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COLONIAL HIGH INCOME MUNICIPAL TRUST

Form N-CSR

February 05, 2004

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 811-5754  
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Colonial High Income Municipal Trust  
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(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts 02111  
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(Address of principal executive offices) (Zip code)

Russell Kane, Esq.  
Columbia Management Group, Inc.  
One Financial Center  
Boston, MA 02111  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-772-3363  
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Date of fiscal year end: November 30, 2003  
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Date of reporting period: November 30, 2003  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

Item 1. Reports to Stockholders.

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[PHOTO]

COLONIAL HIGH INCOME MUNICIPAL TRUST

ANNUAL REPORT

November 30, 2003

Not FDIC            May Lose Value  
Insured            No Bank Guarantee

COLONIAL FUNDS

ONE FINANCIAL CENTER  
BOSTON, MA 02111-2621

January 14, 2004

Dear Shareholder:

I am writing to you as the independent chairman of the board of trustees of your Colonial fund. I have been privileged to serve on the board of the Colonial funds for more than three years and on the board of many of the affiliated Columbia funds for more than seven years. On December 8, 2003 the board of trustees elected me the chairman. Over those seven years I have gained a deep sense of responsibility for the continued success of our funds. Needless to say, the entire board shares that commitment to you.

These have been troubling times in the fund industry, with newspapers reporting widely on trading and governance failings. Your board has been energetic over the past year in strengthening our organization and our capacity to effectively oversee the Colonial funds.

First, as already indicated, the trustees in December elected an independent trustee to chair our twelve person board. All of the trustees are completely independent of the advisor and its affiliates except for the president of the funds, Joseph Palombo. Each committee of the board is comprised only of independent trustees.

Second, last year we reconfigured the membership of the four person audit

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committee to include only persons qualifying as "audit committee financial experts" under the demanding standards of the Sarbanes-Oxley legislation. Few audit committees are fortunate to possess such a breadth and depth of financial experience.

Third, we strengthened our oversight capacity by appointing Martha Fox as chief compliance officer of the Colonial funds, reporting directly to your fund's audit committee. We also assigned board members to four separate investment oversight committees, each better able to monitor performance of individual funds.

Fourth, with guidance from our board the investment advisor last year increased its vigilance to identify and discourage trading in open end mutual fund shares by speculators. Monitoring personnel have attempted to identify and reject frequent traders, but frankly that effort by itself cannot be 100% effective. Accordingly, in February 2003 we implemented 2% redemption penalties in the open end international funds most subject to market timing, and we are considering still broader application of redemption fees to curb further attempts to profit from the open end funds by short-term trading. We are also closely monitoring legislative and regulatory initiatives that would aid in preventing abuses of open end funds that currently cannot be detected directly by management or our transfer agent.

Finally, to further align the interests of the trustees with those of our shareholders, the board late last year voted to double the required investment by each trustee in the funds that we oversee. At the same time, new policies were instituted requiring all investment personnel and trustees to hold any mutual fund shares for a minimum of one year (unless extraordinary circumstances warrant an exception to be granted by a board committee).

Undoubtedly, more improvements will be made in the period ahead, but the board wants you to know that we take our responsibilities very seriously and we commit to you our continued efforts to serve your interests.

Sincerely,

/s/ Thomas C. Theobald

Thomas C. Theobald  
Chairman

PRESIDENT'S MESSAGE

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1

DEAR SHAREHOLDER:

It was another solid year for the US bond market. However, the positive gains reported from all major sectors masked an extremely volatile environment. Most of the gains were actually earned in the first half of the reporting period and they were sufficient to offset losses or declining performance in the second half.

From December through mid-June, interest rates generally declined and bond prices rose as the economy struggled to gain a solid footing and the nation prepared to go to war. In June, the yield on the 10-year Treasury note fell to a 45-year low of just over 3.1%. High-yield bonds were the primary beneficiaries of this trend as investors seemed willing to put their fears aside and look to better times ahead. However, after the major military battles of the war were declared over and the economy showed clear signs of picking up, interest rates

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began to rise and bond prices came down in most sectors. The 10-year yield reached a high of 4.4% in August, then moved within a tight range around 4.0% to 4.2% for the remainder of the period. As the environment changed, high-yield and mortgage bonds held up better than other sectors while Treasury bonds lagged.

This reversal of fortune for bonds and a shift of investor enthusiasm back to stocks, which drove equity returns back into double digit territory, serve as a reminder that a diversified portfolio may offer the best opportunity for long-term investment success. Talk to your financial advisor if you're uncertain about the level of diversification of your portfolio. Your advisor can help you keep your investments on track.

As always, thank you for investing in Colonial Funds. We look forward to continuing to serve you in the years ahead.

Sincerely,

/s/ Joseph R. Palombo  
Joseph R. Palombo  
President  
January 12, 2004

Economic and market conditions change frequently. There is no assurance that the trends described in this report will continue or commence.

PORTFOLIO MANAGER'S REPORT	--
	2

PRICE PER SHARE AS OF 11/30/03 (\$)

Net asset value	6.57
-----	
Market price	6.45
-----	

1-YEAR TOTAL RETURN  
AS OF 11/30/03 (%)

Net asset value	8.75
-----	
Market price	11.17
-----	
Lipper High Yield Municipal Debt Funds Category average	8.61
-----	

All results shown assume reinvestment of distributions.

DISTRIBUTIONS DECLARED  
PER COMMON SHARE  
12/1/02-11/30/03 (\$)

-----	0.49
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A portion of the trust's income may be subject to the alternative minimum tax.

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The trust may at times purchase tax- exempt securities at a discount from their original issue price. Some or all of this discount may be included in the trust's ordinary income, and any market discount is taxable when distributed.

### TOP 5 SECTORS AS OF 11/30/03 (%)

Local general obligations	12.9
-----	
Hospitals	10.5
-----	
Multi-family	7.6
-----	
Nursing homes	6.6
-----	
Investor-owned utilities	5.4
-----	

### QUALITY BREAKDOWN AS OF 11/30/03 (%)

AAA	35.3
-----	
AA	2.9
-----	
A	8.8
-----	
BBB	15.7
-----	
BB	4.6
-----	
B	0.8
-----	
CCC	0.7
-----	
CC	0.5
-----	
Non-rated	30.1
-----	
Cash equivalents	0.6
-----	

Sector breakdowns are calculated as a percentage of net assets (including auction preferred shares). Quality breakdowns are calculated as a percentage of total investments, including short-term obligations. Ratings shown in the quality breakdown represent the highest rating assigned to a particular bond by one of the following nationally-recognized rating agencies: Standard & Poor's Corporation, Moody's Investors Service, Inc. or Fitch Investors Service, Inc.

Because the trust is actively managed, there can be no guarantee that the trust will continue to maintain this quality breakdown or invest in these sectors in the future.

For the 12-month period ended November 30, 2003, Colonial High Income Municipal Trust returned 8.75%, based on investment at net asset value. The trust slightly outperformed its peer group, the Lipper High Yield Municipal Debt Funds Category average, which averaged 8.61%.<sup>(1)</sup>

In the first half of the period, the trust's performance was helped by its underweight in high-yield bonds, which lagged higher-quality issues when

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interest rates were falling. This underweight hurt the trust slightly in the second half of the period, when high-yield, lower-quality bonds outperformed as the economy improved and interest rates rose. Yet, its position in high yield was substantial enough to make a positive overall contribution to the fund's performance.

We kept the trust's duration short relative to its peer group. Duration is a measure of interest rate sensitivity. We lower, or shorten, duration when we expect interest rates to rise and bond prices to fall. This move helped performance as rising interest rates hampered bond returns.

Leveraged positions provided the trust with additional income during the period. We have, in effect, "borrowed against" the trust's investment positions by issuing preferred shares, which pay out a short-term variable rate. When those preferred shares were issued in 1999, we invested the proceeds in bonds with longer maturities. During this reporting period, the payout rate of preferred shares was much lower than the yield the trust earned from those longer-maturity bonds. The trust issued preferred shares because the leverage they provided made it possible to enhance yield. However, the use of leverage increases the likelihood of share price volatility and market risk. In order to reduce that extra price volatility, we can hedge using futures contracts. When we shorten duration (decrease price volatility) using futures, and bond prices rise, we show losses on the futures contracts that are typically offset, at least partially, by unrealized price gains on the bonds held.

Specific issues also contributed positively to performance, including HealthEast, a Minnesota hospital and US Airways (0.7% and 0.3% of total investments, respectively) (2) and other airline bonds. The trust's stake in zero coupon municipal bonds, which did especially well early in the period, further helped returns.

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(1) Lipper Inc., a widely respected data provider in the industry, calculates an average total return for mutual funds with similar investment objectives as those of the fund.

(2) Holdings are disclosed as of November 30, 2003.

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### PORTFOLIO MANAGER'S REPORT (CONTINUED)

The trust's stake in nursing home bonds detracted from performance because many issuers suffered as liability insurance costs soared and some fiscally-strapped states lowered Medicaid payments. We have reduced our nursing home stake. We increased the fund's exposure to more economically-sensitive sectors, such as paper, where we added bonds issued on behalf of Weyerhaeuser (0.2% of total investments), which made a positive contribution to performance.

Going forward, we expect high-yield municipal bonds to do well as the economy improves and interest rates slowly rise.

/S/ MAUREEN G. NEWMAN

Maureen G. Newman has been the portfolio manager of Colonial High Income Municipal Trust since August 1998. Ms. Newman has managed various other tax-exempt funds for Columbia Management Advisors, Inc. or its predecessors since May 1996.

Past performance is no guarantee of future investment results. Current

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performance may be higher or lower than the performance data shown.

Tax-exempt investing offers current tax-free income, but it also involves certain risks. The value of the trust shares will be affected by interest rate changes and the creditworthiness of issues held in the trust. Investing in high-yield securities offers the potential for high current income and attractive total return, but involves certain risks. Lower-rated bond risks include default of the issuer and rising interest rates. Interest income from certain tax-exempt bonds may be subject to the federal alternative minimum tax for individuals and corporations.

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INVESTMENT PORTFOLIO  
November 30, 2003

MUNICIPAL BONDS - 96.8%	PAR	VALUE
-----		
EDUCATION - 4.0%		
EDUCATION - 4.0%		
CA Loyola Marymount University, Series 2001, (a)10/01/19	\$2,025,000	\$ 941,989
CA State Public Works Board, UCLA Series 2002 A, 5.375% 10/01/15	1,010,000	1,122,049
CA Statewide Community Development Authority, Crossroads School for Arts & Sciences, Series 1998, 6.000% 08/01/28 (b)	1,280,000	1,329,715
IL State Development Finance Authority, Latin School of Chicago, Series 1998, 5.650% 08/01/28	230,000	232,385
IL University of Illinois, Series 2001 A, 5.500% 08/15/17	685,000	764,172
MA Health & Educational Facilities Authority, Massachusetts Institute of Technology, Series 2002 K, 5.500% 07/01/32	2,500,000	2,853,575
MA State Development Finance Agency, Western New England College, 6.125% 12/01/32	300,000	305,841
MA State Industrial Finance Agency: Cambridge Friends School, Series 1998, 5.800% 09/01/28	1,000,000	1,011,310
St. John's High School, Series 1998, 5.350% 06/01/28	300,000	298,335
MI Southfield Economic Development Corp., Lawrence University, Series 1998 A,		

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5.400% 02/01/18	1,000,000	1,006,280
NC State Capital Facilities Finance Authority, Meredith College, Series 2001,		
5.125% 06/01/16	1,000,000	1,085,230

	PAR	VALUE
-----		
VT State Educational & Health Buildings Finance Agency, Norwich University, Series 1998,		
5.500% 07/01/21	\$1,500,000	\$ 1,510,620
WV State University, Series 2000 A,		
(a) 04/01/19	1,000,000	477,260
		-----
		12,938,761
		-----

