

COLONIAL HIGH INCOME MUNICIPAL TRUST
Form N-CSR
August 08, 2003

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

Colonial High Income Municipal Trust

(Exact name of registrant as specified in charter)

One Financial Center, Boston, Massachusetts 02111

(Address of principal executive offices) (Zip code)

Russell L. Kane, Esq.
Columbia Management Group, Inc.
One Financial Center
Boston, MA 02111

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-617-426-3363

Date of fiscal year end: November 30, 2003

Date of reporting period: May 31, 2003

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

COLONIAL HIGH INCOME MUNICIPAL TRUST SEMIANNUAL REPORT

MAY 31, 2003

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PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

The US bond market continued to reward investors with solid returns for the period covered by this report. As key economic indicators sent mixed signals, the US economy continued to struggle and interest rates declined. In November, the Federal Reserve Board lowered a key short-term interest rate--the federal funds rate--to 1.25%, a new low.¹ The yield on the 10-year US Treasury bond fell to a 45-year low of 3.3% near the end of the period. Although the environment was favorable to bonds, declining interest rates and relatively low inflation raised the fear that deflation, which hasn't been seen since the 1930s, would return.

Bonds reported gains across all sectors. Leadership rotated from higher quality bonds, which were the top performers in the previous period, to lower quality bonds. Corporate and high-yield bonds rebounded as investors became more willing to take on risk. However, in the municipal market high-grade bonds outperformed high yield.

The following report will provide you with more detailed information about the trust's performance and the investment strategies used by portfolio manager Maureen Newman. For more information, please contact your financial advisor.

CONSOLIDATION AND A NEW NAME: COLUMBIA

On April 1, 2003, six of the asset management firms brought together when Columbia Management Group, Inc. was formed were consolidated and renamed Columbia Management Advisors, Inc. (Columbia Management). This consolidation does not affect the management or investment objectives of your trust and is the next step in our efforts to create a consistent identity and to streamline our organization. Although the name of the asset manager familiar to you has changed, what hasn't changed is the commitment of our specialized investment teams to a multi-disciplined approach to investing, focused on our goal of offering shareholders the best products and services.

As always, we thank you for choosing Colonial High Income Municipal Trust and for giving us the opportunity to help you build a strong financial future.

/s/ Joseph R. Palombo

Joseph R. Palombo
President

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MEET THE NEW PRESIDENT

Joseph R. Palombo is president of the Trust. He is also president and chairman of the Board of Trustees for Liberty Funds and chief operating officer and executive vice president of Columbia Management Advisors, Inc. (Columbia Management). Mr. Palombo has over 19 years of experience in the financial services industry. Prior to joining Columbia Management, he was chief operating officer and chief compliance officer for Putnam Mutual Funds. Prior to that, he was a partner at Coopers & Lybrand. Mr. Palombo received his degree in economics/accounting from the College of the Holy Cross, where he was a member of Phi Beta Kappa. He earned his master's degree in taxation from Bentley College and participated in the Executive Program at the Amos B. Tuck School at Dartmouth College.

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

1 On June 25, 2003, the Federal Reserve Board cut the federal funds rate to 1.00%.

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

For the six-month period ended May 31, 2003, Colonial High Income Municipal Trust returned 2.04%, based on net asset value. The trust trailed its peer group. The average return for the Lipper High Yield Municipal Debt Funds Category was 4.63%.¹

The trust's performance relative to its peer group suffered because nursing home bonds were hurt by cutbacks in Medicaid reimbursements. The nursing home sector represents a sizeable portion of the trust. A small stake in tobacco bonds, which are backed by settlement money from tobacco companies, also hurt performance. The bonds lost value as investors reacted to an unfavorable court judgement, which raised fears that the industry might default on payments. While we believe that we will continue to see volatility in that sector, we do not share the concern about default and continue to hold the bonds. The trust's United Airlines bond (0.2% of net assets)² tumbled as well after the company declared bankruptcy and stopped payments to bondholders. Also deterring performance to some extent were short positions in U.S. Treasury futures contracts, which are employed to reduce the overall duration of the trust. We believe that the trust's duration was shorter, on average, than that of our competitors during a period of rising bond prices. Duration is a measure of interest rate sensitivity. Shorter duration bonds underperform during bond market rallies.

The trust benefited, however, from US Airways bonds (0.2% of net assets), which rallied after the company emerged from bankruptcy. It also benefited from its

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investment in zero coupon municipal bonds, which did well as interest rates declined. Approximately 31% of the trust's assets was invested in non-rated bonds, which helped generate income. We attempted to reduce the impact of any individual default by diversifying across many different sectors. Additional income came from the trust's leverage through its preferred shares. The trust benefited because the short-term variable rate it paid out on these shares was much lower than the yield it earned through investing in longer maturity bonds.

Our focus was on essential services bonds, which are backed by revenues from user fees. We added utilities and retirement housing bonds, but trimmed slightly in the health-care area. We also shifted toward intermediate maturity (15-20 year) bonds. These bonds offer most of the yield of longer maturity issues with less risk. Going forward, we expect a slow economic recovery, stable interest rates and tame inflation to benefit high-yield municipal bonds.

/s/ Maureen G. Newman

Maureen G. Newman is the portfolio manager of Colonial High Income Municipal Trust and a senior vice president of Columbia Management Advisors, Inc. Ms. Newman received her BA in economics from Boston College and her MBA from Babson College. She is a Chartered Financial Analyst, a member of the Boston Security Analysts Society and former chairman of the National Federation of Municipal Analysts.

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 May 31, 2003 and are subject to change.

Past performance is no guarantee of future investment results. The principal value and investment returns will fluctuate, resulting in a gain or loss on sale.

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.

6-MONTH RETURN AS OF 5/31/03 (%)

| | |
|--|------|
| Lipper High Yield Municipal Debt Funds Category | 4.63 |
|--|------|

PRICE PER SHARE AS OF 5/31/03 (\$)

| | |
|-----------------|------|
| Net asset value | 6.40 |
|-----------------|------|

| | |
|--------------|------|
| Market price | 6.64 |
|--------------|------|

6-MONTH TOTAL RETURN (%)

| | |
|-----------------|------|
| Net asset value | 2.04 |
|-----------------|------|

| | |
|--------------|-------|
| Market price | 10.27 |
|--------------|-------|

DISTRIBUTIONS DECLARED PER

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COMMON SHARE 12/1/02-5/31/03 (\$)

0.25

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

QUALITY BREAKDOWN

AS OF 5/31/03 (%) (UNAUDITED)

| | |
|------------------|------|
| AAA | 36.4 |
| ----- | |
| AA | 3.7 |
| ----- | |
| A | 9.0 |
| ----- | |
| BBB | 13.5 |
| ----- | |
| BB | 5.3 |
| ----- | |
| CCC | 0.6 |
| ----- | |
| Non-rated | 31.3 |
| ----- | |
| Cash equivalents | 0.2 |
| ----- | |

TOP 10 INDUSTRY SECTORS

AS OF 5/31/03 (%) (UNAUDITED)

| | |
|----------------------------|------|
| Local general obligations | 14.4 |
| ----- | |
| Hospital | 9.8 |
| ----- | |
| Nursing | 7.5 |
| ----- | |
| Multi-family | 7.3 |
| ----- | |
| Refunded/escrowed | 5.8 |
| ----- | |
| Investor owned utility | 5.1 |
| ----- | |
| Congregate care retirement | 4.0 |
| ----- | |
| State general obligations | 3.9 |
| ----- | |
| Municipal electric utility | 3.6 |
| ----- | |
| Special non-property tax | 3.5 |
| ----- | |

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:

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Standard & Poor's Corporation, Moody's Investors Service, Inc. or Fitch Investors Service, Inc. Sector breakdowns are calculated as a percentage of net assets.

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.

1

INVESTMENT PORTFOLIO

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS - 97.2% | PAR | VALUE |
|--|--------------|------------|
| ----- | | |
| EDUCATION - 3.3% | | |
| CA Loyola Marymount University, Series 2001, (a) 10/01/19 | \$ 2,025,000 | \$ 978,824 |
| CA State Public Works Board, UCLA Replacement Hospital, Series 2002 A, 5.375% 10/01/15 | 1,010,000 | 1,165,752 |
| CA Statewide Community Development Authority, Crossroads School for Arts & Sciences, Series 1998, 6.000% 08/01/28 (b) | 1,310,000 | 1,380,753 |
| IL State Development Finance Authority, Latin School of Chicago, Series 1998, 5.650% 08/01/28 | 230,000 | 236,192 |
| IL University of Illinois, Series 2001 A, 5.500% 08/15/17 | 685,000 | 783,469 |
| MA State Development Finance Agency, Western New England College, 6.125% 12/01/32 | 300,000 | 311,895 |
| MA State Industrial Finance Agency: Cambridge Friends School, Series 1998, 5.800% 09/01/28 | 1,000,000 | 1,032,850 |
| St. John's High School, Series 1998, 5.350% 06/01/28 | 300,000 | 305,130 |
| MI Southfield Economic Development Corp., Lawrence University, Series 1998 A, 5.400% 02/01/18 | 1,000,000 | 1,030,660 |
| NC State Capital Facilities Finance Authority, Meredith College, Series 2001, 5.125% 06/01/16 | 1,000,000 | 1,111,050 |
| VT State Educational & Health Buildings Finance Agency, Norwich University, | | |

