

MFS INTERMEDIATE HIGH INCOME FUND

Form N-CSRS

July 29, 2015

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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, 2015

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ITEM 1. REPORTS TO STOCKHOLDERS.

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SEMIANNUAL REPORT

May 31, 2015

MFS® INTERMEDIATE HIGH INCOME FUND

CIH-SEM

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MANAGED DISTRIBUTION POLICY DISCLOSURE

The MFS Intermediate High Income Fund's (the fund) Board of Trustees has adopted a managed distribution policy effective May 1, 2015. 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 fund's total return in relation to changes in net asset value is presented in the Financial Highlights. 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.

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 the remainder of 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.

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. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with yield or income. 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.

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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:

Global economic conditions were sluggish in early 2015. U.S. growth decelerated sharply, and a strong dollar made exports more expensive. Also contributing to

weakness were a slow, tentative eurozone economic recovery, a steady deceleration in China's pace of growth and a struggling Japanese economy.

Other major economies and regions have struggled, leading central banks to step up their efforts to stimulate economic growth. The European Central Bank's quantitative easing program has begun to make an impact. However, risks associated with a potential Greek debt default and potential eurozone exit have weighed on business and investor confidence.

Despite the People's Bank of China's targeted stimulative actions,

China's economic growth rate has continued to decelerate to multi-decade lows, and Chinese equity markets are showing signs of strain.

In Puerto Rico, concerns about the island nation's ability to pay its outstanding debt obligations resurfaced, which weighed on municipal bond markets.

The U.S. Federal Reserve has remained accommodative in the face of global headwinds and low inflation.

The world's financial markets have become increasingly complex in recent years. Now, more than ever, it is important to understand companies on a global basis. At MFS®, we believe our integrated research platform, collaborative culture, active risk management process and long-term focus give us a research advantage.

As investors, we aim to add long-term value. We believe this approach will serve you well as you work with your financial advisor to reach your investment objectives.

Respectfully,

Robert J. Manning

Chairman

MFS Investment Management

July 16, 2015

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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Energy-Independent	9.5%
Midstream	7.6%
Medical & Health Technology & Services	7.4%
Telecommunications-Wireless	6.7%
Cable TV	6.7%

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

BBB	2.6%
BB	51.7%
B	61.2%
CCC	15.1%
D	0.5%
Not Rated	(1.0)%
Non-Fixed Income (o)	0.0%
Cash & Other	(30.1)%

Portfolio facts (i)

Average Duration (d)	5.8
Average Effective Maturity (m)	6.6 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 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 & 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. Please see the Statement of Assets and Liabilities for additional information related to the fund's cash position and the Notes to Financial Statements for additional information related to certain risks associated with assets included in Other.

Percentages are based on net assets as of 5/31/15.

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 the fund's net investment income and net capital gains 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.

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**

5/31/15 (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 - 125.0%		
Issuer	Shares/Par	Value (\$)
Aerospace - 3.2%		
Aerojet Rocketdyne Holdings, Inc., 7.125%, 3/15/21	\$ 365,000	\$ 390,550
Bombardier, Inc., 7.75%, 3/15/20 (n)	100,000	103,250
Bombardier, Inc., 6.125%, 1/15/23 (n)	255,000	232,050
Bombardier, Inc., 7.5%, 3/15/25 (n)	140,000	133,875
CPI International, Inc., 8.75%, 2/15/18	360,000	370,800
Huntington Ingalls Industries, Inc., 7.125%, 3/15/21	405,000	433,350
Kratos Defense & Security Solutions, Inc., 7%, 5/15/19	90,000	80,100
TransDigm, Inc., 6%, 7/15/22	55,000	55,756
TransDigm, Inc., 6.5%, 7/15/24	235,000	239,700
		\$ 2,039,431
Apparel Manufacturers - 0.8%		
Hanesbrands, Inc., 6.375%, 12/15/20	\$ 225,000	\$ 238,219
PVH Corp., 4.5%, 12/15/22	260,000	263,900
		\$ 502,119
Asset-Backed & Securitized - 0.1%		
Citigroup Commercial Mortgage Trust, FRN, 5.711%, 12/10/49	\$ 275,000	\$ 41,883
Automotive - 3.3%		
Accuride Corp., 9.5%, 8/01/18	\$ 425,000	\$ 438,810
Goodyear Tire & Rubber Co., 6.5%, 3/01/21	435,000	463,275
Goodyear Tire & Rubber Co., 7%, 5/15/22	85,000	93,075
Lear Corp., 4.75%, 1/15/23	250,000	253,125
Lear Corp., 5.25%, 1/15/25	140,000	141,400
Schaeffler Finance B.V., 4.75%, 5/15/21 (n)	200,000	204,500
Schaeffler Holding Finance B.V., 6.25%, 11/15/19 (n)(p)	200,000	212,752
ZF North America Capital, Inc., 4.5%, 4/29/22 (n)	300,000	305,250
		\$ 2,112,187
Broadcasting - 3.0%		
AMC Networks, Inc., 7.75%, 7/15/21	\$ 271,000	\$ 294,713
Clear Channel Communications, Inc., 9%, 3/01/21	283,000	267,435
Clear Channel Worldwide Holdings, Inc., A, 6.5%, 11/15/22	45,000	47,138
Clear Channel Worldwide Holdings, Inc., B, 6.5%, 11/15/22	205,000	217,044
Liberty Media Corp., 8.5%, 7/15/29	250,000	277,500
Liberty Media Corp., 8.25%, 2/01/30	10,000	10,950
Netflix, Inc., 5.375%, 2/01/21	250,000	260,625
Netflix, Inc., 5.875%, 2/15/25 (n)	130,000	135,850
Nexstar Broadcasting, Inc., 6.875%, 11/15/20	290,000	308,125

