	220,000	226,325
Cequel Communications Holdings, 6.375%, 9/15/20 (n)	235,000	