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| | | |
|---|-----------|------------|
| Series 1998, 5.500% 07/01/21 | 1,500,000 | 1,522,770 |
| WV State University, Series 2000 A, (a) 04/01/19 | 1,000,000 | 498,860 |
| | | ----- |
| | | 10,358,205 |
| | | ----- |

| | | |
|--|-----------|-----------|
| HEALTH CARE - 22.9% | | |
| CONGREGATE CARE RETIREMENT - 4.0% | | |
| CA La Verne CFTS Partnership, Brethren Hillcrest Home, Series 2003 B, 6.625% 02/15/25 | 690,000 | 698,880 |
| CA Statewide Community Development Authority, Eskaton Village - Grass Valley, Series 2000, 8.250% 11/15/31 (b) | 1,000,000 | 1,094,460 |
| CT State Development Authority, First Meeting Gross Revenue Health Care, Elim Park Baptist, Inc. Project, Series 2003, 5.850% 12/01/33 | 660,000 | 684,856 |

| | PAR | VALUE |
|---|------------|------------|
| ----- | | |
| FL Capital Projects Finance Authority, Glenridge on Palmer Ranch, Series 2002 A, 8.000% 06/01/32 | \$ 750,000 | \$ 765,157 |
| IL State Health Facilities Authority, Lutheran Senior Ministries, Series 2001 A, 7.375% 08/15/31 | 300,000 | 313,956 |
| KS Manhattan, Meadowlark Hills Retirement Home, Series 1999 A, 6.375% 05/15/20 | 650,000 | 667,712 |
| MA Boston Industrial Development Financing Authority, Springhouse, Inc., Series 1988, 5.875% 07/01/20 | 255,000 | 254,565 |
| MA State Development Finance Agency, Loomis Communities: Series 1999 A, 5.625% 07/01/15 | 400,000 | 393,304 |
| Series 2002 A, 6.900% 03/01/32 | 100,000 | 104,289 |
| NH State Higher Educational & Health Facilities Authority, Rivermead at Peterborough, Series 1998: 5.625% 07/01/18 | 500,000 | 476,475 |
| 5.750% 07/01/28 | 500,000 | 465,475 |
| NJ Economic Development Authority, Seabrook Village, Inc., Series 2000 A, 8.250% 11/15/30 | 625,000 | 687,938 |
| PA Lancaster Industrial Development Authority, Garden Spot Village, | | |

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| | | |
|--|-----------|---------|
| Series 2000 A, 7.625% 05/01/31 | 500,000 | 533,405 |
| PA Philadelphia Authority for Industrial Development, Baptist Home of Philadelphia, Series 1998 A: | | |
| 5.500% 11/15/18 | 360,000 | 327,920 |
| 5.600% 11/15/28 | 500,000 | 443,660 |
| TN Metropolitan Government, Nashville & Davidson Counties, Blakeford at Green Hills, Series 1998, | | |
| 5.650% 07/01/24 | 600,000 | 542,292 |
| TX Abilene Health Facilities Development Corp., Sears Methodist Retirement Obligation Group: | | |
| Series 1998 A, 5.900% 11/15/25 | 1,000,000 | 923,780 |
| Series 2003 A, 7.000% 11/15/33 | 300,000 | 302,055 |

See notes to investment portfolio.

2

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|---|--------------|------------|
| ----- | | |
| HEALTH CARE (CONTINUED) | | |
| CONGREGATE CARE RETIREMENT (CONTINUED) | | |
| WI State Health & Educational Facilities Authority: | | |
| Attic Angel Obligated Group, Series 1998, | | |
| 5.750% 11/15/27 | \$ 1,000,000 | \$ 908,500 |
| Clement Manor, Series 1998, | | |
| 5.750% 08/15/24 | 1,300,000 | 1,189,448 |
| United Lutheran Program for Aging, Inc., Series 1998, | | |
| 5.700% 03/01/28 | 1,000,000 | 911,030 |
| | | ----- |
| | | 12,689,157 |
| | | ----- |
| HEALTH SERVICES - 0.5% | | |
| IL State Health Facilities Authority, Midwest Physician Group Ltd., Series 1998, | | |
| 5.500% 11/15/19 | 120,000 | 96,686 |
| MA State Development Finance Agency, Boston Biomedical Research Institute, Series 1999: | | |
| 5.650% 02/01/19 | 200,000 | 193,922 |
| 5.750% 02/01/29 | 450,000 | 433,156 |

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| | | |
|---|--------------|-----------------------------|
| MA State Health & Educational Facilities Authority, Civic Investments, Inc., Series 1999 A, 9.000% 12/15/15 | 750,000 | 831,713 |
| | | ----- 1,555,477 ----- |
| HOSPITALS - 9.8% | | |
| AR Conway Health Facilities Board, Conway Regional Medical Center: Series 1999 A, 6.400% 08/01/29 | 425,000 | 456,237 |
| Series 1999 B, 6.400% 08/01/29 | 1,000,000 | 1,072,400 |
| CA State Health Facilities Financing Authority, Cedars-Sinai Medical Center, Series 1999 A, 6.125% 12/01/30 | 750,000 | 809,587 |
| CO State Health Facilities Authority: National Jewish Medical & Research Center, Series 1998, 5.375% 01/01/23 | 330,000 | 330,891 |
| Parkview Medical Center, Inc., Series 2001, 6.600% 09/01/25 | 300,000 | 328,452 |
| FL Citrus County Hospital Board, Citrus Memorial Hospital, Series 2002, 6.375% 08/15/32 | 750,000 | 785,737 |
| FL Orange County Health Facilities Authority, Orlando Regional Healthcare, Series 2002, 5.750% 12/01/32 | 200,000 | 211,082 |
| | PAR | VALUE |
| ----- | ----- | ----- |
| FL Tampa, H. Lee Moffitt Cancer Center, Series 1999 A, 5.750% 07/01/29 | \$ 2,000,000 | \$ 2,090,440 |
| FL West Orange Healthcare District, Series 2001 A, 5.650% 02/01/22 | 525,000 | 546,782 |
| IL Health Facilities Authority, Thorek Hospital & Medical Center, Series 1998, 5.250% 08/15/18 | 600,000 | 558,240 |
| IL Southwestern Illinois Development Authority, Anderson Hospital, Series 1999, 5.500% 08/15/20 | 225,000 | 227,347 |
| IL State Health Facilities Authority, Swedish American Hospital, Series 2000, 6.875% 11/15/30 | 500,000 | 552,015 |
| LA State Public Facilities Authority, Touro Infirmary, Series 1999, 5.625% 08/15/29 | 350,000 | 360,087 |
| MA State Health & Educational Facilities, | | |

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| | | |
|--|-----------|-----------|
| Milford-Whitinsville Hospital, Series 2002 D, 6.350% 07/15/32 | 465,000 | 490,091 |
| MD State Health & Higher Education Facilities Authority, Adventist Healthcare, Series 2003 A: 5.000% 01/01/16 | 400,000 | 404,904 |
| 5.750% 01/01/25 | 600,000 | 621,138 |
| MI Dickinson County Healthcare System, Series 1999, 5.700% 11/01/18 | 750,000 | 763,905 |
| MI Flint Hospital Building Authority, Hurley Medical Center, Series 1998 A, 5.375% 07/01/20 | 450,000 | 398,961 |
| MN St. Paul Housing & Redevelopment Authority, Healtheast Project, Series 1997 A, 5.700% 11/01/15 | 1,000,000 | 864,600 |
| MN Washington County Housing & Redevelopment Authority, Healtheast, Inc., Series 1998, 5.250% 11/15/12 | 1,500,000 | 1,284,315 |
| MS State Business Finance Corp., Rush Medical Foundation, Inc., Series 1998, 5.625% 07/01/23 | 710,000 | 625,148 |
| NC State Medical Care Commission, Stanly Memorial Hospital, Series 1999, 6.375% 10/01/29 | 1,915,000 | 2,095,431 |
| NH Health & Education Facilities Authority, Hospital Revenue, Catholic Medical Center, Series 2002, 6.125% 07/01/32 | 400,000 | 418,068 |

See notes to investment portfolio.

3

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|--|------------|------------|
| HEALTH CARE (CONTINUED) | | |
| HOSPITALS (CONTINUED) | | |
| NH State Higher Educational & Health Facilities Authority, Littleton Hospital Association, Inc., Series 1998 A: 5.900% 05/01/28 | \$ 780,000 | \$ 646,519 |
| 6.000% 05/01/28 | 625,000 | 498,300 |
| OH Belmont County, East Ohio Regional Hospital, Series 1998, 5.700% 01/01/13 | 1,875,000 | 1,670,831 |
| OH Highland County Joint Township Hospital District, Series 1999, | | |

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| | | | |
|----|---|-----------|-----------|
| | 6.750% 12/01/29 | 965,000 | 957,859 |
| OH | Miami County, Upper Valley Medical Center, Inc., Series 1996 A, | | |
| | 6.375% 05/15/26 | 1,000,000 | 1,038,810 |
| OH | Sandusky County, Memorial Hospital, Series 1998, | | |
| | 5.150% 01/01/10 | 250,000 | 249,713 |
| PA | Allegheny County Hospital Development, Ohio Valley General Hospital, Series 1998 A, | | |
| | 5.450% 01/01/28 | 1,000,000 | 968,130 |
| PA | Pottsville Hospital Authority, Pottsville Hospital & Warne Clinic, Series 1998, | | |
| | 5.500% 07/01/18 | 1,000,000 | 905,150 |
| SC | Lexington County Health Services District, Inc., Hospital Revenue, | | |
| | 5.500% 11/01/23 | 750,000 | 790,102 |
| TX | Comal County Health Facilities Development, McKenna Memorial, Series 2002 A, | | |
| | 6.250% 02/01/32 | 500,000 | 519,800 |
| TX | Lufkin Health Facilities Development Corp., Memorial Health Systems of East Texas, Series 1998, | | |
| | 5.700% 02/15/28 | 1,120,000 | 887,309 |
| TX | Richardson Hospital Authority, Baylor Richardson Medical Center, Series 1998, | | |
| | 5.625% 12/01/28 | 1,000,000 | 1,027,370 |
| TX | Tyler Health Facilities Development Corp., Mother Frances Hospital, Series 2001, | | |
| | 6.000% 07/01/31 | 1,000,000 | 1,040,400 |
| UT | Weber County, IHC Health Services, Inc., Series 1999, | | |
| | 5.000% 08/15/30 | 1,500,000 | 1,543,635 |
| VT | State Educational & Health Buildings Authority, Brattleboro Memorial Hospital, Series 1998, | | |
| | 5.375% 03/01/28 | 1,075,000 | 1,050,458 |
| WA | State Health Care Facilities Authority, Kadlec Medical Center, Series 2001, | | |
| | 5.875% 12/01/21 | 600,000 | 657,234 |