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Broadcasting - continued		
Univision Communications, Inc., 5.125%, 2/15/25 (n)	\$ 105,000	\$ 104,423
		\$ 1,923,803
Brokerage & Asset Managers - 0.3%		
E*Trade Financial Corp., 4.625%, 9/15/23	\$ 220,000	\$ 221,100
Building - 3.9%		
Allegion U.S. Holding Co., Inc., 5.75%, 10/01/21	\$ 430,000	\$ 450,425
Building Materials Corp. of America, 5.375%, 11/15/24 (n)	340,000	342,761
Building Materials Holding Corp., 6.75%, 5/01/21 (n)	190,000	201,160
Gibraltar Industries, Inc., 6.25%, 2/01/21	250,000	258,125
HD Supply, Inc., 7.5%, 7/15/20	280,000	302,750
Headwaters, Inc., 7.25%, 1/15/19	150,000	157,500
Nortek, Inc., 8.5%, 4/15/21	310,000	335,960
PriSo Acquisition Corp., 9%, 5/15/23 (n)	175,000	171,500
Roofing Supply Group LLC/Roofing Supply Finance, Inc., 10%, 6/01/20 (n)	282,000	289,755
		\$ 2,509,936
Business Services - 1.7%		
Equinix, Inc., 4.875%, 4/01/20	\$ 190,000	\$ 196,175
Equinix, Inc., 5.375%, 1/01/22	70,000	72,844
Equinix, Inc., 5.375%, 4/01/23	200,000	206,000
Iron Mountain, Inc., 8.375%, 8/15/21	38,000	39,558
Iron Mountain, Inc., REIT, 6%, 8/15/23	320,000	339,200
NeuStar, Inc., 4.5%, 1/15/23	285,000	250,800
		\$ 1,104,577
Cable TV - 6.4%		
Alice Financing S.A., 6.625%, 2/15/23 (n)	\$ 200,000	\$ 207,250
CCO Holdings LLC/CCO Holdings Capital Corp., 7.375%, 6/01/20	75,000	79,875
CCO Holdings LLC/CCO Holdings Capital Corp., 6.5%, 4/30/21	420,000	441,788
CCO Holdings LLC/CCO Holdings Capital Corp., 5.125%, 5/01/23 (n)	185,000	185,925
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 1/15/24	240,000	247,200
CCO Holdings LLC/CCO Holdings Capital Corp., 5.375%, 5/01/25 (n)	80,000	80,600
Cequel Communications Holdings, 6.375%, 9/15/20 (n)	335,000	341,700
DISH DBS Corp., 7.875%, 9/01/19	70,000	79,100
DISH DBS Corp., 6.75%, 6/01/21	175,000	186,922
DISH DBS Corp., 5%, 3/15/23	190,000	183,113
DISH DBS Corp., 5.875%, 11/15/24	90,000	90,225
Intelsat Jackson Holdings S.A., 6.625%, 12/15/22	330,000	306,900
Intelsat Jackson Holdings S.A., 5.5%, 8/01/23	285,000	261,755
Intelsat Luxembourg S.A., 8.125%, 6/01/23	340,000	302,600
LGE Holdco VI B.V., 7.125%, 5/15/24 (n)	EUR 135,000	167,175
Lynx I Corp., 5.375%, 4/15/21 (n)	\$ 180,000	188,550

