

COLONIAL INVESTMENT GRADE 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 811-5785  
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Colonial Investment Grade 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: 11/30/2003  
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Date of reporting period: 11/30/2003  
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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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

[photo of domed building]

COLONIAL INVESTMENT GRADE MUNICIPAL TRUST

ANNUAL REPORT

NOVEMBER 30, 2003

Not FDIC Insured  
May Lose Value  
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 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

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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

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 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

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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.

1

PORTFOLIO MANAGER'S REPORT

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

|                 |       |
|-----------------|-------|
| Net asset value | 11.47 |
| -----           |       |
| Market price    | 10.63 |
| -----           |       |

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

|                 |       |
|-----------------|-------|
| Net asset value | 10.35 |
| -----           |       |
| Market price    | 12.48 |
| -----           |       |

Lipper General Municipal  
Debt Funds (Leveraged)  
Category average 10.65  
-----

All results shown assume reinvestment of distributions.

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

|       |      |
|-------|------|
|       | 0.68 |
| ----- |      |

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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.

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

|                           |       |
|---------------------------|-------|
| Local general obligations | 18.8  |
| -----                     | ----- |
| State appropriated        | 8.5   |
| -----                     | ----- |
| Hospitals                 | 7.9   |
| -----                     | ----- |
| Investor owned            | 6.3   |
| -----                     | ----- |
| Education                 | 6.2   |
| -----                     | ----- |

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

|                  |       |
|------------------|-------|
| AAA              | 56.2  |
| -----            | ----- |
| AA               | 15.2  |
| -----            | ----- |
| A                | 6.4   |
| -----            | ----- |
| BBB              | 9.1   |
| -----            | ----- |
| BB               | 1.2   |
| -----            | ----- |
| B                | 0.6   |
| -----            | ----- |
| CC               | 0.1   |
| -----            | ----- |
| Non-rated        | 8.3   |
| -----            | ----- |
| Cash equivalents | 2.9   |
| -----            | ----- |

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 Investment Grade Municipal Trust returned 10.35%, based on investment at net asset value. The trust fell slightly behind its peer group, the Lipper General Municipal Debt Funds (Leveraged) Category average, which averaged a return of 10.65% for the same period.<sup>1</sup>

The trust's biggest gains came during the first half of the period, as a sluggish economy caused interest rates to drift lower and bond prices to rise. In particular, the trust benefited from its stake in zero coupon municipal

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bonds, which gained in value as yields fell. These are bonds bought at a steep discount to their face value. They carry no coupon but accrue interest as they appreciate to face value at maturity. In the second half of the period, however, the trust's performance was hurt by its overweight in zero coupon and longer maturity bonds as the economy improved and interest rates rose.

Later in the period, the trust benefited from owning high-yield, lower-quality municipal bonds, which rallied as the economy improved and interest rates rose. Strong gainers included US Airways, an airline bond; bonds issued by HealthEast, a Minnesota hospital; and bonds issued by the Seminole Tribe Convention Center, a Florida hotel and casino (0.4%, 0.2% and 0.3% of total investments, respectively).<sup>2</sup>

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 payout 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 and improve performance. These preferred shares also gave us added flexibility to take advantage of timely market opportunities. 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.

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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 trust.
- 2 Holdings are disclosed as of November 30, 2003.

2

### PORTFOLIO MANAGER'S REPORT (CONTINUED)

The trust remained approximately 90% invested in investment grade bonds. We added tax-exempt income by buying small stakes in high-yield municipals as well as lower-rated investment grade issues. Our focus was on economically-sensitive sectors, with purchases issued on behalf of International Paper and Weyerhaeuser (0.1% and 0.2% of total investments, respectively). We were also attracted to the health care sector, which offered a good selection of higher-yielding issues.

Going forward, we expect interest rates to rise gradually and the yield differential between high-quality and low-quality bonds to narrow if the economy continues to improve. If this environment prevails, we would expect higher-yielding, lower-quality municipal bonds to continue to do well. As a result, we have maintained our exposure to the high-yield sector. In addition, we plan to focus on adding income, while decreasing our stake in zero coupon and non-callable municipal bonds.

/s/ Maureen G. Newman

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Maureen G. Newman has been the portfolio manager of Colonial Investment Grade Municipal Trust since January 2002. 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 performance may be higher or lower than 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.