PAR VALUE

| | | | |
|----|--|------------|------------|
| WI | State Health & Educational Facilities Authority, Wheaton Franciscan Services, Series 2002, | | |
| | 5.750% 08/15/30 | \$ 600,000 | \$ 630,456 |
| | | | ----- |
| | | | 31,377,934 |
| | | | ----- |

INTERMEDIATE CARE FACILITIES - 1.1%

| | | | |
|----|---|-----------|-----------|
| IL | State Development Finance Authority, Hoosier Care, Inc., Series 1999 A, | | |
| | 7.125% 06/01/34 | 1,210,000 | 1,035,300 |
| IN | State Health Facilities Financing Authority, Hoosier Care, Inc., | | |

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| | | |
|---|-----------|-----------|
| Series 1999 A, 7.125% 06/01/34 | 150,000 | 128,343 |
| PA State Economic Development Financing Authority, Northwestern Human Services, Inc., Series 1998 A, 5.250% 06/01/14 | 2,510,000 | 2,162,089 |
| | | ----- |
| | | 3,325,732 |
| | | ----- |
| NURSING HOMES - 7.5% | | |
| AK Juneau, St. Ann's Care Center, Series 1999, 6.875% 12/01/25 | 1,250,000 | 1,284,225 |
| CO Healthcare Facilities Authority: American Housing Foundation I, Inc. Project, Series 2003, 8.500% 12/01/31 | 475,000 | 462,389 |
| Pioneer Healthcare, Series 1989, 10.500% 05/01/19 | 1,840,000 | 1,786,714 |
| CO State Healthcare Facilities Authority, Volunteers of America Care Facilities, Inc.: Series 1998 A: 5.450% 07/01/08 | 300,000 | 295,194 |
| 5.750% 07/01/20 | 865,000 | 786,493 |
| Series 1999 A, 6.000% 07/01/29 | 350,000 | 314,734 |
| IA State Finance Authority, Care Initiatives Project: Series 1996, 9.250% 07/01/25 | 1,000,000 | 1,209,360 |
| Series 1998 B: 5.750% 07/01/18 | 550,000 | 496,100 |
| 5.750% 07/01/28 | 1,475,000 | 1,274,960 |
| IN Gary Industrial Economic Development, West Side Health Care Center, Series 1987 A, 11.500% 10/01/17 (k) | 1,330,000 | 997,500 |
| IN Michigan City Health Facilities, Metro Health Foundation, Inc. Project, Series 1993, 11.000% 11/01/22 (d) | 3,085,000 | 1,048,900 |

See notes to investment portfolio.

4

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

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| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|---|--------------|------------|
| ----- | | |
| HEALTH CARE (CONTINUED) | | |
| NURSING HOMES (CONTINUED) | | |
| IN State Health Facilities Financing Authority, Metro Health Indiana, Inc., Series 1998, 6.400% 12/01/33 (d) | \$ 1,210,000 | \$ 157,300 |
| MA State Development Finance Agency, Alliance Health Care Facilities, Series 1999, 7.100% 07/01/32 | 1,300,000 | 1,308,541 |
| MA State Industrial Finance Agency, Woodlawn Nursing Home, Series 2000 A: 7.750% 12/01/27 | 1,558,135 | 1,366,126 |
| 10.250% 06/01/27 | 336,372 | 314,252 |
| MN Carlton, Inter-Faith Social Services, Inc., Series 2000, 7.750% 04/01/29 | 225,000 | 237,652 |
| MN Sartell, Foundation for Healthcare, Series 1999 A, 6.625% 09/01/29 | 1,145,000 | 1,109,436 |
| NJ State Economic Development Authority, Geriatric & Medical Service, Inc., Series 1990 B, 10.500% 05/01/20 | 2,000,000 | 2,005,400 |
| PA Chester County Industrial Development Authority, RHA Nursing Home, Series 2002, 8.500% 05/01/32 | 1,610,000 | 1,583,612 |
| PA Washington County Industrial Development Authority, Central States, Series 1989, 10.250% 11/01/19 (c) | 1,750,000 | 787,500 |
| TN Metropolitan Government, Nashville & Davidson Counties Health & Education Facilities, Central States, Series 1989, 10.250% 11/01/19 (c) | 1,650,000 | 742,500 |
| TX Kirbyville Health Facilities Development Corp., Heartway III Project: Series 1997 A, 10.000% 03/20/18 (k) | 668,626 | 568,332 |
| Series 1997 B, 6.000% 03/20/04 (k) | 106,000 | 5,300 |
| TX Whitehouse Health Facilities Development Corp., Oak Brook Healthcare Center, Series 1989, 10.000% 12/01/19 | 1,620,000 | 1,648,075 |
| WA Kitsap County Housing Authority, Martha & Mary Nursing Home, Series 1996, 7.100% 02/20/36 | 1,000,000 | 1,213,190 |
| | PAR | VALUE |
| ----- | | |

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| | | |
|---|--------------|------------|
| WI State Health & Educational Facilities Authority, Metro Health Foundation, Inc., Series 1993, 11.000% 11/01/22 (d) | \$ 2,775,000 | \$ 943,500 |
| | | ----- |
| | | 23,947,285 |
| | | ----- |
| ----- | | |
| HOUSING - 10.7% | | |
| ASSISTED LIVING/SENIOR - 3.2% | | |
| CA Abag Finance Authority for Nonprofit Corps., Eskaton Gold River Lodge, Series 1998: | | |
| 6.375% 11/15/15 | 720,000 | 666,101 |
| 6.375% 11/15/28 | 550,000 | 470,497 |
| DE Kent County, Heritage at Dover, Series 1999, | | |
| 7.625% 01/01/30 | 1,710,000 | 1,495,669 |
| GA Columbus Housing Authority, The Gardens at Calvary, Series 1999, | | |
| 7.000% 11/15/19 | 500,000 | 437,720 |
| IL State Development Finance Authority, Care Institute, Inc., Series 1995, | | |
| 8.250% 06/01/25 | 1,265,000 | 1,265,670 |
| MN Roseville, Care Institute, Inc., Series 1993, | | |
| 7.750% 11/01/23 (k) | 1,740,000 | 1,201,244 |
| NC State Medical Care Commission, DePaul Community Facilities Project, Series 1999, | | |
| 7.625% 11/01/29 | 1,490,000 | 1,550,330 |
| NY Huntington Housing Authority, Gurwin Jewish Senior Center, Series 1999: | | |
| 5.875% 05/01/19 | 700,000 | 639,660 |
| 6.000% 05/01/29 | 775,000 | 685,952 |
| TX Bell County Health Facilities Development Corp., Care Institute, Inc., Series 1994, | | |
| 9.000% 11/01/24 | 1,730,000 | 1,777,073 |
| | | ----- |
| | | 10,189,916 |
| | | ----- |
| MULTI-FAMILY - 7.3% | | |
| AZ Maricopa County Industrial Development Authority, National Health Facilities, Series 1998 A, | | |
| 5.100% 01/01/33 | 4,500,000 | 4,698,945 |
| DE Wilmington, Electra Arms Senior Association Project, Series 1998, | | |
| 6.250% 06/01/28 | 955,000 | 794,159 |
| FL Broward County Housing Finance Authority, Chaves Lake Apartment Project, Series 2000, | | |
| 7.500% 07/01/40 | 750,000 | 769,755 |
| FL Clay County Housing Finance Authority, Madison Commons Apartments, Series 2000 A, | | |
| 7.450% 07/01/40 | 745,000 | 764,668 |

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See notes to investment portfolio.