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Cable TV - continued		
SIRIUS XM Radio, Inc., 4.25%, 5/15/20 (n)	\$ 70,000	\$ 69,913
SIRIUS XM Radio, Inc., 5.875%, 10/01/20 (n)	30,000	31,238
SIRIUS XM Radio, Inc., 4.625%, 5/15/23 (n)	125,000	120,625
SIRIUS XM Radio, Inc., 6%, 7/15/24 (n)	135,000	140,090
SIRIUS XM Radio, Inc., 5.375%, 4/15/25 (n)	165,000	165,248
Unitymedia Hessen, 5.5%, 1/15/23 (n)	250,000	257,813
		\$ 4,135,605
Chemicals - 3.7%		
Celanese U.S. Holdings LLC, 5.875%, 6/15/21	\$ 252,000	\$ 273,420
Celanese U.S. Holdings LLC, 4.625%, 11/15/22	150,000	151,500
Evolution Escrow Issuer Co., 7.5%, 3/15/22 (n)	245,000	243,775
Flash Dutch 2 B.V./U.S. Coatings Acquisition, 7.375%, 5/01/21 (n)	300,000	325,500
Hexion U.S. Finance Corp., 6.625%, 4/15/20	155,000	146,088
Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, 8.875%, 2/01/18	300,000	275,250
Huntsman International LLC, 8.625%, 3/15/21	115,000	121,613
INEOS Group Holdings S.A., 6.125%, 8/15/18 (n)	200,000	205,500
Tronox Finance LLC, 6.375%, 8/15/20	440,000	422,400
W.R. Grace & Co., 5.125%, 10/01/21 (n)	205,000	211,663
		\$ 2,376,709
Computer Software - 0.5%		
Syniverse Holdings, Inc., 9.125%, 1/15/19	\$ 98,000	\$ 87,220
VeriSign, Inc., 4.625%, 5/01/23	260,000	256,750
		\$ 343,970
Computer Software - Systems - 0.4%		
CDW LLC/CDW Finance Corp., 6%, 8/15/22	\$ 140,000	\$ 150,500
CDW LLC/CDW Finance Corp., 5.5%, 12/01/24	125,000	130,938
		\$ 281,438
Conglomerates - 3.6%		
Amsted Industries Co., 5%, 3/15/22 (n)	\$ 455,000	\$ 461,825
BC Mountain LLC, 7%, 2/01/21 (n)	280,000	254,800
EnerSys, 5%, 4/30/23 (n)	400,000	405,000
EnPro Industries, Inc., 5.875%, 9/15/22 (n)	305,000	316,438
Entegris, Inc., 6%, 4/01/22 (n)	345,000	360,525
Renaissance Acquisition, 6.875%, 8/15/21 (n)	350,000	324,625
Rexel S.A., 6.125%, 12/15/19 (n)	200,000	211,600
		\$ 2,334,813
Construction - 0.2%		
Empresas ICA S.A.B. de C.V., 8.9%, 2/04/21	\$ 135,000	\$ 126,394