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HEALTHCARE - 23.9%		
CONGREGATE CARE RETIREMENT - 5.1%		
CA La Verne CFTS Partnership, Brethren Hillcrest Home, Series 2003 B,		
6.625% 02/15/25	690,000	687,571
CA Statewide Community Development Authority, Eskaton Village - Grass Valley, Series 2000,		
8.250% 11/15/31(b)	1,000,000	1,081,740
CT State Development Authority, First Meeting Gross Revenue Health Care, Elim Park Baptist, Inc. Project, Series 2003,		
5.850% 12/01/33	660,000	668,369
FL Capital Projects Finance Authority, Glenridge on Palmer Ranch, Series 2002 A,		
8.000% 06/01/32	750,000	771,735
FL Lee County Industrial Development Authority, Shell Point Village Project Series 1999 A,		
5.500% 11/15/29	600,000	573,660
GA Savannah Economic Development Authority, 1st Mortgage, Marshes of Skidaway, Series 2003 A,		
7.400% 01/01/34	465,000	459,369
HI State Department Budget and Finance, Kahala Nui Project, Series 2003 A,		
8.000% 11/15/33	1,000,000	1,007,770
IL State Health Facilities Authority, Lutheran Senior		



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Ministries, Series 2001 A, 7.375% 08/15/31	300,000	306,183
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See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
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HEALTHCARE (CONTINUED)		
CONGREGATE CARE RETIREMENT (CONTINUED)		
IL State Health Facilities Authority, Smith Crossing, Series 2003 A, 7.000% 11/15/32		
	\$ 725,000	\$ 723,151
KS Manhattan, Meadowlark Hills Retirement Home, Series 1999 A, 6.375% 05/15/20		
	650,000	660,868
MA Boston Industrial Development Financing Authority, Springhouse, Inc., Series 1988, 5.875% 07/01/20		
	255,000	250,767
MA State Development Finance Agency, Loomis Communities: Series 1999 A, 5.625% 07/01/15		
	400,000	388,536
Series 2002 A, 6.900% 03/01/32		
	100,000	102,996
NH State Higher Educational & Health Facilities Authority, Rivermead at Peterborough, Series 1998: 5.625% 07/01/18		
	500,000	466,840
5.750% 07/01/28		
	500,000	446,265
NJ Economic Development Authority, Seabrook Village, Inc., Series 2000 A, 8.250% 11/15/30		
	625,000	670,763
PA County Authority, Dunwoody Village, Series 2003 A, 5.375% 04/01/17		
	600,000	620,208
PA Lancaster Industrial Development Authority, Garden Spot Village, Series 2000 A, 7.625% 05/01/31		
	500,000	527,465
PA Philadelphia Authority for Industrial Development, Baptist Home of Philadelphia, Series 1998 A:		

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5.500% 11/15/18	360,000	326,268
5.600% 11/15/28	500,000	437,410
TN Metropolitan Government, Nashville & Davidson Counties, Blakeford at Green Hills, Series 1998,		
5.650% 07/01/24	600,000	546,108

	PAR	VALUE
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TX Abilene Health Facilities Development Corp., Sears Methodist Retirement Obligation Group:		
Series 1998 A, 5.900% 11/15/25	\$1,000,000	\$ 935,580
Series 2003 A, 7.000% 11/15/33	300,000	303,585
WI State Health & Educational Facilities Authority: Attic Angel Obligated Group, Series 1998,		
5.750% 11/15/27	1,000,000	892,560
Clement Manor, Series 1998, 5.750% 08/15/24	1,300,000	1,170,130
Three Pillars Senior Living Communities, Series 2003, 5.750% 08/15/26	500,000	494,950
United Lutheran Program for Aging, Inc., Series 1998, 5.700% 03/01/28	1,000,000	894,810
		-----
		16,415,657
		-----
HEALTH SERVICES - 0.7%		
IL State Health Facilities Authority, Midwest Physician Group Ltd., Series 1998,		
5.500% 11/15/19	120,000	94,986
MA State Development Finance Agency, Boston Biomedical Research Institute, Series 1999:		
5.650% 02/01/19	200,000	192,494
5.750% 02/01/29	450,000	442,436
MA State Health & Educational Facilities Authority, Civic Investments, Inc., Series 1999 A,		
9.000% 12/15/15	1,000,000	1,139,720
MN Minneapolis & St. Paul Housing Redevelopment Authority, Healthpartners Project, Series 2003,		
6.000% 12/01/21	500,000	514,775
		-----
		2,384,411

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See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
HEALTHCARE (CONTINUED)		
HOSPITALS - 10.5%		
AR Conway Health Facilities Board, Conway Regional Medical Center:		
Series 1999 A,		
6.400% 08/01/29	\$ 425,000	\$ 446,530
Series 1999 B,		
6.400% 08/01/29	1,000,000	1,049,380
AZ Yavapai County Industrial Development Authority, Yavapai Regional Medical Center Series 2003 A,		
6.000% 08/01/33	275,000	280,225
CA State Health Facilities Financing Authority, Cedars-Sinai Medical Center, Series 1999 A,		
6.125% 12/01/30	750,000	802,117
CO State Health Facilities Authority: National Jewish Medical & Research Center, Series 1998,		
5.375% 01/01/23	330,000	326,680
Parkview Medical Center, Inc., Series 2001,		
6.600% 09/01/25	300,000	314,751
FL Citrus County Hospital Board, Citrus Memorial Hospital, Series 2002,		
6.375% 08/15/32	750,000	768,727
FL Orange County Health Facilities Authority, Orlando Regional Healthcare, Series 2002,		
5.750% 12/01/32	200,000	205,370
FL South Lake County Hospital District, South Lake Hospital Inc., Series 2003,		
6.375% 10/01/34	500,000	505,150
FL Tampa, H. Lee Moffitt Cancer Center, Series 1999 A,		
5.750% 07/01/29	2,000,000	2,054,280
FL West Orange Healthcare		

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District, Series 2001 A,  
 5.650% 02/01/22 525,000 530,082

	PAR	VALUE
-----		
IL Health Facilities		
Authority:		
Swedish American Hospital,		
Series 2000,		
6.875% 11/15/30	\$ 500,000	\$ 544,605
Thorek Hospital & Medical		
Center, Series 1998,		
5.250% 08/15/18	600,000	547,008
IL Southwestern Illinois		
Development Authority,		
Anderson Hospital, Series		
1999,		
5.500% 08/15/20	225,000	221,836
LA State Public Facilities		
Authority, Touro Infirmary,		
Series 1999,		
5.625% 08/15/29	350,000	351,617
MA State Health & Educational		
Facilities Authority:		
Jordan Hospital, Series		
2003 E,		
6.750% 10/01/33	500,000	493,745
Milford-Whitinsville		
Hospital, Series 2002 D,		
6.350% 07/15/32	465,000	465,553
MD State Health & Higher		
Education Facilities		
Authority, Adventist		
Healthcare, Series 2003 A:		
5.000% 01/01/16	400,000	396,760
5.750% 01/01/25	600,000	604,992
MI Dickinson County		
Healthcare System, Series		
1999,		
5.700% 11/01/18	750,000	749,213
MI Flint Hospital Building		
Authority, Hurley Medical		
Center, Series 1998 A,		
5.375% 07/01/20	450,000	394,394
MN St. Paul Housing &		
Redevelopment Authority,		
HealthEast Project, Series		
1997 A,		
5.700% 11/01/15	1,000,000	943,690
MN Washington County Housing		
& Redevelopment Authority,		
HealthEast, Inc., Series		
1998,		
5.250% 11/15/12	1,500,000	1,390,665
NC State Medical Care		
Commission, Stanly Memorial		
Hospital, Series 1999,		
6.375% 10/01/29	1,915,000	2,055,140

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See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
HEALTHCARE (CONTINUED)		
HOSPITALS (CONTINUED)		
NH Health & Education Facilities Authority, Hospital Revenue, Catholic Medical Center, Series 2002, 6.125% 07/01/32		
	\$ 400,000	\$ 406,672
NH State Higher Educational & Health Facilities Authority, Littleton Hospital Association, Inc., Series 1998 A: 5.900% 05/01/28		
	780,000	613,103
6.000% 05/01/28		
	625,000	500,856
NJ New Jersey Health Care Facilities Financing Authority Revenue, Health Systems Series 2003 A, 5.000% 12/01/14 (c)		
	650,000	664,378
NV Henderson Healthcare Facility Revenue, Catholic Healthcare West, Series 1998, 5.375% 07/01/26		
	500,000	468,625
NY State Dormitory Authority Revenue: North Shore-Long Island Jewish Medical Center, Series 2003, 5.500% 05/01/33		
	300,000	306,849
Winthrop/South Nassau Communities Hospital, Series 2003, 5.500% 07/01/23		
	550,000	562,727
OH Belmont County, East Ohio Regional Hospital, Series 1998, 5.700% 01/01/13		
	1,875,000	1,662,150
OH Highland County Joint Township Hospital District, Series 1999, 6.750% 12/01/29		
	965,000	910,777
OH Lakewood Hospital Improvement Revenue, Lakewood Hospital Association, Series 2003,		

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5.500% 02/15/14	600,000	642,000
OH Miami County, Upper Valley Medical Center, Inc., Series 1996 A,		
6.375% 05/15/26	1,000,000	1,023,880
OH Sandusky County, Memorial Hospital, Series 1998,		
5.150% 01/01/10	250,000	247,800

	PAR	VALUE
-----		
PA Allegheny County Hospital Development, Ohio Valley General Hospital, Series 1998 A,		
5.450% 01/01/28	\$1,000,000	\$ 929,140
PA Pottsville Hospital Authority, Pottsville, Hospital & Warner Clinic, Series 1998,		
5.500% 07/01/18	1,000,000	888,010
SC Lexington County Health Services District, Inc., Hospital Improvement,		
5.500% 11/01/23	750,000	773,693
TX Comal County Health Facilities Development, McKenna Memorial, Series 2002 A,		
6.250% 02/01/32	500,000	508,670
TX Richardson Hospital Authority, Baylor Richardson Medical Center, Series 1998,		
5.625% 12/01/28	1,000,000	1,007,180
TX Tyler Health Facilities Development Corp., Mother Frances Hospital, Series 2001,		
6.000% 07/01/31	1,000,000	1,019,410
UT Weber County, IHC Health Services, Inc., Series 1999,		
5.000% 08/15/30	1,500,000	1,518,075
VT State Educational & Health Buildings Authority, Brattleboro Memorial Hospital, Series 1998,		
5.375% 03/01/28	1,075,000	1,007,845
WA State Health Care Facilities Authority Kadlec Medical Center, Series 2001,		
5.875% 12/01/21	600,000	646,500
WI State Health & Educational Facilities Authority: Aurora Health Care Inc., Series 2003,		

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6.400% 04/15/33	525,000	547,963
Wheaton Franciscan Services, Series 2002,		
5.750% 08/15/30	600,000	621,198
		-----
		33,920,011
		-----

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
HEALTHCARE (CONTINUED)		
INTERMEDIATE CARE FACILITIES - 1.0%		
IL State Development Finance Authority, Hoosier Care, Inc., Series 1999 A, 7.125% 06/01/34	\$1,205,000	\$ 993,535
IN State Health Facilities Financing Authority, Hoosier Care, Inc., Series 1999 A, 7.125% 06/01/34	150,000	123,676
PA State Economic Development Financing Authority, Northwestern Human Services Inc., Series 1998 A, 5.250% 06/01/14	2,510,000	2,147,506
		-----
		3,264,717
		-----
NURSING HOMES - 6.6%		
AK Juneau, St. Ann's Care Center, Series 1999, 6.875% 12/01/25	1,250,000	1,270,825
CO Healthcare Facilities Authority: American Housing Foundation I, Inc. Project, Series 2003, 8.500% 12/01/31	475,000	455,269
Pioneer Healthcare, Series 1989, 10.500% 05/01/19	1,840,000	1,742,756
CO State Healthcare Facilities Authority, Volunteers of America Care Facilities, Inc.: Series 1998 A: 5.450% 07/01/08	300,000	293,769
5.750% 07/01/20 Series 1999 A,	865,000	775,680