5

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|--|------------|------------|
| HOUSING (CONTINUED) | | |
| MULTI-FAMILY (CONTINUED) | | |
| GA Clayton County Housing Authority, Magnolia Park Apartments, Series 1999 A, 6.250% 06/01/30 | \$ 955,000 | \$ 765,070 |
| MN Lakeville, Southfork Apartments Project: Series 1989 A, 9.875% 02/01/20 | 2,570,000 | 2,577,247 |
| 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 | 473,510 |
| MN Washington County Housing & Redevelopment Authority, Cottages of Aspen, Series 1992, 9.250% 06/01/22 | 1,010,000 | 1,039,906 |
| MN White Bear Lake, Birch Lake Townhome Project: Series 1989 A, 10.250% 07/15/19 | 2,200,000 | 2,233,660 |
| Series 1989 B, (a) 07/15/19 (b) | 699,000 | 473,912 |
| NY Nyack Housing Assistance Corp., Nyack Plaza Apartments, Series 1979, 7.375% 06/01/21 | 293,885 | 298,311 |
| Resolution Trust Corp., Pass-Through Certificates, Series 1993 A, 8.500% 12/01/16 (e) | 546,075 | 547,937 |
| TN Franklin Industrial Board, Landings Apartment Project, Series 1996 B, 8.750% 04/01/27 | 865,000 | 907,869 |
| TX El Paso County Housing Finance Corp., American Village Communities: Series 2000 C, 8.000% 12/01/32 | 390,000 | 403,619 |
| Series 2000 D, 10.000% 12/01/32 | 420,000 | 438,803 |
| TX Galveston Housing Finance Corp., Driftwood Apartments, | | |

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| | | |
|--|-----------|------------|
| 8.000% 08/01/23 | 1,000,000 | 1,050,330 |
| TX State Affordable Housing Corp., NHT/GTEX Project, Series 2001 C, | | |
| 10.000% 10/01/31 | 880,000 | 873,937 |
| TX State Department of Housing & Community Affairs, Pebble Brooks Apartments, Series 1998, | | |
| 5.500% 12/01/18 | 1,000,000 | 1,064,390 |
| VA Alexandria Redevelopment & Housing Authority, Courthouse Commons Apartments, Series 1990 A, | | |
| 10.000% 01/01/21 | 1,500,000 | 1,287,180 |
| WA Vancouver Housing Authority, Series 1998 I, | | |
| 5.500% 03/01/28 | 1,000,000 | 1,017,870 |
| | | ----- |
| | | 23,232,361 |
| | | ----- |

| | PAR | VALUE |
|---|------------|------------|
| ----- | | |
| SINGLE FAMILY - 0.2% | | |
| WA State Housing Finance Commission, Series 1992 D1, | | |
| 6.150% 01/01/26 | \$ 720,000 | \$ 776,664 |
| | | ----- |

| | | |
|--|-----------|-----------|
| ----- | | |
| INDUSTRIAL - 4.0% | | |
| FOOD PRODUCTS - 1.5% | | |
| GA Cartersville Development Authority, Waste & Wastewater Facilities, Anheuser Busch Cos., Inc. Project, Series 1989 A, | | |
| 5.950% 02/01/32 | 1,000,000 | 1,071,980 |
| IN Hammond, American Maize Products Co., Series 1994, | | |
| 8.000% 12/01/24 | 1,510,000 | 1,652,906 |
| LA Southern Louisiana Port Commission, Cargill, Inc., Series 1997, | | |
| 5.850% 04/01/17 | 1,000,000 | 1,080,970 |
| MI State Strategic Fund, Michigan Sugar Co., Sebewaing Project, Series 1998 A, | | |
| 6.250% 11/01/15 | 1,250,000 | 1,153,300 |
| | | ----- |
| | | 4,959,156 |
| | | ----- |

| | | |
|--|-----------|-----------|
| FOREST PRODUCTS - 0.8% | | |
| GA Rockdale County Development Authority, Solid Waste Disposal, Visy Paper, Inc., Series 1993, | | |
| 7.500% 01/01/26 | 1,800,000 | 1,827,054 |
| MI Delta County Economic Development Corp., Environmental Import, Mead Westvaco Corp., Series 2002 B, | | |
| 6.450% 04/15/23 | 450,000 | 464,364 |
| VA Bedford County Industrial | | |

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| | | |
|--|-----------|-----------|
| Development Authority, Nekoosa Packaging Corp., Series 1998, 5.600% 12/01/25 | 400,000 | 300,224 |
| | | ----- |
| | | 2,591,642 |
| | | ----- |
| MANUFACTURING - 1.1% | | |
| IL Will-Kankakee Regional Development Authority, Flanders Corp./Precisionaire Project, Series 1997, 6.500% 12/15/17 | 855,000 | 852,837 |
| KS Wichita Airport Authority, Cessna Citation Service Center, Series 2002 A, 6.250% 06/15/32 | 675,000 | 701,393 |
| MN Brooklyn Park, TL Systems Corp., Series 1991, 10.000% 09/01/16 | 685,000 | 707,804 |
| TX Trinity River Authority, Texas Instruments Project, Series 1996, 6.200% 03/01/20 | 1,000,000 | 1,065,110 |
| | | ----- |
| | | 3,327,144 |
| | | ----- |

See notes to investment portfolio.

6

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|--|------------|-----------|
| ----- | | |
| INDUSTRIAL (CONTINUED) | | |
| METALS & MINING - 0.3% | | |
| MD Baltimore County, Bethlehem Steel Corp. Project, Series 1994 B, 7.500% 06/01/15 (d) | \$ 500,000 | \$ 10,000 |
| NV State Department of Business & Industry, Wheeling-Pittsburgh Steel Corp., Series 1999 A, 8.000% 09/01/14 (d) (e) | 1,000,000 | 700,000 |
| VA Greensville County Industrial Development Authority, Wheeling-Pittsburgh Steel Corp., Series 1999 A: | | |
| 6.375% 04/01/04 (d) | 95,000 | 66,501 |
| 7.000% 04/01/14 (d) | 500,000 | 350,000 |
| | | ----- |
| | | 1,126,501 |
| | | ----- |

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| | | |
|---|---------|---------|
| OIL & GAS - 0.3% | | |
| TX Gulf Coast Industrial Development Authority, Solid Waste Disposal, Citgo Petroleum, Series 1998, 8.000% 04/01/28 | 500,000 | 505,910 |
| VI Government Refinery, Hovensa Coker Project, Series 2002, 6.500% 07/01/21 (b) | 375,000 | 382,605 |
| | | ----- |
| | | 888,515 |
| | | ----- |

| | | |
|---|-----------|-----------|
| ----- | | |
| OTHER - 6.7% | | |
| OTHER - 0.7% | | |
| CA Tobacco Securitization Authority, Asset Backed, Series 2003 A-1, 6.750% 06/01/39 | 1,575,000 | 1,474,735 |
| NJ Tobacco Settlement Financing Corp., Series 2003, 6.750% 06/01/39 | 500,000 | 465,180 |
| WA Tobacco Settlement Authority, Series 2002, 6.625% 06/01/32 | 250,000 | 229,773 |
| | | ----- |
| | | 2,169,688 |
| | | ----- |

| | | |
|--|---------|---------|
| POOL/BOND BANK - 0.2% | | |
| MI State Municipal Bond Authority, Local Government Loan Project, Series 2001 A, 5.375% 11/01/17 | 750,000 | 851,543 |
| | | ----- |

| | | |
|--|-----------|-----------|
| REFUNDED/ESCROWED (f) - 5.8% | | |
| CO Denver City & County Airport, Series 1992 C, 6.125% 11/15/25 | 5,120,000 | 5,692,125 |
| CT State Development Authority, Sewer Sludge Disposal Facilities, Series 1996, 8.250% 12/01/06 | 600,000 | 684,948 |

| | PAR | VALUE |
|---|------------|------------|
| ----- | | |
| DC District of Columbia, Series 1999 A, 5.375% 06/01/18 | \$ 695,000 | \$ 818,064 |
| GA Forsyth County Hospital Authority, Georgia Baptist Healthcare System, Series 1998, 6.000% 10/01/08 | 885,000 | 984,394 |
| HI State Department Budget and Finance, Kahala Nui Project, Series 2003 A, 8.000% 11/15/33 | 1,000,000 | 1,019,970 |
| ID State Health Facilities Authority, IHC Hospitals, Inc., Series 1992, | | |

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| | | |
|---|-----------|------------|
| 6.650% 02/15/21 | 1,750,000 | 2,324,700 |
| MA State Health & Educational Facilities, Authority Corporation for Independent Living, Series 1993, | | |
| 8.100% 07/01/18 | 660,000 | 676,606 |
| NC Lincoln County, Lincoln County Hospital, Series 1991, | | |
| 9.000% 05/01/07 | 245,000 | 288,186 |
| PA Delaware County, Health Facilities, Mercy Health Corp., Series 1996, | | |
| 6.000% 12/15/16 | 2,400,000 | 2,762,306 |
| TN Shelby County, Health, Education & Housing Facilities Board, Open Arms Development Center: Series 1992 A, | | |
| 9.750% 08/01/19 | 850,000 | 1,115,200 |
| Series 1992 C, | | |
| 9.750% 08/01/19 | 830,000 | 1,089,184 |
| WV Hospital Finance Authority, Charleston Medical Center, Series 2000 A, | | |
| 6.750% 09/01/30 | 805,000 | 1,026,246 |
| | | ----- |
| | | 18,481,929 |
| | | ----- |

OTHER REVENUE - 1.6%

HOTELS - 0.3%

| | | |
|--|-----------|-----------|
| PA Philadelphia Authority for Industrial Development, Doubletree Project A, Series 1997, | | |
| 6.500% 10/01/27 | 1,000,000 | 1,013,430 |
| | | ----- |

RECREATION - 0.7%

| | | |
|---|---------|-----------|
| CT Gaming Authority, Mohegan Tribe, Series 2001, | | |
| 6.250% 01/01/31 | 275,000 | 296,013 |
| FL Capital Trust Agency, Seminole Tribe Convention Center, Series 2002 A, | | |
| 10.000% 10/01/33 | 750,000 | 852,983 |
| NM Red River Sports Facility, Red River Ski Area Project, Series 1998, | | |
| 6.450% 06/01/07 | 945,000 | 962,568 |
| | | ----- |
| | | 2,111,564 |
| | | ----- |