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Consumer Products - 1.0%		
Prestige Brands, Inc., 8.125%, 2/01/20	\$ 79,000	\$ 84,925
Prestige Brands, Inc., 5.375%, 12/15/21 (n)	200,000	203,240
Spectrum Brands, Inc., 6.375%, 11/15/20	215,000	229,513
Spectrum Brands, Inc., 6.125%, 12/15/24 (n)	40,000	42,500
Spectrum Brands, Inc., 5.75%, 7/15/25 (n)	105,000	108,150
		\$ 668,328
Consumer Services - 4.0%		
ADT Corp., 6.25%, 10/15/21	\$ 510,000	\$ 546,975
ADT Corp., 4.125%, 6/15/23	85,000	79,685
Garda World Security Corp., 7.25%, 11/15/21 (n)	105,000	102,900
Garda World Security Corp., 7.25%, 11/15/21 (n)	180,000	176,400
Grupo Posadas S.A.B. de C.V., 7.875%, 11/30/17	150,000	154,875
Interval Acquisition Corp., 5.625%, 4/15/23 (n)	420,000	428,400
Monitronics International, Inc., 9.125%, 4/01/20	300,000	294,750
Sabre GLBL, Inc., 5.375%, 4/15/23 (n)	400,000	407,000
Service Corp. International, 7%, 6/15/17	255,000	277,631
Service Corp. International, 5.375%, 5/15/24	100,000	106,000
		\$ 2,574,616
Containers - 5.4%		
Ardagh Packaging Finance PLC, 9.125%, 10/15/20 (n)	\$ 600,000	\$ 639,000
Ball Corp., 5%, 3/15/22	255,000	262,013
Berry Plastics Group, Inc., 9.75%, 1/15/21	40,000	44,112
Berry Plastics Group, Inc., 5.5%, 5/15/22	335,000	342,747
Crown American LLC, 4.5%, 1/15/23	511,000	504,613
Multi-Color Corp., 6.125%, 12/01/22 (n)	320,000	332,000
Reynolds Group, 5.75%, 10/15/20	130,000	135,363
Reynolds Group, 8.25%, 2/15/21	510,000	537,413
Sealed Air Corp., 4.875%, 12/01/22 (n)	265,000	266,988
Sealed Air Corp., 5.125%, 12/01/24 (n)	95,000	96,663
Signode Industrial Group, 6.375%, 5/01/22 (n)	330,000	330,000
		\$ 3,490,912
Defense Electronics - 0.6%		
Ducommun, Inc., 9.75%, 7/15/18	\$ 361,000	\$ 381,758
Electrical Equipment - 0.1%		
Avaya, Inc., 10.5%, 3/01/21 (n)	\$ 95,000	\$ 81,225
Electronics - 2.2%		
Advanced Micro Devices, Inc., 6.75%, 3/01/19	\$ 230,000	\$ 204,988
Advanced Micro Devices, Inc., 7.5%, 8/15/22	70,000	61,600
Advanced Micro Devices, Inc., 7%, 7/01/24	140,000	117,600

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Electronics - continued		
Micron Technology, Inc., 5.875%, 2/15/22	\$ 155,000	\$ 162,750
Micron Technology, Inc., 5.5%, 2/01/25 (n)	140,000	138,936
NXP B.V., 5.75%, 2/15/21 (n)	200,000	211,000
NXP B.V., 5.75%, 3/15/23 (n)	245,000	260,925
Sensata Technologies B.V., 5.625%, 11/01/24 (n)	115,000	122,619
Sensata Technologies B.V., 5%, 10/01/25 (n)	170,000	171,593
		\$ 1,452,011
Energy - Independent - 9.2%		
American Energy-Permian Basin LLC, 7.375%, 11/01/21 (n)	\$ 260,000	\$ 178,100
Baytex Energy Corp., 5.625%, 6/01/24 (n)	330,000	318,450
Bonanza Creek Energy, Inc., 6.75%, 4/15/21	130,000	125,775
Chaparral Energy, Inc., 7.625%, 11/15/22	410,000	328,000
Chesapeake Energy Corp., 5.75%, 3/15/23	315,000	311,063
Concho Resources, Inc., 6.5%, 1/15/22	245,000	257,250
Concho Resources, Inc., 5.5%, 4/01/23	280,000	284,200
EP Energy LLC, 9.375%, 5/01/20	205,000	222,681
EP Energy LLC, 7.75%, 9/01/22	475,000	498,750
Halcon Resources Corp., 8.875%, 5/15/21	305,000	214,260
Hilcorp Energy I/Hilcorp Finance Co., 8%, 2/15/20 (n)	105,000	109,200
Linn Energy LLC/Linn Energy Finance Corp., 8.625%, 4/15/20	140,000	126,613
Linn Energy LLC/Linn Energy Finance Corp., 7.75%, 2/01/21	309,000	266,513
Linn Energy LLC/Linn Energy Finance Corp., 6.5%, 9/15/21	120,000	96,300
MEG Energy Corp., 6.5%, 3/15/21 (n)	175,000	169,750
MEG Energy Corp., 7%, 3/31/24 (n)	130,000	125,450
Northern Blizzard Resources, Inc., 7.25%, 2/01/22 (n)	280,000	270,200
Oasis Petroleum, Inc., 6.875%, 3/15/22	265,000	270,963
QEP Resources, Inc., 5.25%, 5/01/23	455,000	455,000
Rosetta Resources, Inc., 5.625%, 5/01/21	355,000	376,336
RSP Permian, Inc., 6.625%, 10/01/22 (n)	285,000	296,400
Sanchez Energy Corp., 6.125%, 1/15/23	220,000	209,000
SM Energy Co., 6.5%, 11/15/21	270,000	282,150
SM Energy Co., 6.125%, 11/15/22 (n)	140,000	145,950
		\$ 5,938,354
Entertainment - 2.4%		
Activision Blizzard, Inc., 6.125%, 9/15/23 (n)	\$ 220,000	\$ 242,550
Cedar Fair LP, 5.25%, 3/15/21	260,000	271,700
Cedar Fair LP, 5.375%, 6/01/24	95,000	99,038
Cinemark USA, Inc., 5.125%, 12/15/22	165,000	168,300
Cinemark USA, Inc., 4.875%, 6/01/23	190,000	190,703
NCL Corp. Ltd., 5.25%, 11/15/19 (n)	270,000	279,099
Six Flags Entertainment Corp., 5.25%, 1/15/21 (n)	320,000	330,400
		\$ 1,581,790