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6.000% 07/01/29	350,000	310,737
IA State Finance Authority, Care Initiatives Project: Series 1996,		
9.250% 07/01/25	985,000	1,172,554
Series 1998 B:		
5.750% 07/01/18	550,000	490,094
5.750% 07/01/28	1,475,000	1,253,322
IN Gary Industrial Economic Development, West Side Health Care Center, Series 1987 A,		
11.500% 10/01/17(d)	1,330,000	997,500
	PAR	VALUE
-----		
IN Michigan City Health Facilities, Metro Health Foundation, Inc. Project, Series 1993,		
11.000% 11/01/22(e)	\$3,085,000	\$ 802,100
MA State Development Finance Agency: Alliance Health Care Facilities, Series 1999,		
7.100% 07/01/32	1,300,000	1,256,541
Woodlawn Nursing Home, Series 2000 A:		
7.750% 12/01/27	1,558,135	1,321,641
10.250% 06/01/27	336,372	305,510
MN Carlton, Inter-Faith Social Services, Inc., Series 2000,		
7.750% 04/01/29	225,000	234,918
MN Sartell, Foundation for Healthcare, Series 1999 A,		
6.625% 09/01/29	1,145,000	1,089,765
PA Chester County Industrial Development Authority, RHA Nursing Home, Series 2002,		
8.500% 05/01/32	1,610,000	1,558,883
PA Washington County Industrial Development Authority, Central States, Series 1989,		
10.250% 11/01/19(e)	1,750,000	1,137,500
TN Metropolitan Government, Nashville & Davidson Counties Health & Education Facilities, Central States, Series 1989,		
10.250% 11/01/19(e)	1,650,000	1,072,500
TX Kirbyville Health Facilities Development Corp., Heartway III Project: Series 1997 A,		
10.000% 03/20/18(d)	668,626	401,176



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Series 1997 B, 6.000% 03/20/04(d)	106,000	5,300
TX Whitehouse Health Facilities Development Corp., Oak Brook Healthcare Center, Series 1989, 10.000% 12/01/19	1,620,000	1,647,054

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
HEALTHCARE (CONTINUED)		
NURSING HOMES (CONTINUED)		
WA Kitsap County Housing Authority, Martha & Mary Nursing Home, Series 1996, 7.100% 02/20/36	\$1,000,000	\$ 1,212,820
WI State Health & Educational Facilities Authority: Metro Health Foundation, Inc., Series 1993, 11.000% 11/01/22 (e)	2,775,000	721,500
		-----
		21,529,714
		-----
-----		
HOUSING - 9.6%		
ASSISTED LIVING/SENIOR - 3.1%		
CA Abag Finance Authority for Nonprofit Corps., Eskaton Gold River Lodge, Series 1998:		
6.375% 11/15/15	720,000	681,019
6.375% 11/15/28	550,000	489,401
DE Kent County, Heritage at Dover, Series 1999, 7.625% 01/01/30	1,710,000	1,443,753
GA Columbus Housing Authority, The Gardens at Calvary, Series 1999, 7.000% 11/15/19	495,000	420,740
IL State Development Finance Authority, Care Institute, Inc., Series 1995, 8.250% 06/01/25	1,245,000	1,235,687
MN Roseville, Care Institute, Inc., Series 1993, 7.750% 11/01/23 (d)	1,740,000	1,131,000
NC State Medical Care Commission, DePaul Community Facilities		

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Project, Series 1999, 7.625% 11/01/29	1,470,000	1,513,189
NY Huntington Housing Authority, Gurwin Jewish Senior Center, Series 1999: 5.875% 05/01/19	700,000	645,757
6.000% 05/01/29	775,000	693,354
TX Bell County Health Facilities Development Corp., Care Institute, Inc., Series 1994, 9.000% 11/01/24	1,700,000	1,723,069
		-----
		9,976,969
		-----

	PAR	VALUE
-----		
MULTI-FAMILY - 6.3%		
AZ Maricopa County Industrial Development Authority, National Health Facilities, Series 1998 A, 5.100% 01/01/33	\$4,500,000	\$ 4,586,940
DE Wilmington, Electra Arms Senior Association Project, Series 1998, 6.250% 06/01/28	940,000	761,917
FL Broward County Housing Finance Authority, Chaves Lake Apartment Project, Series 2000, 7.500% 07/01/40	750,000	757,470
FL Clay County Housing Finance Authority, Madison Commons Apartments, Series 2000 A, 7.450% 07/01/40	745,000	752,435
GA Clayton County Housing Authority, Magnolia Park Apartments, Series 1999 A, 6.250% 06/01/30	955,000	606,902
MN Lakeville, Southfork Apartments Project: Series 1989 A, 9.875% 02/01/20	2,570,000	2,576,399
Series 1989 B, (a) 02/01/20	903,000	751,283
MN Robbinsdale Economic Development Authority, Broadway Court, Series 1999 A, 6.875% 01/01/26	500,000	461,500
MN Washington County Housing & Redevelopment Authority, Cottages of Aspen, Series 1992, 9.250% 06/01/22	1,000,000	1,023,750

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MN White Bear Lake, Birch Lake Townhome Project: Series 1989 A, 10.250% 07/15/19	2,200,000	2,215,840
Series 1989 B, (a) 07/15/19	694,000	470,522
NY Nyack Housing Assistance Corp., Nyack Plaza Apartments, Series 1979, 7.375% 06/01/21	280,762	276,994

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
HOUSING (CONTINUED)		
MULTI-FAMILY (CONTINUED)		
Resolution Trust Corp., Pass-Through Certificates, Series 1993 A, 8.500% 12/01/16 (f)	\$ 546,075	\$ 538,206
TN Franklin Industrial Development Board, Landings Apartment Project, Series 1996 B, 8.750% 04/01/27	845,000	876,282
TX Affordable Housing Corp., NHT/GTEX Project, Series 2001 C, 10.000% 10/01/31(d)	875,000	611,039
TX Department of Housing & Community Affairs, Pebble Brooks Apartments, Series 1998, 5.500% 12/01/18	1,000,000	1,046,690
TX El Paso County Housing Finance Corp., American Village Communities: Series 2000 C, 8.000% 12/01/32	390,000	395,480
Series 2000 D, 10.000% 12/01/32	420,000	431,743
VA Alexandria Redevelopment & Housing Authority, Courthouse Commons Apartments, Series 1990 A, 10.000% 01/01/21	1,500,000	1,287,180
		-----
		20,428,572
		-----
SINGLE FAMILY - 0.2%		
WA State Housing Finance		

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Commission, Series 1992 D1, 6.150% 01/01/26	635,000	635,260
-----		
INDUSTRIAL - 3.8%		
FOOD PRODUCTS - 1.2%		
GA Cartersville Development Authority, Anheuser Busch Cos., Inc. Project, Series 1989 A, 5.950% 02/01/32	1,000,000	1,048,670
IN Hammond, American Maize Products, Co., Series 1994, 8.000% 12/01/24	510,000	552,116
	PAR	VALUE
-----		
LA Southern Louisiana Port Commission, Cargill, Inc. Project, Series 1997, 5.850% 04/01/17	\$1,000,000	\$ 1,062,800
MI State Strategic Fund, Michigan Sugar Co., Sebewaing Project, Series 1998 A, 6.250% 11/01/15	1,250,000	1,143,513
		-----
		3,807,099
		-----
FOREST PRODUCTS - 1.3%		
AL Camden Industrial Development Board: International Paper Co., Series 2003 B, 6.250% 08/01/25	1,000,000	1,054,060
Weyerhaeuser Co., Series 2003 B, 6.375% 12/01/24	550,000	581,025
GA Rockdale County Development Authority, Solid Waste Disposal, Visy Paper, Inc., Series 1993, 7.500% 01/01/26	1,800,000	1,821,456
MI Delta County Economic Development Corp., Environmental Import, Mead Westvaco Corp., Series 2002 B, 6.450% 04/15/23	450,000	467,046
VA Bedford County Industrial Development Authority, Nekoosa Packaging Corp. Project, Series 1998, 5.600% 12/01/25	400,000	332,320
		-----
		4,255,907
		-----
MANUFACTURING - 0.6%		

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IL Will-Kankakee Regional Development Authority, Flanders Corp. Precisionaire Project, Series 1997, 6.500% 12/15/17	855,000	842,782
TX Trinity River Authority, Texas Instruments Project, Series 1996, 6.200% 03/01/20	1,000,000	1,050,190
		-----
		1,892,972
		-----

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
INDUSTRIAL (CONTINUED)		
METALS & MINING - 0.4%		
NV State Department of Business & Industry, Wheeling-Pittsburgh Steel Corp., Series 1999 A, 8.000% 09/01/14(f)	\$1,000,000	\$ 742,980
VA Greensville County Industrial Development Authority, Wheeling-Pittsburgh Steel Corp., Series 1999 A: 6.375% 04/01/04 7.000% 04/01/14	95,000 500,000	93,305 372,035
		-----
		1,208,320
		-----
OIL & GAS - 0.3%		
TX Gulf Coast Industrial Development Authority, Solid Waste Disposal, Citgo Petroleum, Series 1998, 8.000% 04/01/28	500,000	517,385
VI Government Refinery, Hovensa Coker Project, Series 2002, 6.500% 07/01/21(b)	375,000	390,364
		-----
		907,749
		-----
-----		
OTHER - 6.5%		
OTHER - 1.3%		
CA Tobacco Securitization		

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Authority, Asset Backed:		
Series 2003 A-1:		
6.250% 06/01/33	1,300,000	1,220,414
6.750% 06/01/39	275,000	264,987
Series 2003 B,		
5.500% 06/01/43	750,000	735,772
NJ Tobacco Settlement		
Financing Corp., Series		
2003,		
6.750% 06/01/39	500,000	481,795
NY Convention Center		
Operating Corp., Yale		
Building Project, Series		
2003,		
(a) 06/01/08	1,700,000	1,330,573
WA Tobacco Settlement		
Authority, Series 2002,		
6.625% 06/01/32	250,000	235,560
		-----
		4,269,101
		-----
POOL/BOND BANK - 0.2%		
MI State Municipal Bond		
Authority, Local Government		
Loan Project, Series 2001		
A,		
5.375% 11/01/17	750,000	832,125
		-----
	PAR	VALUE
	-----	-----
REFUNDED/ESCROWED (G) - 5.0%		
CO Denver City & County		
Airport, Series 1992 C,		
6.125% 11/15/25	\$5,120,000	\$ 5,522,972
CT State Development		
Authority, Sewer Sludge		
Disposal Facilities, Series		
1996,		
8.250% 12/01/06	600,000	662,844
DC District of Columbia,		
Series 1999 A,		
5.375% 06/01/18	695,000	799,410
GA Forsyth County Hospital		
Authority, Georgia Baptist		
Healthcare System, Series		
1998,		
6.000% 10/01/08	760,000	839,298
ID State Health Facilities		
Authority, IHC Hospitals,		
Inc., Series 1992,		
6.650% 02/15/21	1,750,000	2,205,543
NC Lincoln County, Lincoln		
County Hospital, Series		
1991,		
9.000% 05/01/07	245,000	277,850
PA Delaware County, Health		
Facilities, Series 1996:		

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6.000% 12/15/16	1,400,000	1,579,480
6.000% 12/15/26	1,000,000	1,120,290
TN Shelby County, Health, Education & Housing Facilities Board, Open Arms Development Center: Series 1992 A, 9.750% 08/01/19	830,000	1,050,008
Series 1992 C, 9.750% 08/01/19	810,000	1,024,909
WV Hospital Finance Authority, Charleston Medical Center, Series 2000 A, 6.750% 09/01/30	805,000	996,799
		----- 16,079,403 -----
-----		
OTHER REVENUE - 2.1%		
HOTELS - 0.3%		
PA Philadelphia Authority for Industrial Development, Doubletree Project A, Series 1997, 6.500% 10/01/27	1,000,000	1,000,860
		-----

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
OTHER REVENUE (CONTINUED)		
RECREATION - 1.2%		
CA Agua Cliente, Band of Cahuilla Indians Revenue, Series 2003, 5.600% 07/01/13	\$1,000,000	\$ 1,008,060
CT Gaming Authority, Mohegan Indians Tribe, Series 2001, 6.250% 01/01/31	275,000	291,068
FL Capital Trust Agency, Seminole Tribe Convention Center, Series 2002 A, 10.000% 10/01/33	1,350,000	1,665,023
NM Red River Sports Facility, Red River Ski Area Project, Series 1998, 6.450% 06/01/07	800,000	811,192
		----- 3,775,343 -----

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RETAIL - 0.6%		
NJ State Economic Development Authority, Glimcher Properties LP Project, Series 1998,		
6.000% 11/01/28	1,250,000	1,266,550
OH Lake County, North Madison Properties, Series 1993,		
8.819% 09/01/11	695,000	687,480
		-----
		1,954,030
		-----