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|---|--------------|--------------|
| ----- | | |
| OTHER REVENUE (CONTINUED) | | |
| RETAIL - 0.6% | | |
| NJ State Economic Development Authority, Glimcher Properties LP Project, Series 1998, | | |
| 6.000% 11/01/28 | \$ 1,250,000 | \$ 1,284,413 |
| OH Lake County, North Madison Properties, Series 1993, | | |
| 8.819% 09/01/11 | 715,000 | 710,281 |
| | | ----- |
| | | 1,994,694 |
| | | ----- |
| ----- | | |
| 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 | 634,706 |
| UT Carbon County, Laidlaw Environmental: Series 1995 A, | | |
| 7.250% 02/01/10 | 250,000 | 243,595 |
| Series 1997 A, | | |
| 7.450% 07/01/17 | 500,000 | 486,405 |
| | | ----- |
| | | 1,364,706 |
| | | ----- |
| ----- | | |
| RESOURCE RECOVERY - 0.9% | | |
| MA State Development Finance Agency, Ogden Haverhill Project, Series 1999 A, | | |
| 6.700% 12/01/14 | 250,000 | 263,607 |
| MA State Industrial Finance Agency, Ogden Haverhill Project, Series 1998 A, | | |
| 5.500% 12/01/13 | 500,000 | 487,465 |
| PA Delaware County Industrial Development Authority, BFI Project, Series 1997 A, | | |
| 6.200% 07/01/19 | 2,000,000 | 2,060,240 |
| | | ----- |
| | | 2,811,312 |
| | | ----- |
| ----- | | |
| TAX-BACKED - 26.1% | | |
| LOCAL GENERAL OBLIGATIONS - 14.4% | | |
| CA Fresno Unified School District, Series 2002 A, | | |
| 6.000% 02/01/18 | 2,000,000 | 2,522,240 |
| CA Los Angeles Unified School District: Series 1997 E, | | |
| 5.125% 01/01/27 | 4,000,000 | 4,276,960 |
| Series 2002, | | |
| 5.750% 07/01/16 | 700,000 | 863,373 |

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| | | |
|--|-----------|-----------|
| CA Montebello Unified School District, Series 2001: | | |
| (a) 08/01/21 | 1,435,000 | 619,174 |
| (a) 08/01/23 | 1,505,000 | 575,888 |
| CA San Juan Unified School District, Series 2001, | | |
| (a) 08/01/19 | 2,210,000 | 1,076,204 |

| | PAR | VALUE |
|---|--------------|---------------|
| IL Chicago Board of Education, Series 1997 A, 5.250% 12/01/30 (g) | \$14,470,000 | \$ 15,343,988 |
| IL Cook County, Series 1997 A, 5.625% 11/15/22 | 4,200,000 | 4,714,752 |
| NY New York City: Series 1997 A, 7.000% 08/01/07 | 1,000,000 | 1,149,220 |
| Series 1997 H, 6.000% 08/01/17 | 1,400,000 | 1,581,048 |
| TX Dallas County Flood Control District, Series 2002, 7.250% 04/01/32 | 1,000,000 | 1,029,230 |
| TX Irving Independent School District, Series 1997, (a) 02/15/18 | 1,000,000 | 529,040 |
| TX San Antonio Independent School District, Series 1997, 5.000% 08/15/27 | 9,000,000 | 9,254,250 |
| WA Clark County School District No. 037, Vancouver, Series 2001 C, (a) 12/01/18 | 5,000,000 | 2,546,500 |
| | | ----- |
| | | 46,081,867 |
| | | ----- |

| | | |
|--|------------|------------|
| SPECIAL NON-PROPERTY TAX - 3.5% | | |
| CA San Diego Redevelopment Agency, Series 2001, (a) 09/01/22 | 1,910,000 | 764,917 |
| FL Northern Palm Beach County Improvement District, Series 1999, 6.000% 08/01/29 | 750,000 | 863,565 |
| IL Metropolitan Pier & Exposition Authority, McCormick Place Expansion Project, Series 1993 A, (a) 06/15/16 | 10,000,000 | 5,845,200 |
| OH Hamilton County, Series 2000 B, (a) 12/01/21 | 5,000,000 | 2,139,800 |
| PR Commonwealth Highway & Transportation Authority: Series 2002 E, 5.500% 07/01/21 | 750,000 | 898,125 |
| Series 2003 AA, 5.500% 07/01/18 | 500,000 | 605,910 |
| | | ----- |
| | | 11,117,517 |
| | | ----- |

SPECIAL PROPERTY TAX - 3.2%

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| | | |
|--|---------|---------|
| CA Carson, Series 1992, 7.375% 09/02/22 | 35,000 | 35,843 |
| CA Huntington Beach Community Facilities District, Grand Coast Resort, Series 2001-1, 6.450% 09/01/31 | 750,000 | 784,215 |
| CA Orange County Community Facilities District, Ladera Ranch, Series 1999 A, 6.700% 08/15/29 | 500,000 | 539,065 |

See notes to investment portfolio.

8

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|---|--------------|------------|
| ----- | | |
| TAX-BACKED (CONTINUED) | | |
| SPECIAL PROPERTY TAX (CONTINUED) | | |
| CA Placer Unified High School District, Series 2000 A, (a) 08/01/19 | \$ 1,700,000 | \$ 829,158 |
| CA Riverside County Public Financing Authority, Redevelopment Projects, Series 1997 A, 5.500% 10/01/22 | 650,000 | 665,620 |
| FL Celebration Community Development District, Special Assessment, Series 2003 A, 6.400% 05/01/34 | 1,000,000 | 1,028,310 |
| FL Colonial Country Club Community Development, Series 2003, 6.400% 05/01/33 | 750,000 | 762,810 |
| FL Double Branch Community Development District, Special Assessment, Series 2002 A, 6.700% 05/01/34 | 700,000 | 721,721 |
| FL Heritage Palms Community Development District, Series 1999, 6.250% 11/01/04 | 725,000 | 736,948 |
| FL Lexington Oaks Community Development District: Series 1998 A, 6.125% 05/01/19 | 355,000 | 362,686 |
| Series 1998 B, 5.500% 05/01/05 | 90,000 | 90,968 |
| Series 2000 A, 7.200% 05/01/30 | 290,000 | 307,902 |
| Series 2000 D, 6.700% 05/01/07 | 10,000 | 10,466 |

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| | | |
|---|-----------|------------|
| Series 2002 A, 6.700% 05/01/33 | 250,000 | 262,288 |
| FL Orlando, Conroy Road Interchange Project, Series 1998 A: 5.500% 05/01/10 | 180,000 | 185,807 |
| 5.800% 05/01/26 | 300,000 | 304,176 |
| FL Stoneybrook Community Development District: Series 1998 A, 6.100% 05/01/19 | 315,000 | 321,990 |
| Series 1998 B, 5.700% 05/01/08 | 230,000 | 233,740 |
| MI Pontiac Finance Authority, Development Area No. 3, Series 2002, 6.375% 06/01/31 | 550,000 | 569,393 |
| MI Taylor Tax Increment Finance Authority, Series 2001, 5.375% 05/01/17 | 1,220,000 | 1,380,918 |
| | | ----- |
| | | 10,134,024 |
| | | ----- |

| | PAR | VALUE |
|---|--------------|--------------|
| ----- | | |
| STATE APPROPRIATED - 1.1% | | |
| NY State Urban Development Corp., University Facilities Grants, Series 1995, 5.875% 01/01/21 | \$ 1,000,000 | \$ 1,209,560 |
| PR Commonwealth of Puerto Rico Public Finance Corp., Series 2002 E, 6.000% 08/01/26 | 1,800,000 | 2,168,316 |
| | | ----- |
| | | 3,377,876 |
| | | ----- |
| STATE GENERAL OBLIGATIONS - 3.9% | | |
| DC District of Columbia, Unrefunded Balance, Series 1999 A, 5.375% 06/01/18 | 1,700,000 | 1,886,558 |
| TX Board of Regents, University of Texas, Series 2001 B, 5.375% 08/15/18 | 650,000 | 730,470 |
| TX State, Series 1999 ABC, 5.500% 08/01/35 | 4,200,000 | 4,649,442 |
| WA State, Series 1999 B, 5.000% 01/01/24 | 5,000,000 | 5,182,050 |
| | | ----- |
| | | 12,448,520 |
| | | ----- |
| ----- | | |
| TRANSPORTATION - 6.3% | | |
| AIR TRANSPORTATION - 2.0% | | |
| CA Los Angeles Regional Airport, LAXFuel Corp., Series 2001, 5.250% 01/01/23 | 750,000 | 778,837 |
| CO Denver City & County Airport, | | |

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| | | |
|---|-----------|-----------|
| United Airlines, Inc., Series 1992 A, 6.875% 10/01/32 (d) | 1,645,000 | 590,144 |
| KY Kenton County Airport Board, Delta Airlines, Inc., Series 1992 A: 7.500% 02/01/12 | 500,000 | 430,360 |
| 7.500% 02/01/20 | 500,000 | 408,765 |
| MN Minneapolis & St. Paul Metropolitan Airport Commission, Northwest Airlines Corp.: Series 2001 A, 7.000% 04/01/25 | 500,000 | 358,740 |
| Series 2001 B, 6.500% 04/01/25 | 250,000 | 214,815 |
| NC Charlotte, US Airways, Inc.: Series 1998, 5.600% 07/01/27 | 250,000 | 175,987 |
| Series 2000, 7.750% 02/01/28 | 750,000 | 549,697 |
| TX Alliance Airport Authority: American Airlines Project, Series 1990, 7.500% 12/01/29 | 1,600,000 | 636,000 |
| Federal Express Corp. Project, Series 1996, 6.375% 04/01/21 | 1,000,000 | 1,047,680 |

See notes to investment portfolio.