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

Issuer	Shares/Par	Value (\$)
Bonds - continued		
Financial Institutions - 7.2%		
Aircastle Ltd., 4.625%, 12/15/18	\$ 175,000	\$ 182,438
Aircastle Ltd., 5.125%, 3/15/21	125,000	130,469
Aircastle Ltd., 5.5%, 2/15/22	160,000	169,200
Aviation Capital Group, 4.625%, 1/31/18 (n)	140,000	146,019
Aviation Capital Group, 6.75%, 4/06/21 (n)	175,000	202,761
CIT Group, Inc., 6.625%, 4/01/18 (n)	319,000	343,308
CIT Group, Inc., 5.5%, 2/15/19 (n)	340,000	359,125
CIT Group, Inc., 5%, 8/15/22	430,000	441,825
Credit Acceptance Co., 7.375%, 3/15/23 (n)	285,000	295,688
Icahn Enterprises LP, 6%, 8/01/20	245,000	263,375
Icahn Enterprises LP, 5.875%, 2/01/22	320,000	335,600
Nationstar Mortgage LLC/Capital Corp., 6.5%, 8/01/18	140,000	141,050
Nationstar Mortgage LLC/Capital Corp., 7.875%, 10/01/20	555,000	563,325
Navient Corp., 5.875%, 3/25/21	135,000	135,675
PHH Corp., 6.375%, 8/15/21	35,000	34,956
SLM Corp., 8%, 3/25/20	515,000	580,663
SLM Corp., 7.25%, 1/25/22	230,000	248,280
SLM Corp., 6.125%, 3/25/24	105,000	102,113
		\$ 4,675,870
Food & Beverages - 1.2%		
Constellation Brands, Inc., 4.25%, 5/01/23	\$ 215,000	\$ 217,150
Darling Ingredients, Inc., 5.375%, 1/15/22	190,000	191,188
Sun Merger Sub, Inc., 5.875%, 8/01/21 (n)	350,000	366,625
		\$ 774,963
Forest & Paper Products - 0.4%		
Appvion, Inc., 9%, 6/01/20 (n)	\$ 175,000	\$ 113,750
Tembec Industries, Inc., 9%, 12/15/19 (n)	135,000	130,950
		\$ 244,700
Gaming & Lodging - 3.9%		
Boyd Gaming Corp., 6.875%, 5/15/23	\$ 175,000	\$ 178,063
CCM Merger, Inc., 9.125%, 5/01/19 (n)	255,000	276,675
Chester Downs & Marina LLC, 9.25%, 2/01/20 (n)	95,000	74,100
Greektown Holdings LLC, 8.875%, 3/15/19 (n)	285,000	301,388
Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., 5.625%, 10/15/21	415,000	437,306
Isle of Capri Casinos, Inc., 8.875%, 6/15/20	80,000	87,000
Isle of Capri Casinos, Inc., 5.875%, 3/15/21	285,000	294,975
Isle of Capri Casinos, Inc., 5.875%, 3/15/21 (n)	40,000	41,400
MGM Resorts International, 6.625%, 12/15/21	180,000	193,500
MGM Resorts International, 6%, 3/15/23	220,000	227,975
RHP Hotel Properties, 5%, 4/15/23 (n)	80,000	80,000

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Portfolio of Investments (unaudited) continued