-----		
RESOURCE RECOVERY - 1.3%		
DISPOSAL - 0.4%		
MA State Industrial Finance Agency, Peabody Monofill Associates, Inc., Series 1995,		
9.000% 09/01/05	605,000	627,754
UT Carbon County, Laidlaw Environmental:		
Series 1995 A,		
7.500% 02/01/10	250,000	255,650
Series 1997 A,		
7.450% 07/01/17	500,000	509,875
		-----
		1,393,279
		-----

	PAR	VALUE
-----		
RESOURCE RECOVERY - 0.9%		
MA State Development Finance Agency, Ogden Haverhill Project, Series 1999 A,		
6.700% 12/01/14	\$ 250,000	\$ 264,097
MA State Industrial Finance Agency, Ogden Haverhill Project, Series 1998 A,		
5.500% 12/01/13	500,000	495,340
PA Delaware County Industrial Development Authority, BFI Project, Series 1997 A,		
6.200% 07/01/19	2,000,000	2,077,180
		-----
		2,836,617
		-----

-----		
TAX-BACKED - 24.6%		
LOCAL APPROPRIATED - 0.3%		
CA Compton Certificates of Participation, Civic Center & Capital Improvements, Series 1997 A,		
5.500% 09/01/15	1,000,000	1,042,430
		-----
LOCAL GENERAL OBLIGATIONS - 12.9%		



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CA East Side Union High School District, Series 2003 B, 5.100% 02/01/20	1,000,000	1,094,950
CA Fresno Unified School District, Series 2002 A, 6.000% 02/01/18	2,000,000	2,390,980
CA Los Angeles Unified School District, Series 2002, 5.750% 07/01/16	700,000	820,988
CA Montebello Unified School District, Series 2001: (a) 08/01/21	1,435,000	593,301
(a) 08/01/23	1,505,000	542,899
CA San Juan Unified School District, Series 2001, (a) 08/01/19	2,210,000	1,039,518
IL Chicago Board of Education, Series 1997 A, 5.250% 12/01/30 (h)	14,470,000	15,046,630
IL Cook County, Series 1997 A, 5.625% 11/15/22	4,200,000	4,617,102
NY New York City: Series 1997 A, 7.000% 08/01/07	1,000,000	1,127,580
Series 1997 H, 6.000% 08/01/17	1,400,000	1,562,260
TX Dallas County Flood Control District, Series 2002, 7.250% 04/01/32	1,000,000	1,015,640

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
TAX-BACKED (CONTINUED)		
LOCAL GENERAL OBLIGATIONS (CONTINUED)		
TX Irving Independent School District, Series 1997, (a)02/15/18	\$1,000,000	\$ 507,940
TX San Antonio Independent School District, Series 1997, 5.000% 08/15/27	9,000,000	9,073,710
WA Clark County School District No. 037, Vancouver, Series 2001 C, (a)12/01/18	5,000,000	2,450,000
		-----
		41,883,498

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	PAR	VALUE
-----		
SPECIAL NON-PROPERTY TAX - 3.9%		
CA San Diego Redevelopment Agency, Series 2001, (a)09/01/22	1,910,000	730,499
FL Northern Palm Beach County Improvement District, Series 1999, 6.000% 08/01/29	750,000	841,328
IL Metropolitan Pier & Exposition Authority, McCormick Place Expansion Project, Series 1993 A, (a)06/15/16	10,000,000	5,686,400
OH Hamilton County, Series 2000 B, (a)12/01/21	5,000,000	2,098,400
PR Commonwealth Highway & Transportation Authority: Series 2002 E, 5.500% 07/01/21	750,000	863,265
Series 2003 AA: 5.500% 07/01/20	1,500,000	1,733,220
5.500% 07/01/18	500,000	579,270

-----  
12,532,382  
-----

SPECIAL PROPERTY TAX - 3.6%		
CA Carson, Series 1992, 7.375% 09/02/22	35,000	35,476
CA Huntington Beach Community Facilities District, Grand Coast Resort, Series 2001-1, 6.450% 09/01/31	750,000	772,312
CA Orange County Community Facilities District, Ladera Ranch, Series 1999 A, 6.700% 08/15/29	500,000	527,255

PAR VALUE

	PAR	VALUE
-----		
CA Orange County Improvement Bond Act 1915, Phase IV, No. 01-1-B, Series 2003 5.750% 09/02/33	\$ 500,000	\$ 503,285
CA Placer Unified High School District, Series 2000 A, (a)08/01/19	1,700,000	800,853
CA Redwood City Community Facilities District, 1 Redwood, Series 2003 B, 5.950% 09/01/28	600,000	612,384
CA Riverside County Public Financing Authority, Redevelopment Projects, Series 1997 A, 5.500% 10/01/22	650,000	658,755

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CA Temecula Valley Unified School District, No. 02-1, Series 2003, 6.125% 09/01/33	400,000	403,164
FL Celebration Community Development District, Special Assessment, Series 2003 A, 6.400% 05/01/34	1,000,000	1,023,320
FL Colonial Country Club Community Development, Series 2003, 6.400% 05/01/33	750,000	768,720
FL Double Branch Community Development District, Special Assessment, Series 2002 A, 6.700% 05/01/34	700,000	726,334
FL Heritage Palms Community Development District, Series 1999, 6.250% 11/01/04	590,000	595,646
FL Islands at Doral Southwest Community Development District, Series 2003, 6.375% 05/01/35	380,000	388,611
FL Lexington Oaks Community Development District: Series 1998 A, 6.125% 05/01/19	355,000	360,254
Series 1998 B, 5.500% 05/01/05	85,000	85,523
Series 2000 A, 7.200% 05/01/30	290,000	305,228
Series 2002 A, 6.700% 05/01/33	250,000	259,252

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
TAX-BACKED (CONTINUED)		
SPECIAL PROPERTY TAX (CONTINUED)		
FL Orlando, Conroy Road Interchange Project, Series 1998 A:		
5.500% 05/01/10	\$ 180,000	\$ 184,030
5.800% 05/01/26	300,000	301,626
FL Stoneybrook Community Development District: Series 1998 A, 6.100% 05/01/19	315,000	319,810

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Series 1998 B, 5.700% 05/01/08	105,000	105,953
MI Pontiac Finance Authority, Development Area No. 3, Series 2002, 6.375% 06/01/31	550,000	551,925
MI Taylor Tax Increment Finance Authority, Series 2001, 5.375% 05/01/17	1,220,000	1,350,040
		----- 11,639,756 -----
STATE APPROPRIATED - 1.0% NY State Urban Development Corp., University Facilities Grants, Series 1995, 5.875% 01/01/21	1,000,000	1,161,390
PR Commonwealth of Puerto Rico Public Finance Corp., Series 2002 E, 6.000% 08/01/26	1,800,000	2,069,118
		----- 3,230,508 -----
STATE GENERAL OBLIGATIONS - 2.9% DC District of Columbia, Unrefunded, Series 1999 A, 5.375% 06/01/18	1,700,000	1,847,764
TX Board of Regents, University of Texas, Series 2001 B, 5.375% 08/15/18	650,000	713,622
TX State, Series 1999 ABC, 5.500% 08/01/35	4,200,000	4,496,814
WA State, Series 1999 B, 5.000% 01/01/24	2,500,000	2,529,000
		----- 9,587,200 -----

	PAR	VALUE
TRANSPORTATION - 6.9% AIR TRANSPORTATION - 2.8% CA Los Angeles Regional Airport, LAXFuel Corp., Series 2001, 5.250% 01/01/23	\$ 750,000	\$ 760,320
CO Denver City & County Airport, United Airlines, Inc., Series 1992 A, 6.875% 10/01/32 (e)	1,645,000	982,986
FL Capital Trust Agency Revenue, Air Cargo-Orlando Project, Series 2003,		

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6.750% 01/01/32	500,000	468,895
KY Kenton County Airport Board, Delta Airlines, Inc., Series 1992 A:		
7.500% 02/01/12	500,000	499,915
7.500% 02/01/20	500,000	499,000
MN Minneapolis & St. Paul Metropolitan Airport Commission, Northwest Airlines Corp.:		
Series 2001 A,		
7.000% 04/01/25	500,000	467,245
Series 2001 B,		
6.500% 04/01/25	250,000	242,813
NC Charlotte, US Airways, Inc.:		
Series 1998,		
5.600% 07/01/27	250,000	180,990
Series 2000,		
7.750% 02/01/28	750,000	677,948
NJ State Economic Development Authority, Continental Airlines, Inc. Project, Series 2003,		
9.000% 06/01/33	750,000	803,498
TX Alliance Airport Authority:		
American Airlines Project, Series 1990,		
7.500% 12/01/29	1,600,000	1,056,048
Federal Express Corp. Project, Series 1996,		
6.375% 04/01/21	1,000,000	1,056,030

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
TRANSPORTATION (CONTINUED)		
AIR TRANSPORTATION (CONTINUED)		
TX Houston Industrial Development Corp., Air Cargo, Perot Development, Series 2002,		
6.000% 03/01/23	\$ 750,000	\$ 755,168
WA Port Seattle, Northwest Airlines, Inc., Series 2000,		
7.250% 04/01/30	500,000	476,150
		-----
		8,927,006
		-----



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Colver Project, Series 1994 D, 7.125% 12/01/15	1,500,000	1,566,465
Northampton Generating, Series 1994 A, 6.500% 01/01/13	1,000,000	1,008,880
PR Commonwealth of Puerto Rico Industrial Educational, Medical & Environmental Cogeneration Facilities, AES Project, Series 2000, 6.625% 06/01/26	650,000	674,382
VA Pittsylvania County Industrial Development Authority, Multi-trade of Pittsylvania, Series 1994 A: 7.450% 01/01/09	1,000,000	1,000,450
7.550% 01/01/19	500,000	494,275
		-----
		8,451,604
		-----
INVESTOR OWNED - 5.4%		
AZ Maricopa County Pollution Control Corp., El Paso Electric Co., Series 2002 A, 6.250% 05/01/37	1,000,000	1,032,170
AZ Pima County Industrial Development Authority, Tucson Electric Power Co., Series 1997 A, 6.100% 09/01/25	750,000	713,362
CT State Development Authority, Connecticut Light & Power Co., Series 1993 B, 5.950% 09/01/28	200,000	209,934

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
UTILITIES (CONTINUED)		
INVESTOR OWNED (CONTINUED)		
FL Polk County Industrial Development Authority, Tampa Electric Co. Project, Series 1996, 5.850% 12/01/30	\$1,200,000	\$ 1,195,152
IL Bryant, Pollution Control		

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Revenue, Central Illinois Light Co., Series 1993, 5.900% 08/01/23	2,650,000	2,663,356
IN Petersburg in Pollution Control Revenue, Indianapolis Power & Light Project, Series 1995, 6.625% 12/01/24	1,000,000	1,023,040
LA Calcasieu Parish Industrial Development Board, Entergy Gulf States, Inc., Series 1999, 5.450% 07/01/10	500,000	503,095
LA West Feliciana Parish, Entergy Gulf States, Inc., Series 1999 B, 6.600% 09/01/28	500,000	508,945
MS State Business Finance Corp., Systems Energy Resources Project, Series 1998, 5.875% 04/01/22	2,000,000	2,002,040
MT Forsyth Pollution Control, Portland General, Series 1998 A, 5.200% 05/01/33	300,000	309,402
OH State Air Quality Development Authority, Cleveland Pollution Control, Series 2002 A, 6.000% 12/01/13	900,000	913,338
TX Brazos River Authority, TXU Electric Co.: Series 2001 C, 5.750% 05/01/36	350,000	367,104
Series 2003 C, 6.750% 10/01/38	900,000	945,666

PAR VALUE

VA Chesterfield County Industrial Development Authority, Pollution Control Revenue, Virginia Electric & Power Co., Series 1987 B, 5.875% 06/01/17	\$ 250,000	\$ 268,992
WV Pleasant County, Western Pennsylvania Power Co., Series 1999 E, 5.500% 04/01/29	4,750,000	4,921,760

-----  
17,577,356  
-----

JOINT POWER AUTHORITY - 0.2%  
NC Eastern Municipal Power  
Agency:  
Series 1999 D:



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5.500% 01/01/16	285,000	303,653
6.700% 01/01/19	500,000	561,770
		-----
		865,423
		-----
MUNICIPAL ELECTRIC - 3.4%		
CA State Department of Water Resources Authority, Power Supply Revenue Bonds, Series 2002 A,		
5.500% 05/01/14	2,000,000	2,263,860
NY Long Island Power Authority, Series 1998 B,		
5.000% 04/01/10	1,000,000	1,113,150
PR Electric Power Authority, Series 1998 II,		
5.125% 07/01/26	3,500,000	3,664,010
WA Chelan County Public Utilities District No. 1, Columbia River Rock Hydroelectric, Series 1997, (a)06/01/14		
5,000,000	5,000,000	3,135,650
WA Seattle, Light-Power, Series 2001,		
5.500% 03/01/17	750,000	832,950
		-----
		11,009,620
		-----
WATER & SEWER - 2.5%		
MA State Water Resources Authority, Series 1997 D,		
5.000% 08/01/24	3,000,000	3,056,010
MO Water & Sewer, Lee's Summit, Series 2002,		
5.250% 07/01/15	500,000	550,520
MS Five Lakes Utility District,		
8.250% 07/15/24	500,000	484,720

See notes to investment portfolio.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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MUNICIPAL BONDS (CONTINUED)	PAR	VALUE
-----		
UTILITIES (CONTINUED)		
WATER & SEWER (CONTINUED)		
NH State Industrial Development Authority, Pennichuck Water Works, Inc., Series 1988,		
7.500% 07/01/18	\$ 470,000	\$ 526,391
WA King County, Series 1999,		
5.250% 01/01/30	3,250,000	3,377,238

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		-----
		7,994,879
		-----
TOTAL MUNICIPAL BONDS		
(cost of \$313,620,487)		314,128,588
		-----
MUNICIPAL PREFERRED STOCKS - 1.3%	SHARES	
-----		
HOUSING - 1.3%		
MULTI-FAMILY - 1.3%		
Charter Mac Equity Issue		
Trust,		
6.625% 06/30/49(f)	2,000,000	2,143,280
MuniMae Equity Issue Trust,		
7.750% 06/30/50(f)	2,000,000	2,210,940
		-----
(cost of \$4,000,000)		4,354,220
		-----
SHORT-TERM OBLIGATIONS - 0.6%	PAR	
-----		
VARIABLE RATE DEMAND NOTES(I) - 0.6%		
IN State Development Finance		
Authority, Cathedral High,		
Series 2001,		
1.150% 09/01/26	\$ 300,000	300,000
IN State Health Facility		
Financing Authority,		
Fayette Memorial Hospital		
Association, Inc., Series		
2002 A,		
1.150% 10/01/32	600,000	600,000
MO State Health & Educational		
Facilities Authority,		
Washington University,		
Series 1996 C,		
1.050% 09/01/30	400,000	400,000
	PAR	VALUE
-----		
NY State, Series 1993 A-4,		
1.080% 08/01/22	\$ 500,000	\$ 500,000
SD Lower Brule Sioux Tribe,		
Series 1999,		
1.150% 02/01/11(c)	10,000	10,000
		-----
TOTAL SHORT-TERM OBLIGATIONS		
(cost of \$1,810,000)		1,810,000
		-----
TOTAL INVESTMENTS - 98.7%		
(cost of \$319,430,487) (j)		320,292,808
		-----
OTHER ASSETS & LIABILITIES, NET - 1.3%		4,213,523
		-----
NET ASSETS* - 100.0%		\$ 324,506,331
		-----

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NOTES TO INVESTMENT PORTFOLIO:

- 
- \* Net assets represent both Common Shares and Auction Preferred Shares.
  - (a) Zero coupon bond.
  - (b) Denotes a restricted security, which is subject to restrictions on resale under federal securities laws. At November 30, 2003, the value of these securities amounted to \$2,801,819, which represents 0.9% of net assets.

Additional information on these restricted securities is as follows:

SECURITY	ACQUISITION DATE	ACQUISITION COST
-----		
CA Statewide Community Development Authority: Crossroads School for Arts & Sciences, Series 1998, 6.000% 08/01/28	08/31/98	\$1,280,000
Eskaton Village - Grass Valley, Series 2000, 8.250% 11/15/31	09/08/00	1,000,000
VI Government Refinery, Hovenska Coker Project Series 2002, 6.500% 07/01/21	11/15/02	375,000
		-----
		\$2,655,000
		=====

- (c) This security has been purchased on a delayed delivery basis.
- (d) The issuer is in default of certain debt covenants. Income is not being fully accrued.
- (e) As of November 30, 2003, the Trust held securities of certain issuers that have filed for bankruptcy protection under Chapter 11, representing 1.5% of net assets. These issuers are in default of certain debt covenants. Income is not being fully accrued.
- (f) This security is exempt from registration under Rule 144A of the Securities Act of 1933 and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2003, the value of these securities amounted to \$5,635,406, which represents 1.7% of net assets.
- (g) The Trust has been informed that each issuer has placed direct obligations of the U.S. Government in an irrevocable trust, solely for the payment of principal and interest.
- (h) This security, or a portion thereof, with a market value of \$3,129,949, is being used to collateralize open futures contracts.

See notes to financial statements.

INVESTMENT PORTFOLIO (CONTINUED)  
November 30, 2003

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- (i) Variable rate demand notes are considered short-term obligations. Interest rates change periodically on specified dates. These securities are payable on demand and are secured by either letters of credit or other credit support agreements from banks. The rates listed are as of November 30, 2003.
- (j) Cost for federal income tax purposes is \$319,120,247.

Short futures contracts open at November 30, 2003:

TYPE	PAR VALUE COVERED BY CONTRACTS	EXPIRATION MONTH	UNREALIZED APPRECIATION AT 11/30/03
10 Year U.S. Treasury Note	\$39,500,000	Mar-04	\$59,546
30 Year U.S. Treasury Bond	49,300,000	Mar-04	35,804
			-----
			\$95,350
			-----

See notes to financial statements.

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### STATEMENT OF ASSETS AND LIABILITIES November 30, 2003

<b>ASSETS:</b>	
Investments, at cost	\$319,430,487
	-----
Investments, at value	\$320,292,808
Cash	519,222
Receivable for:	
Interest	5,587,830
Futures variation margin	777,018
Deferred Trustees' compensation plan	10,137
	-----
Total Assets	327,187,015
	-----
<b>LIABILITIES:</b>	
Payable for:	
Investments purchased	500,399
Investments purchased on a delayed delivery basis	666,359
Distributions -- common shares	1,244,691
Distributions -- preferred shares	16,707
Investment advisory fee	197,510
Pricing and bookkeeping fees	2,722
Trustees' fees	133
Custody fee	3,337
Deferred Trustees' fees	10,137
Other liabilities	38,689
	-----
Total Liabilities	2,680,684

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Auction Preferred Shares (4,800 shares issued and outstanding at \$25,000 per share)	\$120,000,000
-----	
COMPOSITION OF NET ASSETS APPLICABLE TO COMMON SHARES:	
Paid-in capital -- common shares	\$263,129,356
Undistributed net investment income	1,057,736
Accumulated net realized loss	(60,638,432)
Net unrealized appreciation on:	
Investments	862,321
Futures contracts	95,350
-----	
Net assets at value applicable to 31,117,274 common shares of beneficial interest outstanding	\$204,506,331
=====	
Net asset value per common share	\$ 6.57
=====	

STATEMENT OF OPERATIONS

For the Year Ended November 30, 2003

INVESTMENT INCOME:	
Interest	\$19,744,561
-----	
EXPENSES:	
Investment advisory fee	2,405,109
Transfer agent fee	63,545
Pricing and bookkeeping fees	160,445
Trustees' fees	16,106
Preferred shares remarketing commissions	299,932
Custody fee	18,175
Other expenses	129,757
-----	
Total Expenses	3,093,069
Custody earnings credit	(1,219)
-----	
Net Expenses	3,091,850
-----	
Net Investment Income	16,652,711
-----	
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS:	
Net realized loss on:	
Investments	(625,128)
Futures contracts	(5,644,261)
-----	
Net realized loss	(6,269,389)
-----	
Net change in unrealized appreciation/depreciation on:	
Investments	8,468,113
Futures contracts	(832,417)
-----	

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Net change in unrealized appreciation/ depreciation	7,635,696
	-----
Net Gain	1,366,307
	-----
Net Increase in Net Assets from Operations	18,019,018
	-----
LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:	
From net investment income	(1,158,676)
	-----
Net Increase in Net Assets from Operations Applicable to Common Shares	\$16,860,342
	=====

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS

	YEAR ENDED NOVEMBER 30	
INCREASE (DECREASE) IN NET ASSETS:	2003	2002
OPERATIONS:		
Net investment income	\$ 16,652,711	\$ 17,670,000
Net realized loss on investments and futures contracts	(6,269,389)	(9,200,000)
Net change in unrealized appreciation/depreciation on investments and futures contracts	7,635,696	(3,850,000)
	-----	-----
Net Increase from Operations	18,019,018	4,620,000
	-----	-----
LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:		
From net investment income	(1,158,676)	(1,760,000)
	-----	-----
Net increase in Net Assets from Operations Applicable to Common Shares	16,860,342	2,860,000
	-----	-----
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:		
From net investment income	(15,243,036)	(15,550,000)
	-----	-----
SHARE TRANSACTIONS:		
Distributions reinvested	124,151	130,000
	-----	-----
Total Increase (Decrease) in Net Assets Applicable to Common Shares	1,741,457	(12,580,000)
NET ASSETS APPLICABLE TO COMMON SHARES:		
Beginning of period	202,764,874	215,340,000
	-----	-----
End of period (including undistributed net investment income of \$1,057,736 and \$815,284, respectively)	\$204,506,331	\$202,760,000
	=====	=====
NUMBER OF TRUST SHARES:		
Common Shares:		
Issued for distributions reinvested	19,292	100,000

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Outstanding at:		
Beginning of period	31,097,982	31,07
	-----	-----
End of period	31,117,274	31,09
	-----	-----
Preferred Shares:		
Outstanding at end of period	4,800	
	-----	-----

See notes to financial statements.

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### NOTES TO FINANCIAL STATEMENTS

November 30, 2003

#### NOTE 1. ORGANIZATION

Colonial High Income Municipal Trust (the "Trust"), is a Massachusetts business trust registered under the Investment Company Act of 1940 (the "Act"), as amended, as a diversified, closed-end management investment company.

#### INVESTMENT GOAL

The Trust seeks to provide high current income, generally exempt from federal income taxes. The Trust's secondary goal is to seek total return.

#### TRUST SHARES

The Trust may issue an unlimited number of common shares. On August 26, 1999, the Trust issued 4,800 Auction Preferred Shares ("APS").

#### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

##### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements.

##### SECURITY VALUATION

Debt securities generally are valued by a pricing service approved by the Trust's Board of Trustees, based upon market transactions for normal, institutional-size trading units of similar securities. The service may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Certain securities, which tend to be more thinly traded and of lesser quality, are priced based on fundamental analysis of the financial condition of the issuer and the estimated value of any collateral. Valuations developed through pricing techniques may vary from the actual amounts realized upon sale of the securities, and the potential variation may be greater for those securities valued using fundamental analysis. Debt securities for which quotations are readily available are valued at an

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over-the-counter or exchange bid quotation.

Short-term obligations maturing within 60 days are valued at amortized cost, which approximates market value.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

Investments for which market quotations are not readily available, which tend to be more thinly traded and of lesser quality are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees.

### SECURITY TRANSACTIONS

Security transactions are accounted for on the trade date. Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

### FUTURES CONTRACTS

The Trust may invest in municipal and U.S. Treasury futures contracts. The Trust will invest in these instruments to hedge against the effects of changes in the value of portfolio securities due to anticipated changes in interest rates and/or market conditions, for duration management, or when the transactions are economically appropriate to the reduction of risk inherent in the management of the Trust and not for trading purposes. The use of futures contracts involves certain risks, which include: (1) imperfect correlation between the price movement of the instruments and the underlying securities, (2) inability to close out positions due to differing trading hours, or the temporary absence of a liquid market, for either the instrument or the underlying securities, or (3) an inaccurate prediction by Columbia Management Advisors, Inc. of the future direction of interest rates. Any of these risks may involve amounts exceeding the variation margin recorded in the Trust's Statement of Assets and Liabilities at any given time.