9

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| 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 | \$ 769,605 |
| WA Seattle, Northwest Airways, Inc., Series 2000, 7.250% 04/01/30 | 500,000 | 362,325 |
| | | ----- |
| | | 6,322,955 |
| | | ----- |
| AIRPORTS - 1.8% | | |
| CO Denver City & County Airport, Series 1997 E, 5.250% 11/15/23 | 1,700,000 | 1,778,914 |

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| | | |
|--|------------|------------|
| MA State Port Authority, Series 1998 D, 5.000% 07/01/28 | 4,000,000 | 4,129,560 |
| | | ----- |
| | | 5,908,474 |
| | | ----- |
| TOLL FACILITIES - 2.2% | | |
| CO Northwest Parkway Public Highway Authority, Series 2001 D, 7.125% 06/15/41 | 1,000,000 | 1,046,010 |
| CO State Public Highway Authority, E-470, Series 2000 B: (a) 09/01/18 | 3,000,000 | 1,549,230 |
| (a) 09/01/35 | 8,750,000 | 831,512 |
| NY State Triborough Bridge & Tunnel Authority, Series 2002, 5.500% 11/15/20 | 1,125,000 | 1,356,154 |
| VA Richmond Metropolitan Authority, Series 1998, 5.250% 07/15/22 | 2,000,000 | 2,323,080 |
| | | ----- |
| | | 7,105,986 |
| | | ----- |
| TRANSPORTATION - 0.3% | | |
| NV State Department of Business & Industry, Las Vegas Monorail Project, Series 2000, 7.375% 01/01/40 | 1,000,000 | 919,320 |
| | | ----- |
| ----- | | |
| UTILITIES - 14.3% | | |
| INDEPENDENT POWER PRODUCERS - 2.6% | | |
| MI Midland County Economic Development Corp., Series 2000, 6.875% 07/23/09 | 1,250,000 | 1,279,663 |
| NY Port Authority of New York & New Jersey, KIAC Partners, Series 1996 IV, 6.750% 10/01/11 | 2,000,000 | 2,147,420 |
| PA State Economic Development Finance Authority: Colver Project, Series 1994 D, 7.125% 12/01/15 | 1,500,000 | 1,558,155 |
| Northampton Generating, Series 1994 A, 6.500% 01/01/13 | 1,000,000 | 1,016,520 |
| | | |
| | PAR | VALUE |
| ----- | | |
| PR Commonwealth of Puerto Rico Industrial, Educational, Medical & Environmental Cogeneration Facilities, AES Project, Series 2000, 6.625% 06/01/26 | \$ 650,000 | \$ 685,139 |
| VA Pittsylvania County Industrial Development Authority, Multi-trade of Pittsylvania, Series 1994 A: 7.450% 01/01/09 | 1,000,000 | 1,032,050 |
| 7.550% 01/01/19 | 500,000 | 513,115 |

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| | | |
|-----------------------|--|---------------------|
| | | ----- |
| | | 8,232,062 |
| | | ----- |
| INVESTOR OWNED - 5.1% | | |
| AZ | Maricopa County Pollution Control Corp., El Paso Electric Co., Series 2002 A, 6.250% 05/01/37 | 1,000,000 1,015,180 |
| AZ | Pima County Industrial Development Authority, Tucson Electric Power Co., Series 1997 A, 6.100% 09/01/25 | 750,000 716,400 |
| CT | State Development Authority, Connecticut Light & Power Co., Series 1993 B, 5.950% 09/01/28 | 200,000 212,442 |
| IL | Bryant, Central Illinois Light Co., Series 1993, 5.900% 08/01/23 | 2,650,000 2,650,318 |
| LA | Calcasieu Parish Industrial Development Board, Entergy Gulf States, Inc., Series 1999, 5.450% 07/01/10 | 500,000 504,750 |
| LA | West Feliciana Parish, Entergy Gulf States, Inc., Series 1999 B, 6.600% 09/01/28 | 500,000 511,905 |
| MS | State Business Finance Corp., Systems Energy Resources Project, Series 1998, 5.875% 04/01/22 | 2,000,000 1,994,160 |
| MT | Forsyth Pollution Control, Portland General, Series 1998 A, 5.200% 05/01/33 | 300,000 307,350 |
| OH | State Air Quality Development Authority, Cleveland Pollution Control, Series 2002 A, 6.000% 12/01/13 | 1,800,000 1,895,184 |
| TX | Brazos River Authority, TXU Electric Co., Series 2001 C, 5.750% 05/01/36 | 1,250,000 1,275,837 |
| VA | Chesterfield County Industrial Development Authority, Pollution Control Revenue, Virginia Electric & Power Co., Series 1987 B, 5.875% 06/01/17 | 250,000 270,805 |
| WV | Pleasant County, Western Pennsylvania Power Co., Series 1999 E, 5.500% 04/01/29 | 4,750,000 5,006,548 |
| | | ----- |
| | | 16,360,879 |
| | | ----- |

See notes to investment portfolio.

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INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
|---|------------|-------------|
| ----- | | |
| UTILITIES (CONTINUED) | | |
| JOINT POWER AUTHORITY - 0.3% | | |
| NC Eastern Municipal Power Agency, Series 1999 D: | | |
| 5.500% 01/01/16 (h) | \$ 285,000 | \$ 301,969 |
| 6.700% 01/01/19 | 500,000 | 561,850 |
| | | ----- |
| | | 863,819 |
| | | ----- |
| MUNICIPAL ELECTRIC - 3.6% | | |
| CA State Water Resources Authority, Power Revenue Bonds, Series 2002 A, | | |
| 5.500% 05/01/14 | 2,000,000 | 2,344,000 |
| NY Long Island Power Authority, Series 1998 B, | | |
| 5.000% 04/01/10 | 1,000,000 | 1,138,850 |
| PR Electric Power Authority, Series 1998 II, | | |
| 5.125% 07/01/26 | 3,500,000 | 3,776,675 |
| WA Chelan County Public Utilities District No. 1, Columbia River Rock Hydroelectric, Series 1997, (a) 06/01/14 | | |
| | 5,000,000 | 3,223,400 |
| WA Seattle, Series 2001, 5.500% 03/01/17 | | |
| | 750,000 | 851,865 |
| | | ----- |
| | | 11,334,790 |
| | | ----- |
| WATER & SEWER - 2.7% | | |
| LA Public Facility Belmont Water Authority, 9.000% 09/15/24 (k) | | |
| | 760,000 | 532,000 |
| MA State Water Resources Authority, Series 1997 D, 5.000% 08/01/24 | | |
| | 3,000,000 | 3,152,730 |
| MO Water & Sewer, Lee's Summit, Series 2002, 5.250% 07/01/15 | | |
| | 500,000 | 565,570 |
| MS Five Lakes Utility District, 8.250% 07/15/24 | | |
| | 500,000 | 491,805 |
| NH State Industrial Development Authority, Pennichuck Water Works, Inc., Series 1988, 7.500% 07/01/18 | | |
| | 500,000 | 568,685 |
| WA King County, Series 1999, 5.250% 01/01/30 | | |
| | 3,250,000 | 3,468,205 |
| | | ----- |
| | | 8,778,995 |
| | | ----- |
| TOTAL MUNICIPAL BONDS (cost of \$307,554,184) | | |
| | | 310,131,639 |
| | | ----- |

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| MUNICIPAL PREFERRED STOCKS - 1.4% | SHARES | |
|--|-----------|-----------|
| ----- | | |
| HOUSING - 1.4% | | |
| MULTI-FAMILY - 1.4% | | |
| Charter Mac Equity Issue Trust, 6.625% 06/30/49 (e) | 2,000,000 | 2,204,580 |
| MuniMae Equity Issue Trust, 7.750% 06/30/50 (e) | 2,000,000 | 2,268,060 |
| | | ----- |
| (cost of \$4,000,000) | | 4,472,640 |
| | | ----- |

| PURCHASED PUT OPTION - 0.0% | PAR | VALUE |
|--|------------|------------|
| ----- | | |
| U.S. Treasury Notes, Strike Price \$115.00, Expires 08/31/03 (cost of \$246,283) | \$ 290,000 | \$ 135,938 |
| | | ----- |

| SHORT-TERM OBLIGATIONS - 0.2% | | |
|--|---------|---------|
| ----- | | |
| VARIABLE RATE DEMAND NOTES (i) - 0.2% | | |
| IA Finance Authority, Private College Revenue, Drake University Project, Series 2001, 1.350% 07/01/31 | 200,000 | 200,000 |
| IA Higher Education Loan Authority, Loras College, Series 2000, 1.300% 11/01/30 | 300,000 | 300,000 |
| | | ----- |
| TOTAL SHORT-TERM OBLIGATIONS (cost of \$500,000) | | 500,000 |
| | | ----- |

| | | |
|-----------------------------|--|-------------|
| TOTAL INVESTMENTS - 98.8% | | |
| (cost of \$312,300,467) (j) | | 315,240,217 |
| | | ----- |

| | | |
|--|--|---------------|
| OTHER ASSETS & LIABILITIES, NET - 1.2% | | 3,726,528 |
| ----- | | |
| NET ASSETS* - 100.0% | | \$318,966,745 |
| | | ===== |

NOTES TO INVESTMENT PORTFOLIO:

- (a) Zero coupon bond.
- (b) Denotes a restricted security, which is subject to restrictions on resale under federal securities laws. At May 31, 2003, these securities amounted to \$3,331,730 which represents 1.0% of net assets.

Additional information on these restricted securities is as follows:

| SECURITY | ACQUISITION DATE | ACQUISITION COST |
|--|------------------|------------------|
| ----- | | |
| CA Statewide Community Development Authority: | | |

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| | | |
|--|----------|----------------------|
| Crossroads School for Arts & Sciences, Series 1998: | | |
| 6.000% | 08/01/28 | 08/31/98 \$1,310,000 |
| Eskaton Village - Grass Valley, Series 2000, | | |
| 8.250% | 11/15/31 | 09/08/00 1,000,000 |
| MN White Bear, Birch Lake Townhome Project, Series 1989 B, | | |
| (a) | 07/15/19 | 07/19/89 699,000 |
| VI Government Refinery, Hovenssa Coker Project, Series 2002, | | |
| 6.500% | 07/01/21 | 11/15/02 375,000 |
| | | ----- |
| | | \$3,384,000 |
| | | ----- |

- (c) These issuers are in default of certain debt covenants. Income is not being fully accrued.
- (d) As of May 31, 2003, the Trust held securities of certain issuers that have filed for bankruptcy protection under Chapter 11, representing 1.2% of net assets. These issuers are in default of certain debt covenants. Income is not being fully accrued.