3

### INVESTMENT PORTFOLIO

November 30, 2003

| MUNICIPAL BONDS - 96.4%  | PAR         | VALUE        |
|--|-------------|--------------|
| -----  |             |              |
| EDUCATION - 7.1%   |             |              |
| EDUCATION - 6.2%   |             |              |
| AL University of South Alabama,<br>Series 1999,<br>(a) 11/15/18  | \$2,500,000 | \$ 1,260,325 |
| IL Chicago, State University Auxiliary<br>Facilities, Series 1998,<br>5.500% 12/01/23                                    | 1,085,000   | 1,220,972    |
| MA State Development Finance Agency,<br>Western New England College,<br>6.125% 12/01/32                                  | 315,000     | 321,133      |
| MA State Industrial Finance Agency,<br>Tabor Academy, Series 1998,<br>5.400% 12/01/28                                    | 1,000,000   | 1,009,510    |
| MN University of Minnesota:<br>Series 1996 A,<br>5.750% 07/01/14   | 500,000     | 587,210      |
| Series 1999 A,<br>5.500% 07/01/21  | 2,000,000   | 2,280,640    |
| MO State Health & Educational<br>Facilities Authority Central Institute<br>for the Deaf, Series 1999,<br>5.850% 01/01/22 | 600,000     | 648,414      |
| NH State Business Finance Authority,<br>Proctor Academy, Series 1998 A,<br>5.400% 06/01/17                               | 410,000     | 420,890      |
| NY St. Lawrence County Industrial<br>Development Agency,   |             |              |

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|  |           |                              |
|--|-----------|------------------------------|
| St. Lawrence University, Series 1998 A,<br>5.500% 07/01/13   | 1,465,000 | 1,639,760                    |
| TX Texas Tech University,<br>Series 1999,<br>5.000% 02/15/29 | 2,500,000 | 2,519,200                    |
|  |           | -----<br>11,908,054<br>----- |
| STUDENT LOAN - 0.9%  |           |                              |
| NE Nebhelp, Inc., Series 1993 A-6,<br>6.450% 06/01/18        | 1,500,000 | 1,654,605                    |
|  |           | -----                        |

|  |         |         |
|--|---------|---------|
| HEALTH CARE - 11.9%  |         |         |
| CONGREGATE CARE RETIREMENT - 1.4%  |         |         |
| CA La Verne Certificates<br>of Participation,<br>Brethren Hillcrest Home,<br>Series 2003 B,<br>6.625% 02/15/25 | 350,000 | 348,768 |
| CT State Development Authority,<br>Elim Park Baptist, Inc.,<br>Series 2003,<br>5.750% 12/01/23                 | 250,000 | 254,568 |
| FL Capital Projects Finance Authority,<br>Glenridge on Palmer Ranch,<br>Series 2002 A,<br>8.000% 06/01/32      | 500,000 | 514,490 |
| HI State Department of Budget & Finance,<br>Kahala Nui Project,<br>Series 2003 A:<br>7.875% 11/15/23           | 250,000 | 251,573 |
| 8.000% 11/15/33  | 250,000 | 251,943 |

|   | PAR        | VALUE                       |
|---|------------|-----------------------------|
| IL State Health Facilities Authority,<br>Washington and Jane Smith<br>Community, Series 2003 A,<br>7.000% 11/15/32                      | \$ 250,000 | \$ 249,362                  |
| PA Delaware County Authority,<br>Dunwoody Village, Inc.,<br>Series 2003 A,<br>5.375% 04/01/17   | 250,000    | 258,420                     |
| TX Abilene Health Facilities Development<br>Corp., Sears Methodist Retirement<br>Obligation Group,<br>Series 2003 A,<br>7.000% 11/15/33 | 200,000    | 202,390                     |
| WI State Health & Educational Facilities<br>Authority, Three Pillars Senior<br>Communities, Series 2003,<br>5.600% 08/15/23             | 300,000    | 297,147                     |
|   |            | -----<br>2,628,661<br>----- |

HEALTH SERVICES - 0.1%  
MA State Health & Educational



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|   |         |         |
|---|---------|---------|
| Facilities Authority, Civic<br>Investments, Inc., Series 2002 A,<br>9.000% 12/15/15 | 250,000 | 284,930 |
|   |         | -----   |