Upon entering into a futures contract, the Trust deposits cash or securities with the broker in an amount sufficient to meet the initial margin requirement. Subsequent payments are made or received by the Trust equal to the daily change in the contract value and are recorded as variation margin payable or receivable and offset in unrealized gains or losses. The Trust also identifies portfolio securities as segregated with the custodian in a separate account in an amount equal to the futures contract. The Trust recognizes a realized gain or loss when the contract is closed or expires.

### OPTIONS

The Fund may write call and put options on futures it owns or in which it may invest. Writing put options tends to increase the fund's exposure to the underlying instrument. Writing call options tends to decrease the Fund's exposure to the underlying instrument. When the Fund writes a call or put option, an amount equal to the premium received is recorded as a liability and subsequently marked-to-market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against the amounts paid on the underlying future transaction to determine the realized gain or loss. The Fund as a writer of an option has no control over whether the underlying future may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the future underlying the written option. There is the risk the



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### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2003

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Fund may not be able to enter into a closing transaction because of an illiquid market.

The Fund may also purchase put and call options. Purchasing call options tends to increase the Fund's exposure to the underlying instrument. Purchasing put options tends to decrease the Fund's exposure to the underlying instrument. The Fund pays a premium, which is included in the Fund's Statement of Assets and Liabilities as an investment and subsequently marked-to-market to reflect the current value of the option. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which expire are treated as realized losses. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying future transaction to determine the realized gain or loss. The Trust's custodian will set aside cash or liquid portfolio securities equal to the amount of the written options contract commitment in a separate account.

#### RESTRICTED SECURITIES

Restricted securities are securities that may only be resold upon registration under federal securities laws or in transactions exempt from registration. In some cases, the issuer of restricted securities has agreed to register such securities for resale at the issuer's expense either upon demand by the Trust or in connection with another registered offering of the securities. Many restricted securities may be resold in the secondary market in transactions exempt from registration. Such restricted securities may be determined to be liquid under criteria established by the Board of Trustees. The Trust will not incur any registration costs upon such resale.

#### DELAYED DELIVERY SECURITIES

The Trust may trade securities on other than normal settlement terms, including securities purchased or sold on a "when-issued" basis. This may increase the risk if the other party to the transaction fails to deliver and causes the Fund to subsequently invest at less advantageous prices. The Trust's custodian will set aside cash or liquid portfolio securities equal to the amount of the delayed delivery commitment in a separate account.

#### INCOME RECOGNITION

Interest income is recorded on the accrual basis. Premium and discount are amortized and accreted, respectively, on all debt securities.

#### FEDERAL INCOME TAX STATUS

The Trust intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code, as amended, by distributing substantially all of its taxable or tax-exempt income, if any, for its tax year, and as such will not be subject to federal income taxes. In addition, by distributing in each calendar year substantially all of its net investment income, capital gains and certain other amounts, if any, the Trust will not be subject to federal excise tax. Therefore, no federal income or excise tax provision is recorded.

#### DISTRIBUTIONS TO SHAREHOLDERS

Distributions to common shareholders are recorded on ex-date. Distributions to

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Auction Preferred shareholders are recorded daily and payable at the end of each dividend period. Each dividend payment period for the APS is generally seven days. The applicable dividend rate for the APS on November 30, 2003 was 1.05%. For the year ended November 30, 2003, the Trust declared dividends to Auction Preferred shareholders amounting to \$1,158,676, representing an average APS dividend rate of 0.97%.

### NOTE 3. FEDERAL TAX INFORMATION

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Trust's capital accounts for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

For the year ended November 30, 2003, permanent differences resulting primarily from differing treatments for market discount reclassifications, discount accretion/premium amortization on debt securities and expired capital loss carryforward were identified and reclassified among the components of the Trust's net assets as follows:

UNDISTRIBUTED NET INVESTMENT INCOME	ACCUMULATED NET REALIZED LOSS	PAID-IN CAPITAL
\$ (8,547)	\$5,276,170	\$ (5,267,623)

Net investment income and net realized gains (losses), as disclosed on the Statement of Operations, and net assets were not affected by this reclassification.

The tax character of distributions paid during the years ended November 30, 2003 and November 30, 2002 was as follows:

	NOVEMBER 30, 2003	NOVEMBER 30, 2002
Distributions paid from:		
Tax-Exempt Income	\$16,377,912	\$17,220,353
Ordinary Income*	23,800	101,473
Long-Term Capital Gains	--	--

\* For tax purposes short-term capital gains distributions, if any, are considered ordinary income distributions.

As of November 30, 2003, the components of distributable earnings on a tax basis were as follows:

UNDISTRIBUTED TAX-EXEMPT INCOME	UNDISTRIBUTED ORDINARY INCOME	UNDISTRIBUTED LONG-TERM CAPITAL GAINS	UNDISTRIBUTED NET UNREALIZED APPRECIATION*
------------------------------------	-------------------------------------	---	--

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\$3,293,669                      \$ --                      \$ --                      \$1,172,561

\* The differences between book-basis and tax-basis net unrealized appreciation are primarily due to discount accretion/premium amortization on debt securities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2003

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Unrealized appreciation (depreciation) at November 30, 2003, based on cost of investments for federal income tax purposes was:

Unrealized appreciation	\$ 19,974,048
Unrealized depreciation	(18,801,487)
	-----
Net unrealized appreciation	\$ 1,172,561
	-----

The following capital loss carryforwards are available to reduce taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code:

YEAR OF EXPIRATION	CAPITAL LOSS CARRYFORWARD
-----	-----
2004	\$ 2,815,387
2005	5,926,653
2007	3,941,668
2008	14,340,573
2009	4,198,716
2010	12,980,738
2011	4,761,736
	-----
	\$48,965,471
	-----

Capital loss carryforwards of \$5,267,623 were utilized and/or expired during the year ended November 30, 2003 for the Trust. Expired capital loss carryforwards are recorded as a reduction of paid-in capital.

NOTE 4. FEES AND COMPENSATION PAID TO AFFILIATES

On April 1, 2003, Colonial Management Associates, Inc., the previous investment advisor to the Trust, merged into Columbia Management Advisors, Inc. ("Columbia"), formerly known as Columbia Management Co., an indirect,

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wholly-owned subsidiary of FleetBoston Financial Corporation. As a result of the merger, Columbia now serves as the Trust's investment advisor. The merger did not change the way the Trust is managed, the investment personnel assigned to manage the Trust or the fees paid by the Trust.

### INVESTMENT ADVISORY FEE

Columbia is the investment advisor to the Trust and provides administrative and other services. Columbia receives a monthly fee at the annual rate of 0.75% of the Trust's average weekly net assets, including assets applicable to the APS.

### PRICING AND BOOKKEEPING FEES

Columbia is responsible for providing pricing and bookkeeping services to the Trust under a pricing and bookkeeping agreement. Under a separate agreement (the "Outsourcing Agreement"), Columbia has delegated those functions to State Street Corporation ("State Street").

Under its pricing and bookkeeping agreement with the Trust, Columbia receives from the Trust an annual flat fee of \$10,000 paid monthly, and in any month that the Trust's average weekly net assets, including assets applicable to the APS, exceed \$50 million, an additional monthly fee. The additional fee rate is calculated by taking into account the fees payable to State Street under the Outsourcing Agreement. This rate is applied to the average weekly net assets, including assets applicable to the APS, of the Trust for that month. The Trust also pays additional fees for pricing services. For the year ended November 30, 2003, the effective pricing and bookkeeping fee rate was 0.050%. Columbia pays the total fees collected to State Street under the Outsourcing Agreement.

### CUSTODY CREDITS

The Trust has an agreement with its custodian bank under which custody fees may be reduced by balance credits. The Trust could have invested a portion of the assets utilized in connection with the expense offset arrangement in an income-producing asset if it had not entered into such an agreement.

### FEES PAID TO OFFICERS AND TRUSTEES

The Trust pays no compensation to its officers, all of whom are employees of Columbia or its affiliates.

The Trust's Trustees may participate in a deferred compensation plan which may be terminated at any time. Obligations of the plan will be paid solely out of the Trust's assets.

### NOTE 5. PREFERRED SHARES

The Trust currently has outstanding 4,800 APS. The APS are redeemable at the option of the Trust on any dividend payment date at the redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis unpaid through the redemption date (whether or not such dividends have been declared).

Under the Act, the Trust is required to maintain asset coverage of at least 200% with respect to the APS as of the last business day of each month in which any APS are outstanding. Additionally, the Trust is required to meet more stringent asset coverage requirements under the terms of the APS Agreement and in accordance with the guidelines prescribed by the APS' rating agencies. Should these requirements not be met, or should dividends accrued on the APS not be paid, the Trust may be restricted in its ability to declare dividends to common

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shareholders or may be required to redeem certain APS. At November 30, 2003, there were no restrictions on the Trust.

NOTE 6. PORTFOLIO INFORMATION

PURCHASES AND SALES OF SECURITIES

For the year ended November 30, 2003, the cost of purchases and proceeds from sales of securities, excluding short-term obligations, were \$42,974,746 and \$48,752,264, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2003

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NOTE 7. DISCLOSURE OF SIGNIFICANT RISKS AND CONTINGENCIES

INDUSTRY FOCUS

The Trust may focus its investments in certain industries, subjecting it to greater risk than a trust that is more diversified.

HIGH-YIELD SECURITIES

Investing in high-yield securities may involve greater credit risk and considerations not typically associated with investing in U.S. Government bonds and other higher quality fixed income securities. These securities are non-investment grade securities, often referred to as "junk bonds." Economic downturns and industry events may disrupt the high yield market and impair the ability of issuers to repay principal and interest. Also, an increase in interest rates would likely have an adverse impact on the value of such obligations. Moreover, high-yield securities may be less liquid due to the extent that there is no established retail secondary market and because of a decline in the value of such securities.

GEOGRAPHIC CONCENTRATION

The Trust had greater than 5% of its net assets at November 30, 2003, invested in debt obligations issued by the states of California, Florida, Illinois, Massachusetts, Pennsylvania and Texas and their respective political subdivisions, agencies and public authorities to obtain funds for various purposes. The Trust is more susceptible to economic and political factors adversely affecting issuers of each respective state's specific municipal securities than are municipal bond funds that are not concentrated to the same extent in these issuers.

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FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout each period is as follows (common shares unless otherwise stated):

YEAR ENDED NOVEMBER 30,				PERIOD
2003	2002	2001	2000	NOVEMBER 1999 (

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NET ASSET VALUE, BEGINNING OF PERIOD	\$ 6.52	\$ 6.93	\$ 6.92	\$ 7.49	\$ 8
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income	0.54 (b)	0.57 (b) (c)	0.61 (b)	0.62 (d)	0
Net realized and unrealized gain (loss) on investments and futures contracts	0.04	(0.42) (c)	(0.04)	(0.54)	(0)
Total from Investment Operations	0.58	0.15	0.57	0.08	(0)
LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:					
From net investment income	(0.04)	(0.06)	(0.12)	(0.16)	(0)
Total from Investment Operations Applicable to Common Shareholders	0.54	0.09	0.45	(0.08)	(0)
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:					
From net investment income	(0.49)	(0.50)	(0.44)	(0.48)	(0)
LESS SHARE TRANSACTIONS:					
Commissions and offering costs -- preferred shares	--	--	--	(0.01)	(0)
NET ASSET VALUE, END OF PERIOD	\$ 6.57	\$ 6.52	\$ 6.93	\$ 6.92	\$ 7
Market price per share -- common shares	\$ 6.45	\$ 6.26	\$ 6.38	\$ 5.75	\$ 6
Total return -- based on market value -- common shares (e)	11.17%	5.81%	18.56%	1.05%	(21)
RATIOS TO AVERAGE NET ASSETS/ SUPPLEMENTAL DATA:					
Expenses (g) (h)	1.54%	1.49%	1.59%	1.60%	1
Net investment income before preferred stock dividend (g) (h)	8.30%	8.36% (c)	8.67%	8.63%	6
Net investment income after preferred stock dividend (g) (h)	7.72%	7.53% (c)	7.00%	6.37%	5
Portfolio turnover rate	14%	15%	15%	10%	
Net assets, end of period (000's) -- common shares	\$204,506	\$202,765	\$215,348	\$214,975	\$232,

(a) The Trust changed its fiscal year end from December 31 to November 30.

(b) Per share data was calculated using average shares outstanding during the period.