See notes to financial statements.

11

INVESTMENT PORTFOLIO (CONTINUED)

May 31, 2003 (Unaudited)

NOTES TO INVESTMENT PORTFOLIO (CONTINUED):

- (e) These securities are 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 May 31, 2003, the value of these securities amounted to \$5,720,577, which represents 1.8% of net assets.
- (f) 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 the principal and interest.
- (g) This security, or a portion thereof with a market value of \$3,191,804, is being used to collateralize open futures contracts.
- (h) Settlement of this security is on a delayed delivery basis.
- (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 May 31, 2003.
- (j) Cost for federal income tax purposes is \$312,014,734.
- (k) These issuers are in default of certain debt covenants. Income is not being

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accrued.

Short futures contracts open at May 31, 2003:

| TYPE | PAR VALUE COVERED BY CONTRACTS | EXPIRATION MONTH | UNREALIZED APPRECIATION (DEPRECIATION) AT 05/31/03 |
|-----------------------|--------------------------------------|---------------------|---|
| ----- | | | |
| 10-Year Municipal | | | |
| Note Index | \$ 7,000,000 | Jun-2003 | \$ (307,948) |
| 10-Year U.S. Treasury | | | |
| Notes | 87,300,000 | Sept-2003 | (72,782) |
| 30-Year U.S. Treasury | | | |
| Bonds | 49,300,000 | Sept-2003 | 567,443 |
| | | | ----- |
| | | | \$ 186,713 |
| | | | ----- |

* Net assets represent both Common Shares and Auction Preferred Shares.

See notes to financial statements.

12

STATEMENT OF ASSETS AND LIABILITIES

May 31, 2003 (Unaudited)

ASSETS:

| | |
|--------------------------------------|---------------|
| Investments, at cost | \$312,300,467 |
| | ----- |
| Investments, at value | \$315,240,217 |
| Cash | 9,724 |
| Receivable for: | |
| Interest | 5,366,928 |
| Futures variation margin | 108,721 |
| Deferred Trustees' compensation plan | 8,342 |
| Other assets | 42,375 |
| | ----- |
| Total Assets | 320,776,307 |
| | ----- |

LIABILITIES:

Payable for:

| | |
|--|-----------|
| Investments purchased on a delayed delivery basis | 297,047 |
| Distributions-- common shares | 1,244,311 |
| Distributions-- preferred shares | 13,531 |
| Management fee | 202,916 |
| Pricing and bookkeeping fees | 3,030 |
| Reports to shareholders | 40,385 |
| Deferred Trustees' fee | 8,342 |
| | ----- |

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| | |
|---|---------------|
| Total Liabilities | 1,809,562 |
| | ----- |
| 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 | \$268,336,065 |
| Undistributed net investment income | 698,256 |
| Accumulated net realized loss | (73,194,039) |
| Net unrealized appreciation on: | |
| Investments | 2,939,750 |
| Futures contracts | 186,713 |
| | ----- |
| Net assets at value applicable to 31,107,771 common shares of beneficial interest outstanding | \$198,966,745 |
| | ===== |
| Net asset value per common share | \$ 6.40 |
| | ===== |

STATEMENT OF OPERATIONS

For the Six Months Ended May 31, 2003 (Unaudited)

| | |
|--|--------------|
| INVESTMENT INCOME: | |
| Interest | \$ 9,831,668 |
| | ----- |
| EXPENSES: | |
| Management fee | 1,200,416 |
| Pricing and bookkeeping fees | 65,991 |
| Trustees' fee | 6,347 |
| Preferred shares remarketing commissions | 149,760 |
| Custody fee | 5,077 |
| Other expenses | 90,534 |
| | ----- |
| Total Expenses | 1,518,125 |
| Custody earnings credit | (476) |
| | ----- |
| Net Expenses | 1,517,649 |
| | ----- |
| Net Investment Income | 8,314,019 |
| | ----- |

NET REALIZED AND UNREALIZED GAIN

| | |
|---|--------------|
| (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS: | |
| Net realized gain (loss) on: | |
| Investments | 1,328,301 |
| Futures contracts | (14,877,127) |
| | ----- |

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| | |
|---|--------------|
| Net realized loss | (13,548,826) |
| | ----- |
| Net change in unrealized appreciation/ depreciation on: | |
| Investments | 10,545,542 |
| Futures contracts | (741,054) |
| | ----- |
| Net change in unrealized appreciation/depreciation | 9,804,488 |
| | ----- |
| Net Loss | (3,744,338) |
| | ----- |
| Net Increase in Net Assets from Operations | 4,569,681 |
| | ----- |
| LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS: | |
| From net investment income | (656,156) |
| | ----- |
| Net Increase in Net Assets from Operations Applicable to Common Shares | \$ 3,913,525 |
| | ----- |

See notes to financial statements.

13

STATEMENT OF CHANGES IN NET ASSETS

INCREASE (DECREASE) IN NET ASSETS:

OPERATIONS:

| | |
|--|-----|
| Net investment income | \$ |
| Net realized loss on investments and futures contracts | (1 |
| Net change in unrealized appreciation/depreciation on investments and futures contracts | --- |

Net Increase from Operations

LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS:

From net investment income

Increase in Net Assets from Operations Applicable to Common Shares

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LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:

From net investment income

SHARE TRANSACTIONS:

Distributions reinvested

Total Decrease in Net Assets Applicable to Common Shares

NET ASSETS APPLICABLE TO COMMON SHARES:

Beginning of period

End of period (including undistributed net investment income of
\$698,256 and \$815,284, respectively)

NUMBER OF TRUST SHARES:

Common Shares:

Issued for distributions reinvested

Outstanding at:

Beginning of period

End of period

Preferred Shares:

Outstanding at end of period

See notes to financial statements.

14

NOTES TO FINANCIAL STATEMENTS

May 31, 2003 (Unaudited)

NOTE 1. ACCOUNTING POLICIES

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. The Trust's investment goal is to provide high current income, generally exempt from federal income taxes. The Trust's secondary investment goal is to seek total return. The Trust is authorized to issue an unlimited number of common shares of beneficial interest and 4,800 Auction Preferred Shares ("APS").

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during

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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 AND TRANSACTIONS:

Debt securities generally are valued by a pricing service based upon market transactions for normal, institutional-size trading units of similar securities. Such services 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. When management deems it appropriate, an over-the-counter or exchange bid quotation is used.

Options are valued at the last reported sale price, or in the absence of a sale, the mean between the last quoted bid and asking price.

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

Short-term obligations with a maturity of 60 days or less are valued at amortized cost.

Investments for which market quotations are not readily available, or quotations which management believes are not appropriate, are valued at fair value under procedures approved by the Board of Trustees.

Security transactions are accounted for on the date the securities are purchased, sold or mature.

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

The Trust may trade securities on other than normal settlement terms. This may increase the risk if the other party to the transaction fails to deliver and causes the Trust to subsequently invest at less advantageous prices.

FEDERAL INCOME TAXES:

Consistent with the Trust's policy to qualify as a regulated investment company and to distribute all of its taxable and tax-exempt income, no federal income tax has been accrued.

INTEREST INCOME, DEBT DISCOUNT AND PREMIUM:

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

DISTRIBUTIONS TO SHAREHOLDERS:

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

Distributions to preferred shareholders are recorded daily and are 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 May 31, 2003 was 0.93% for Series T and 1.10% for Series W. For the six months ended May 31, 2003, the Trust declared dividends to Auction Preferred shareholders amounting to \$656,156, representing an average APS dividend rate of 1.10%.

NOTE 2. FEDERAL TAX INFORMATION

Income and capital gain distributions are determined in accordance with income

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tax regulations, which may differ from accounting principles generally accepted in the United States of America.

15

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

May 31, 2003 (Unaudited)

The following capital loss carryforwards, determined as of November 30, 2002, 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 |
|-----------------------|------------------------------|
| ----- | ----- |
| 2003 | \$ 5,267,623 |
| 2004 | 2,815,387 |
| 2005 | 5,926,653 |
| 2007 | 3,941,668 |
| 2008 | 14,340,573 |
| 2009 | 4,198,716 |
| 2010 | 12,980,738 |
| | ----- |
| | \$49,471,358 |
| | ===== |

NOTE 3. FEES AND COMPENSATION PAID TO AFFILIATES

MANAGEMENT FEE:

On April 1, 2003, Colonial Management Associates, Inc. ("Colonial"), the investment advisor to the Trust merged into Columbia Management Advisors, Inc. ("Columbia"), formerly known as Columbia Management Co., an indirect, wholly-owned subsidiary of FleetBoston Financial Corporation. At the time of the merger, Columbia assumed the obligations of Colonial with respect to the Trust. 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 to Columbia.

Columbia is the investment advisor of the Trust and furnishes accounting and other services and office facilities for a fee to be paid monthly 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 Bank and Trust Company ("State Street"). Columbia pays fees to State Street under the Outsourcing Agreement.

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, are more than \$50 million, a monthly fee equal to the average weekly net assets, including assets applicable to the APS, of the Trust for that month multiplied by a fee rate that is calculated by taking into account the fees

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payable to State Street under the Outsourcing Agreement. For the six months ended May 31, 2003, the annualized net asset based fee rate was 0.033%. The Trust also pays out-of-pocket costs for pricing services.