HOSPITALS - 7.9%

|   |           |           |
|---|-----------|-----------|
| AZ Yavapai County Industrial Development<br>Authority Hospital Facilities, Yavapai<br>Regional Medical Center,<br>Series 2003 A,<br>6.000% 08/01/33 | 150,000   | 152,850   |
| FL Citrus County Hospital Board,<br>Citrus Memorial Hospital,<br>Series 2002,<br>6.375% 08/15/32  | 350,000   | 358,740   |
| FL Orange County Health Facilities<br>Authority, Orlando Regional<br>Healthcare System:<br>Series 1996 C,<br>6.250% 10/01/13                        | 720,000   | 865,771   |
| Series 1999,<br>6.000% 10/01/26   | 175,000   | 182,093   |
| Series 2002,<br>5.750% 12/01/32   | 150,000   | 154,027   |
| FL South Broward Hospital District,<br>Series 2002,<br>5.625% 05/01/32  | 1,000,000 | 1,042,660 |
| IL Southwestern Illinois Development<br>Authority, Anderson Hospital,<br>Series 1999,<br>5.375% 08/15/15  | 380,000   | 385,597   |
| IL State Development Finance Authority,<br>Adventist Health System, Series 1999,<br>5.500% 11/15/20   | 900,000   | 914,472   |
| IL State Health Facilities Authority,<br>Swedish American Hospital,<br>Series 2000,<br>6.875% 11/15/30  | 500,000   | 544,605   |

See notes to investment portfolio.

4

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

|                             |     |       |
|-----------------------------|-----|-------|
| MUNICIPAL BONDS (CONTINUED) | PAR | VALUE |
| -----                       |     |       |

HEALTH CARE (CONTINUED)

HOSPITALS (CONTINUED)

|   |  |  |
|---|--|--|
| KS University Hospital Authority,<br>Kansas University Health System, |  |  |
|---|--|--|

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|  |            |            |
|--|------------|------------|
| Series 2002,<br>5.625% 09/01/32  | \$ 500,000 | \$ 513,340 |
| LA State Public Facilities Authority,<br>Touro Infirmary, Series 1999 A,<br>5.625% 08/15/29                                      | 500,000    | 502,310    |
| MA State Health & Educational Facilities<br>Authority, South Shore Hospital,<br>Series 1999 F,<br>5.750% 07/01/29                | 1,000,000  | 1,017,770  |
| MD State Health & Educational Facilities<br>Authority, University of Maryland<br>Medical System, Series 2000,<br>6.750% 07/01/30 | 250,000    | 274,772    |
| MD State Health & Higher Education<br>Facilities Authority, Adventist<br>Healthcare, Series 2003 A:<br>5.000% 01/01/16           | 250,000    | 247,975    |
| 5.750% 01/01/25  | 250,000    | 252,080    |
| MI Flint Hospital Building Authority,<br>Hurley Medical Center, Series 1998 B,<br>5.375% 07/01/28                                | 500,000    | 410,045    |
| MI State Hospital Finance Authority,<br>Oakwood Obligated Group,<br>Series 2003,<br>5.500% 11/01/18                              | 400,000    | 417,708    |
| MN St. Paul Housing & Redevelopment<br>Authority, HealthEast, Inc.:<br>Series 1993 B,<br>6.625% 11/01/17                         | 240,000    | 241,152    |
| Series 1997 A,<br>5.700% 11/01/15  | 250,000    | 235,922    |
| NH Higher Educational & Health Facilities,<br>Catholic Medical Center, Series 1989,<br>6.125% 07/01/32                           | 500,000    | 508,340    |
| NJ Health Care Facilities, Capital Health<br>System, Inc., Series 2003 A,<br>5.750% 07/01/23 (b)                                 | 350,000    | 357,742    |
| NV Henderson, Catholic Healthcare West:<br>Series 1998,<br>5.375% 07/01/26   | 250,000    | 234,312    |
| Series 1999 A,<br>6.750% 07/01/20  | 500,000    | 539,065    |
| NY New York State Dormitory Authority:<br>North Shore Long Island Jewish<br>Medical Center, Series 2003,<br>5.500% 05/01/33      | 100,000    | 102,283    |
| Winthrop/South Nassua Hospital,<br>Series 2003,<br>5.500% 07/01/23   | 150,000    | 153,471    |
| OH Lakewood Hospital Improvement,<br>Lakewood Hospital Association,<br>Series 2003,<br>5.500% 02/15/14                           | 385,000    | 411,950    |

PAR VALUE

|   |            |            |
|---|------------|------------|
| SC Lexington County Health Services<br>District, Inc., Hospital Revenue,<br>5.500% 11/01/23 | \$ 500,000 | \$ 515,795 |
|---|------------|------------|