(c) Effective December 1, 2001, the Trust adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began accreting market discount on all debt securities. The effect of this change, for the year ended November 30, 2002, was to increase the ratio of net investment income to average net assets from 8.31% to 8.36% and increase the ratio of

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net investment income (adjusted for dividend payments to preferred shareholders) from 7.48% to 7.53%. The impact to net investment income and net realized and unrealized loss per share was less than \$0.01. Per share data and ratios for periods prior to November 30, 2002, have not been restated to reflect this change in presentation.

- (d) The per share net investment income amount does not reflect the period's reclassification of differences between book and tax basis net investment income.
- (e) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (f) Not annualized.
- (g) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%.
- (h) Ratios reflect average net assets available to common shares only.
- (i) Annualized.

### FINANCIAL HIGHLIGHTS (CONTINUED)

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	YEAR ENDED DECEMBER 31		
	1996	1995	1994
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 8.55	\$ 7.96	\$ 8.6
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income	0.56	0.60	0.6
Net realized and unrealized gain (loss) on investments and futures contracts	(0.19)	0.58	(0.7
Total from Investment Operations Applicable to Common Shareholders	0.37	1.18	(0.1
LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:			
From net investment income	(0.58)	(0.59)	(0.6
NET ASSET VALUE, END OF PERIOD	\$ 8.34	\$ 8.55	\$ 7.9
Market price per share -- common shares	\$ 8.25	\$ 7.38	\$ 6.8
Total return -- based on market value -- common shares(a)	20.09%	15.65%	(9.8
RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:			
Expenses (b)	1.00%	1.06%	1.0
Net investment income (b)	6.74%	7.15%	7.4
Portfolio turnover rate	15%	23%	2
Net assets, end of period (000's) -- common shares	\$257,768	\$264,467	\$245,96

- (a) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (b) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%.

### ASSET COVERAGE REQUIREMENTS

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	TOTAL AMOUNT OUTSTANDING	ASSET COVERAGE PER SHARE	INVOLUNTARY LIQUIDATING PREFERENCE PER SHARE	AVERAGE MARKET VALUE PER SHARE
11/30/03	\$120,000,000	\$67,605	\$25,003	\$25,000
11/30/02	120,000,000	67,243	25,002	25,000
11/30/01	120,000,000	69,864	25,004	25,000
11/30/00	120,000,000	69,786	25,009	25,000
11/30/99*	120,000,000	73,466	25,021	25,000

\* On August 26, 1999, the Trust began offering Auction Preferred Shares.

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REPORT OF INDEPENDENT AUDITORS

TO THE TRUSTEES AND THE SHAREHOLDERS OF COLONIAL HIGH INCOME MUNICIPAL TRUST

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Colonial High Income Municipal Trust (the "Trust") at November 30, 2003, and the results of its operations, the changes in its net assets and its financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at November 30, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Boston, Massachusetts  
January 12, 2004

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UNAUDITED INFORMATION

FEDERAL INCOME TAX INFORMATION

99.85% of the distributions from net investment income will be treated as exempt income for federal income tax purposes.

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### DIVIDEND REINVESTMENT PLAN

#### COLONIAL HIGH INCOME MUNICIPAL TRUST

Shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by EquiServe Trust Company, N.A. (the "Plan Agent"), as agent under the Trust's Dividend Reinvestment Plan (the "Plan"). Pursuant to the Plan, the provisions of which are described below, shareholders not making such an election will receive all such amounts in cash paid by check mailed directly to the shareholder by the Plan Agent, as the dividend paying agent.

If the Trustees of the Trust declare a dividend or determine to make a capital gain distribution payable either in shares of the Trust or in cash, as shareholders may have elected, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of the Trust. If the market price of the shares on the payment date for the dividend or distribution is equal to or exceeds their net asset value, participants will be issued shares of the Trust at the higher of net asset value or 95% of the market price. If the net asset value exceeds the market price of Trust shares at such time, or if the Trust declares a dividend or other distribution payable only in cash, the Plan Agent will, as agent for Plan participants, buy Trust shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of the Trust's shares, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Trust's shares, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Trust. In circumstances in which the net asset value of Trust shares is more than 5% below their market price, participants in the Plan will be issued shares through the Plan at a price exceeding net asset value.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent. When a participant withdraws from the Plan or upon termination of the Plan as provided below, certificates for whole shares credited to the participant's account under the Plan will be issued and a cash payment will be made for any fraction of a share credited to such account. A shareholder's notice of election to participate in or withdraw from the Plan must be received by the Plan Agent before the record date for a dividend in order to be given effect with respect to that dividend.

In the case of shareholders such as banks, brokers or nominees holding shares for others who are the beneficial owners of those shares, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the shareholder of record as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There is no charge to Plan participants for reinvesting dividends or distributions. The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. There will be no brokerage charges with respect to shares issued directly by the Trust as a result of dividends or distributions payable either in stock or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or distributions.

The automatic reinvestment of dividends and distributions will not relieve participants of any income tax that may be payable on such dividends or distributions.

The Plan may be amended or terminated on 30 days' written notice to Plan participants. All correspondence concerning the Plan should be directed to

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EquiServe Trust Company, N.A., by mail at P.O. Box 43010, Providence, RI 02940-3010, or by phone at 1-800-730-6001.

TRUSTEES

Effective October 8, 2003, Patrick J. Simpson and Richard L. Woolworth were appointed to the Board of Trustees of the Fund. Messrs. Simpson and Woolworth had been directors of 15 Columbia Funds and 20 funds in the CMG Fund Trust. Also effective October 8, 2003, the incumbent trustees of the Fund were elected as directors of the 15 Columbia Funds and as trustees of the 20 funds in the CMG Fund Trust. The new combined Board of Trustees/Directors of the Fund now oversees 119 funds in the Columbia Funds Complex (including the former Liberty Funds, former Stein Roe Funds, Columbia Funds and CMG Funds). Several of these trustees/directors also serve on the Boards of other funds in the Columbia Funds Complex.

The Trustees/Directors serve terms of indefinite duration. The names, addresses and ages of the Trustees/Directors and officers of the Funds in the Columbia Funds complex, the year each was first elected or appointed to office, their principal business occupations during at least the last five years, the number of portfolios overseen by each Trustee/Director and other directorships they hold are shown below. Each officer listed below serves as an officer of each Fund in the Columbia Funds Complex.

NAME, ADDRESS AND AGE	POSITION WITH FUNDS	YEAR FIRST ELECTED OR APPOINTED TO OFFICE(1)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS
DISINTERESTED TRUSTEES			
Douglas A. Hacker (age 48) P.O. Box 66100 Chicago, IL 60666	Trustee	1996	Executive Vice President-Strate United Airlines (airline) since 2002 (formerly President of UAL Services (airline) from Septemb to December, 2002; Executive Vi President and Chief Financial O United Airlines from March, 1999 September, 2001).
Janet Langford Kelly (age 45) 3100 West Beaver Road Troy, MI 48084-3163	Trustee	1996	Chief Administrative Officer and Vice President, Kmart Holding C (consumer goods) since Septembe (formerly Executive Vice President-Corporate Development Administration, General Counsel Secretary, Kellogg Company (foo manufacturer), from September, August, 2003; Senior Vice Presi Secretary and General Counsel, Corporation (branded, packaged, consumer-products manufacturer) January, 1995 to September, 199
Richard W. Lowry	Trustee	1995	Private Investor since August,

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(age 67)  
10701 Charleston Drive  
Vero Beach, FL 32963

(formerly Chairman and Chief Executive Officer, U.S. Plywood Corporation (building products manufacturer

Charles R. Nelson  
(age 61)  
Department of Economics  
University of Washington  
Seattle, WA 98195

Trustee 1981

Professor of Economics, University of Washington, since January, 1976; Louisa Van Voorhis Professor of Economics, University of Washington, September, 1993; Director, Institute for Economic Research, University of Washington, since September, 2000; Adjunct Professor of Statistics, University of Washington, since September, 1980; Associate Editor, Journal of Money Credit and Banking, since September, 1993; consultant in econometric and statistical methods

John J. Neuhauser  
(age 60)  
84 College Road  
Chestnut Hill, MA 02467-3838

Trustee 1985

Academic Vice President and Dean of Faculty since August, 1999, Boston College (formerly Dean, Boston College School of Management from September, 1993 to September, 1999).

Patrick J. Simpson  
(age 58)  
1211 S.W. 5th Avenue  
Suite 1500  
Portland, OR 97204

Trustee 2000

Partner, Perkins Coie L.L.P. (1999)

NAME, ADDRESS AND AGE	NUMBER OF PORTFOLIOS IN COLUMBIA FUNDS COMPLEX OVERSEEN BY TRUSTEE/DIRECTOR	OTHER DIRECTORSHIPS HELD
-----		
DISINTERESTED TRUSTEES		
Douglas A. Hacker (age 48) P.O. Box 66100 Chicago, IL 60666	119	Orbitz (online travel company)
Janet Langford Kelly (age 45) 3100 West Beaver Road Troy, MI 48084-3163	119	None
Richard W. Lowry (age 67) 10701 Charleston Drive Vero Beach, FL 32963	121 (3)	None
Charles R. Nelson (age 61) Department of Economics University of Washington	119	None

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Seattle, WA 98195

John J. Neuhauser  
(age 60)  
84 College Road  
Chestnut Hill, MA 02467-3838

122(3)(4)

Saucony, Inc.  
(athletic  
footwear);  
SkillSoft Corp.  
(e-learning)

Patrick J. Simpson  
(age 58)  
1211 S.W. 5th Avenue  
Suite 1500  
Portland, OR 97204

119

None

TRUSTEES (CONTINUED)

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NAME, ADDRESS AND AGE	POSITION WITH FUNDS	YEAR FIRST ELECTED OR APPOINTED TO OFFICE(1)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS
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DISINTERESTED TRUSTEES (CONTINUED)

Thomas E. Stitzel (age 67) 2208 Tawny Woods Place Boise, ID 83706	Trustee	1998	Business Consultant since 1999 Professor of Finance from 1975 College of Business, Boise State University); Chartered Financial
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Thomas C. Theobald (age 66) 27 West Monroe Street, Suite 3500 Chicago, IL 60606	Trustee and Chairman of the Board(6)	1996	Managing Director, William Blair Partners (private equity investment September, 1994.
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Anne-Lee Verville (age 58) 359 Stickney Hill Road Hopkinton, NH 03229	Trustee	1998	Author and speaker on education needs (formerly General Manager Education Industry, IBM Corporation (computer and technology) from 1997).
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Richard L. Woolworth (age 62) 100 S.W. Market Street #1500 Portland, OR 97207	Trustee	1991	Retired since December 2003 (former Chairman and Chief Executive Officer Regence Group (regional health plan); Chairman and Chief Executive Officer BlueCross BlueShield of Oregon; Public Accountant, Arthur Young Company).
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NUMBER OF  
PORTFOLIOS IN  
COLUMBIA FUNDS  
COMPLEX

OTHER

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NAME, ADDRESS AND AGE	OVERSEEN BY TRUSTEE/DIRECTOR	DIRECTORSHIPS HELD
DISINTERESTED TRUSTEES (CONTINUED)		
Thomas E. Stitzel (age 67) 2208 Tawny Woods Place Boise, ID 83706	119	None
Thomas C. Theobald (age 66) 27 West Monroe Street, Suite 3500 Chicago, IL 60606	119	Anixter International (network support equipment distributor), Jones Lang LaSalle (real estate management services) and MONY Group (life insurance)
Anne-Lee Verville (age 58) 359 Stickney Hill Road Hopkinton, NH 03229	120(4)	Chairman of the Board of Directors, Enesco Group, Inc. (designer, importer and distributor of giftware and collectibles)
Richard L. Woolworth (age 62) 100 S.W. Market Street #1500 Portland, OR 97207	119	NW Natural (a natural gas service provider)

TRUSTEES (CONTINUED)

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NAME, ADDRESS AND AGE	POSITION WITH FUNDS	YEAR FIRST ELECTED OR APPOINTED TO OFFICE(1)	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS
INTERESTED TRUSTEES			
William E. Mayer(2) (age 63) 399 Park Avenue Suite 3204 New York, NY 10022	Trustee	1994	Managing Partner, Park Avenue E Partners (private equity) since 1999 (formerly Founding Partner Development Capital LLC from November 1996 to February, 1999).