OTHER:

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

The Trust's Independent 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.

The Trust has an agreement with its custodian bank under which \$476 of custody fees were reduced by balance credits for the six months ended May 31, 2003. 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.

NOTE 4. PREFERRED SHARES

The Trust currently has outstanding 4,800 APS (2,400 shares each of Series T and W). 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 shareholders or may be required to redeem certain of the APS. At May 31, 2003, there were no such restrictions on the Trust.

NOTE 5. PORTFOLIO INFORMATION

INVESTMENT ACTIVITY:

During the six months ended May 31, 2003, purchases and sales of investments, other than short-term obligations, were \$16,867,255 and \$29,794,093, respectively.

Unrealized appreciation (depreciation) at May 31, 2003, based on cost of investments for federal income tax purposes, was:

| | |
|-------------------------------|---------------|
| Gross unrealized appreciation | \$ 25,228,217 |
| Gross unrealized depreciation | (22,002,734) |
| | ----- |
| Net unrealized appreciation | \$ 3,225,483 |
| | ===== |

16

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

May 31, 2003 (Unaudited)

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FUTURES CONTRACTS AND OPTIONS:

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 different 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 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 its custodian 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 recognizes a realized gain or loss when the contract is closed or expires.

The Trust may write call and put options on futures it owns or in which it may invest. Writing put options tends to increase the Trust's exposure to the underlying instrument. Writing call options tends to decrease the Trust's exposure to the underlying instrument. When the Trust 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 Trust 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 Trust may not be able to enter into a closing transaction because of an illiquid market.

The Trust may also purchase put and call options. Purchasing call options tends to increase the Trust's exposure to the underlying instrument. Purchasing put options tends to decrease the Trust's exposure to the underlying instrument. The Fund pays a premium which is included in the Trust's Statement of Assets and Liabilities as an investment and subsequently marked-to-market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. 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.

Refer to the Trust's Investment Portfolio for a summary of open futures contracts at May 31, 2003.

OTHER:

There are certain risks arising from geographic concentration in any state. Certain revenue or tax related events in a state may impair the ability of certain issuers of municipal securities to pay principal and interest on their obligations also, investing in non-rated securities offer the potential for high current income and attractive total return, but involves certain risks.

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

Restricted securities are securities that may only be resold upon registration under federal securities laws or in transactions exempt from such 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. The Trust's restricted securities are valued at the price provided by dealers in the secondary market or, if no market prices are available, at the fair value as determined in good faith using methods approved by the Board of Trustees.

17

FINANCIAL HIGHLIGHTS

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

| | (UNAUDITED) | | | | PERIOD ENDED NOVEMBER 1999 |
|---|--|-------------------------|----------|----------|-------------------------------------|
| | SIX MONTHS ENDED MAY 31, 2003 | YEAR ENDED NOVEMBER 30, | | | |
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 6.52 | \$ 6.93 | \$ 6.92 | \$ 7.49 | \$ |
| INCOME FROM INVESTMENT OPERATIONS: | | | | | |
| Net investment income | 0.27 (b) | 0.57 (b) (c) | 0.61 (b) | 0.62 (d) | (|
| Net realized and unrealized gain (loss) on investments and futures contracts | (0.12) | (0.42) (c) | (0.04) | (0.54) | (|
| Total from Investment Operations | 0.15 | 0.15 | 0.57 | 0.08 | (|
| LESS DISTRIBUTIONS DECLARED TO PREFERRED SHAREHOLDERS: | | | | | |
| From net investment income | (0.02) | (0.06) | (0.12) | (0.16) | (|
| Total from Investment Operations Applicable to Common Shareholders | 0.13 | 0.09 | 0.45 | (0.08) | (|
| LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS: | | | | | |
| From net investment income | (0.25) | (0.50) | (0.44) | (0.48) | (|
| LESS SHARE TRANSACTIONS: | | | | | |
| Commission and offering costs -- preferred shares | -- | -- | -- | (0.01) | (|

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| | ----- | ----- | ----- | ----- | ----- |
|--|------------|------------|------------|------------|------------|
| NET ASSET VALUE, END OF PERIOD | \$ 6.40 | \$ 6.52 | \$ 6.93 | \$ 6.92 | \$ |
| Market price per share -- common shares | \$ 6.64 | \$ 6.26 | \$ 6.38 | \$ 5.75 | \$ |
| Total return -- based on market value -- common shares (e) | 10.27%(f) | 5.81% | 18.56% | 1.05% | (21.00%) |
| RATIOS TO AVERAGE NET ASSETS/ SUPPLEMENTAL DATA: | | | | | |
| Expenses (g) (h) | 1.52%(i) | 1.49% | 1.59% | 1.60% | 1.60% |
| Net investment income before preferred stock dividend (g) (h) | 8.30%(i) | 8.36%(c) | 8.67% | 8.63% | 6.37% |
| Net investment income after preferred stock dividend (g) (h) | 7.64%(i) | 7.53%(c) | 7.00% | 6.37% | 5.00% |
| Portfolio turnover rate | 5%(f) | 15% | 15% | 10% | |
| Net assets, end of period (000's) -- common shares | \$ 198,967 | \$ 202,765 | \$ 215,348 | \$ 214,975 | \$ 232,000 |

- (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 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.

18

FINANCIAL HIGHLIGHTS (CONTINUED)

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

YEAR ENDED DEC

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| | 1996 | 1995 | 1994 |
|--|------------|------------|--------|
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 8.55 | \$ 7.96 | \$ |
| INCOME FROM INVESTMENT OPERATIONS: | | | |
| Net investment income | 0.56 | 0.60 | |
| Net realized and unrealized gain (loss) on investments and futures contracts | (0.19) | 0.58 | (|
| Total from Investment Operations Applicable to Common Shareholders | 0.37 | 1.18 | (|
| LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS: | | | |
| From net investment income | (0.58) | (0.59) | (|
| NET ASSET VALUE, END OF PERIOD | \$ 8.34 | \$ 8.55 | \$ |
| Market price per share-- common shares | \$ 8.25 | \$ 7.38 | \$ |
| Total return-- based on market value-- common shares (a) | 20.09% | 15.65% | (9. |
| RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA: | | | |
| Expenses (b) | 1.00% | 1.06% | 1 |
| Net investment income (b) | 6.74% | 7.15% | 7 |
| Portfolio turnover rate | 15% | 23% | |
| Net assets, end of period (000's)-- common shares | \$ 257,768 | \$ 264,467 | \$ 245 |

(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

| | TOTAL AMOUNT OUTSTANDING | ASSET COVERAGE PER SHARE | INVOLUNTARY LIQUIDATING PREFERENCE PER SHARE |
|-------------|-----------------------------|--------------------------------|---|
| 05/31/03 * | \$120,000,000 | \$66,451 | \$25,003 |
| 11/30/02 | 120,000,000 | 67,243 | 25,002 |
| 11/30/01 | 120,000,000 | 69,864 | 25,004 |
| 11/30/00 | 120,000,000 | 69,786 | 25,009 |
| 11/30/99 ** | 120,000,000 | 73,466 | 25,021 |

* Unaudited.

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

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RESULTS OF THE ANNUAL MEETING OF SHAREHOLDERS

On May 21, 2003, the Annual Meeting of Shareholders of the Trust was held to conduct a vote for or against the approval of the following items listed on the Trust's Proxy Statement for said Meeting. On February 28, 2003, the record date for the Meeting, the Trust had 31,097,982 common shares outstanding. The votes cast were as follows:

| PROPOSAL 1. ELECTION OF TRUSTEES: | FOR | AGAINST |
|--------------------------------------|------------|---------|
| Janet Langford Kelly | 26,687,466 | 466,588 |
| Joseph R. Palombo | 26,669,509 | 484,546 |
| Anne-Lee Verville | 26,687,736 | 466,319 |

On February 28, 2003, the record date of the Meeting, the Trust had 4,800 preferred shares outstanding. The votes cast were as follows:

| PROPOSAL 2 ELECTION OF TRUSTEES: | FOR | WITHHELD |
|-------------------------------------|-------|----------|
| Douglas A. Hacker | 4,488 | 0 |
| Janet Langford Kelly | 4,488 | 0 |
| Joseph R. Palombo | 4,488 | 0 |
| Anne-Lee Verville | 4,488 | 0 |
| Thomas E. Stitzel | 4,488 | 0 |

20

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 of 95% of the market price. If 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,

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

21

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TRANSFER AGENT

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.

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

COLONIAL HIGH INCOME MUNICIPAL TRUST

SEMIANNUAL REPORT

120-03/2420-0503 (07/03) 03/1843

ITEM 2. CODE OF ETHICS.

Not applicable at this time.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

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Not applicable at this time.

ITEM 6. [RESERVED]

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

Not applicable at this time.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

(a) The Registrant's Chief Executive Officer and Chief Financial Officer, based on their evaluation of the Registrant's disclosure controls and procedures as of June 20, 2003, have concluded that such controls and procedures are adequately designed to ensure that information required to be disclosed by the Registrant in its reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Registrant's management, including the Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

(b) There were no significant changes in the registrant's internal controls or in other factors that could affect these controls subsequent to the date of our evaluation.

ITEM 10. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable at this time.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) in the exact form set forth below: Attached hereto.

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 August 6, 2003

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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.

By (Signature and Title)* /s/ Joseph R. Palombo

Joseph R. Palombo, President

Date August 6, 2003

By (Signature and Title)* /s/ J. Kevin Connaughton

J. Kevin Connaughton, Treasurer

Date August 6, 2003

* Print the name and title of each signing officer under his or her signature.