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Joseph R. Palombo(2) (age 50) One Financial Center Boston, MA 02111	Trustee and President	2000	Executive Vice President and Chief Operating Officer of Columbia M Group, Inc. since December, 200 Director, Executive Vice Presid Chief Operating Officer of Colu Management Advisors, Inc. (Advi April, 2003 (formerly Chief Ope Officer of Mutual Funds, Libert Financial Companies, Inc. from 2000 to November, 2001; Executi President of Stein Roe & Farnha Incorporated (Stein Roe) from A to April, 2003; Director of Col Management Associates, Inc. (Co from April, 1999 to April, 2003 of Stein Roe from September, 20 April, 2003) President of Colum and Galaxy Funds since February (formerly Vice President from S 2002 to February 2003); Manag Columbia Floating Rate Limited Company since October, 2000; (f Vice President of the Columbia April, 1999 to August, 2000; Ch Operating Officer and Chief Com Officer, Putnam Mutual Funds fr December, 1993 to March, 1999).
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NAME, ADDRESS AND AGE	NUMBER OF PORTFOLIOS IN COLUMBIA FUNDS COMPLEX OVERSEEN BY TRUSTEE/DIRECTOR	OTHER DIRECTORSHIPS HELD
-----		
INTERESTED TRUSTEES		
William E. Mayer(2) (age 63) 399 Park Avenue Suite 3204 New York, NY 10022	121(3)	Lee Enterprises (print media), WR Hambrecht + Co. (financial service provider) and First Health (healthcare)
Joseph R. Palombo(2) (age 50) One Financial Center Boston, MA 02111	120(5)	None

(1) In December 2000, the boards of each of the former Liberty Funds and former Stein Roe Funds were combined into one board of trustees responsible for the oversight of both fund groups (collectively, the "Liberty Board"). In October 2003, the trustees on the Liberty Board were elected to the boards of the Columbia Funds (the "Columbia Board") and of the CMG Fund Trust (the "CMG Funds Board"); simultaneous with that election, Patrick J. Simpson and Richard L. Woolworth, who had been directors on the Columbia Board and trustees on the CMG Funds Board, were appointed to serve as trustees of the Liberty Board. The date shown is the earliest date on which a trustee/director was elected or appointed to the board of a Fund in the

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Columbia Funds complex.

- (2) Mr. Mayer is an "interested person" (as defined in the Investment Company Act of 1940 (1940 Act)) by reason of his affiliation with WR Hambrecht + Co. Mr. Palombo is an interested person as an employee of the Advisor.
- (3) Messrs. Lowry, Neuhauser and Mayer each also serve as a director/trustee of the All-Star Funds, currently consisting of 2 funds, which are advised by an affiliate of the Advisor.
- (4) Mr. Neuhauser and Ms. Verville also serve as disinterested directors of Columbia Management Multi-Strategy Hedge Fund, LLC, which is advised by the Advisor.
- (5) Mr. Palombo also serves as an interested director of Columbia Management Multi-Strategy Hedge Fund, LLC, which is advised by the Advisor.
- (6) Mr. Theobald was appointed as Chairman of the Board effective December 10, 2003. Prior to that date, Mr. Palombo was Chairman of the Board.

OFFICERS

NAME, ADDRESS AND AGE	POSITION WITH COLUMBIA FUNDS	YEAR FIRST ELECTED OR APPOINTED TO OFFICE	PRINCIPAL OCCUPATION(S) DURING PAST F
OFFICERS			
Vicki L. Benjamin (Age 42) One Financial Center Boston, MA 02111	Chief Accounting Officer and Controller	2001	Controller of the Columbia Funds and of the Funds since May, 2002; Chief Accounting Officer of Columbia Funds and Liberty All-Star Funds since April, 2001; Controller and Chief Accounting Officer of the State Street Bank and Trust Company since September, 2002 (formerly Vice President of State Street Bank and Trust Company from April, 2001).
J. Kevin Connaughton (Age 39) One Financial Center Boston, MA 02111	Treasurer	2000	Treasurer of the Columbia Funds and of the Liberty All-Star Funds since December, 2000; Vice President of the Liberty All-Star Funds since April, 2003 (formerly Controller of the Liberty All-Star Funds from February, 2000 and of the Liberty All-Star Funds from February, 2000); Treasurer of the Galaxy Fund since September 2002; Treasurer, Columbia Management Multi-Strategy Hedge Fund, LLC since December, 2002 (formerly Vice President of Colonial from February, 2000 to October, 2000).
David A. Rozenson (Age 49) One Financial Center Boston, MA 02111	Secretary	2003	Secretary of the Columbia Funds and of the Liberty All-Star Funds since December, 2003; Senior Counsel, Liberty All-Star Funds Financial Corporation since January, 1996; Assistant Counsel, Columbia Management Group since November, 2000.

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TRANSFER AGENT

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### IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial High Income Municipal Trust is:

EquiServe Trust Company, N.A.  
150 Royall Street  
Canton, MA 02021

The trust mails one shareholder report to each shareholder address. Shareholders can order additional reports by calling 800-730-6001. In addition, representatives at that number can provide shareholders information about the trust.

Financial advisors who want additional information about the trust may speak to a representative at 800-426-3750.

A description of the policies and procedures that the trust uses to determine how to vote proxies relating to its portfolio securities is available (i) without charge, upon request, by calling 800-730-6001 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

This report has been prepared for shareholders of Colonial High Income Municipal Trust.



120-02/575Q-1103 (01/04) 03/3858

ITEM 2. CODE OF ETHICS.

- (a) The registrant has, as of the end of the period covered by this report, adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (b) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.
- (c) During the period covered by this report, there were not any waivers or implicit waivers to a provision of the code of ethics adopted in 2(a) above.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Trustees has determined that Douglas A. Hacker, Thomas E. Stitzel, Anne-Lee Verville and Richard L. Woolworth, each of whom are members of the registrant's Board of Trustees and Audit Committee, each qualify as an audit committee financial expert. Mr. Hacker, Mr. Stitzel, Ms. Verville and Mr. Woolworth are each independent trustees, as defined in paragraph (a) (2) of this item's instructions and collectively constitute the entire Audit Committee.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

ITEM 6. RESERVED.

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

The Fund has delegated to Columbia Management Advisors, Inc. (the "Advisor") the responsibility to vote proxies relating to portfolio securities held by the Fund. In deciding to delegate this responsibility to the Advisor, the Board of Trustees of the Trust reviewed and approved the policies and procedures adopted by the Advisor. These included the procedures that the Advisor follows when a vote presents a conflict between the interests of the Fund and its shareholders and the Advisor, its affiliates, its other clients or other persons.

The Advisor's policy is to vote all proxies for Fund securities in a manner

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considered by the Advisor to be in the best interest of the Fund and its shareholders without regard to any benefit to the Advisor, its affiliates, its other clients or other persons. The Advisor examines each proposal and votes against the proposal, if, in its judgment, approval or adoption of the proposal would be expected to impact adversely the current or potential market value of the issuer's securities. The Advisor also examines each proposal and votes the proxies against the proposal, if, in its judgment, the proposal would be expected to affect adversely the best interest of the Fund. The Advisor determines the best interest of the Fund in light of the potential economic return on the Fund's investment.

The Advisor addresses potential material conflicts of interest by having predetermined voting guidelines. For those proposals that require special consideration or in instances where special circumstances may require varying from the predetermined guideline, the Advisor's Proxy Committee determines the vote in the best interest of the Fund, without consideration of any benefit to the Advisor, its affiliates, its other clients or other persons. A member of the Proxy Committee is prohibited from voting on any proposal for which he or she has a conflict of interest

by reason of a direct relationship with the issuer or other party affected by a given proposal. Persons making recommendations to the Proxy Committee or its members are required to disclose to the Committee any relationship with a party making a proposal or other matter known to the person that would create a potential conflict of interest.

The Advisor has three classes of proxy proposals. The first two classes are predetermined guidelines to vote for or against specific proposals, unless otherwise directed by the Proxy Committee. The third class is for proposals given special consideration by the Proxy Committee. In addition, the Proxy Committee considers requests to vote on proposals in the first two classes other than according to the predetermined guidelines.

The Advisor generally votes in favor of proposals related to the following matters: selection of auditors (unless the auditor receives more than 50% of its revenues from non-audit activities from the company and its affiliates), election of directors (unless the proposal gives management the ability to alter the size of the board without shareholder approval), different persons for chairman of the board/chief executive officer (unless, in light of the size of the company and the nature of its shareholder base, the role of chairman and CEO are not held by different persons), compensation (if provisions are consistent with standard business practices), debt limits (unless proposed specifically as an anti-takeover action), indemnifications (unless for negligence and or breaches of fiduciary duty), meetings, name of company, principal office (unless the purpose is to reduce regulatory or financial supervision), reports and accounts (if the certifications required by Sarbanes-Oxley Act of 2002 have been provided), par value, shares (unless proposed as an anti-takeover action), share repurchase programs, independent committees, and equal opportunity employment.

The Advisor generally votes against proposals related to the following matters: super majority voting, cumulative voting, preferred stock, warrants, rights, poison pills, reclassification of common stock and meetings held by written consent.

The Advisor gives the following matters special consideration: new proposals, proxies of investment company shares (other than those covered by the predetermined guidelines), mergers/acquisitions (proposals where a hostile

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merger/acquisition is apparent or where the Advisor represents ownership in more than one of the companies involved), shareholder proposals (other than those covered by the predetermined guidelines), executive/director compensation (other than those covered by the predetermined guidelines), pre-emptive rights and proxies of international issuers which block securities sales between submission of a proxy and the meeting (proposals for these securities are voted only on the specific instruction of the Proxy Committee and to the extent practicable in accordance with predetermined guidelines).

In addition, if a portfolio manager or other party involved with a client of the Advisor or Fund account concludes that the interest of the client or Fund requires that a proxy be voted on a proposal other than according to the predetermined guidelines, he or she may request that the Proxy Committee consider voting the proxy differently. If any person (or entity) requests the Proxy Committee (or any of its members) to vote a proxy other than according to a predetermined guideline, that person must furnish to the Proxy Committee a written explanation of the reasons for the request and a description of the person's (or entity's) relationship with the party proposing the matter to shareholders or any other matter known to the person (or entity) that would create a potential conflict of interest.

The Proxy Committee may vary from the predetermined guideline if it determines that voting on the proposal according to the predetermined guideline would be expected to impact adversely the

current or potential market value of the issuer's securities or to affect adversely the best interest of the client. References to the best interest of a client refer to the interest of the client in terms of the potential economic return on the client's investment. In determining the vote on any proposal, the Proxy Committee does not consider any benefit other than benefits to the owner of the securities to be voted.

The Advisor's Proxy Committee is composed of operational and investment representatives of its regional offices as well as senior representatives of the Advisor's equity investments, equity research, compliance and legal functions. During the first quarter of each year, the Proxy Committee reviews all guidelines and establishes guidelines for expected new proposals. In addition to these reviews and its other responsibilities described above, its functions include annual review of its Proxy Voting Policy and Procedures to ensure consistency with internal policies and regulatory agency policies, and development and modification of voting guidelines and procedures as it deems appropriate or necessary.

The Advisor uses Institutional Shareholder Services ("ISS"), a third party vendor, to implement its proxy voting process. ISS provides proxy analysis, record keeping services and vote disclosure services.

### ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable at this time.

### ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable at this time.

### ITEM 10. CONTROLS AND PROCEDURES.

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(a) The registrant's principal executive officer and principal financial officer, based on their evaluation of the registrant's disclosure controls and procedures as of a

date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the registrant in Form N-CSR is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 11. EXHIBITS.

(a) (1) Code of ethics required to be disclosed under Item 2 of Form N-CSR attached hereto as Exhibit 99.CODE ETH

(a) (2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

(a) (3) Not applicable.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) attached hereto as Exhibit 99.906CERT.

SIGNATURES

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

(registrant) Colonial High Income Municipal Trust

By (Signature and Title) /s/ JOSEPH R. PALOMBO

Joseph R. Palombo, President

Date February 4, 2004

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

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By (Signature and Title) /s/ JOSEPH R. PALOMBO

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Joseph R. Palombo, President

Date February 4, 2004

By (Signature and Title) /s/ J. KEVIN CONNAUGHTON

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J. Kevin Connaughton, Treasurer

Date February 4, 2004