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|   |           |            |
|---|-----------|------------|
| TN Metropolitan Government, Nashville<br>& Davidson Counties, Meharry<br>Medical College, Series 1996,<br>6.000% 12/01/16     | 1,575,000 | 1,860,390  |
| TX Comal County Health Facilities<br>Development, McKenna Memorial,<br>Series 2002 A,<br>6.250% 02/01/32                      | 500,000   | 508,670    |
| VA Augusta County Industrial<br>Development Authority, Augusta<br>Health Care, Inc., Series 2003,<br>5.250% 09/01/19 (b)      | 1,000,000 | 1,073,380  |
| WI State Health & Educational Facilities<br>Authority, Aurora Health Care, Inc.,<br>Series 2003,<br>6.400% 04/15/33           | 175,000   | 182,655    |
|   |           | -----      |
|   |           | 15,161,942 |
|   |           | -----      |
| INTERMEDIATE CARE FACILITIES - 0.2%   |           |            |
| IL State Development Finance Authority,<br>Hoosier Care, Inc., Series 1999 A,<br>7.125% 06/01/34                              | 470,000   | 387,520    |
|   |           | -----      |
| NURSING HOMES - 2.3%  |           |            |
| AK Juneau, St. Ann's Care Center,<br>Series 1999,<br>6.875% 12/01/25  | 500,000   | 508,330    |
| CO Health Care Facilities Authority,<br>Pioneer Health Care, Series 1989,<br>10.500% 05/01/19                                 | 1,580,000 | 1,496,497  |
| DE State Economic Development<br>Authority, Churchman Village Project,<br>Series 1991 A,<br>10.000% 03/01/21                  | 905,000   | 906,466    |
| PA Chester County Industrial Development<br>Authority, RHA/Pennsylvania Nursing<br>Home, Series 2002,<br>8.500% 05/01/32      | 765,000   | 740,711    |
| PA Delaware County Authority,<br>Main Line and Haverford Nursing,<br>Series 1992,<br>9.000% 08/01/22 (c)                      | 565,000   | 339,000    |
| WI State Health & Educational Facilities<br>Authority, Metro Health Foundation,<br>Inc., Series 1993,<br>11.000% 11/01/22 (c) | 1,300,000 | 338,000    |
|   |           | -----      |
|   |           | 4,329,004  |
|   |           | -----      |
| -----   |           |            |
| HOUSING - 2.9%  |           |            |
| ASSISTED LIVING/SENIOR - 0.2%   |           |            |
| TX Bell County Health Facilities<br>Development Corp., Care Institute,<br>Inc., Series 1994,<br>9.000% 11/01/24               | 470,000   | 476,378    |
|   |           | -----      |

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See notes to investment portfolio.

5

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| MUNICIPAL BONDS (CONTINUED)  | PAR         | VALUE        |
|--|-------------|--------------|
| -----  |             |              |
| HOUSING (CONTINUED)  |             |              |
| MULTI-FAMILY - 2.5%  |             |              |
| AZ Maricopa County Industrial<br>Development Authority, National<br>Health Facilities II Project,<br>5.100% 01/01/33 | \$2,500,000 | \$ 2,548,300 |
| FL Broward County Housing Finance<br>Authority, Chaves Lake Apartment<br>Project, Series 2000,<br>7.500% 07/01/40    | 500,000     | 504,980      |
| FL Clay County Housing Finance<br>Authority, Madison Commons<br>Apartments, Series 2000 A,<br>7.450% 07/01/40        | 250,000     | 252,495      |
| MN White Bear Lake, Birch Lake<br>Townhome Project:<br>Series 1989 A,<br>10.250% 07/15/19                            | 775,000     | 780,580      |
| Series 1989 B,<br>(a) 07/15/19   | 671,000     | 454,928      |
| Resolution Trust Corp., Pass Through<br>Certificates, Series 1993 A,<br>9.750% 12/01/16 (d)                          | 227,741     | 224,459      |
|  |             | -----        |
|  |             | 4,765,742    |
|  |             | -----        |
| SINGLE FAMILY - 0.2%   |             |              |
| CO State Housing Finance Authority,<br>Series 2000 B-2,<br>7.250% 10/01/31   | 165,000     | 171,113      |
| IL Chicago, Series 2000 A,<br>7.150% 09/01/31  | 130,000     | 134,108      |
|  |             | -----        |
|  |             | 305,221      |
|  |             | -----        |
| -----  |             |              |
| INDUSTRIAL - 1.5%  |             |              |
| FOOD PRODUCTS - 0.6%   |             |              |
| NE Washington County Waste Water<br>Facilities, Cargill, Inc.,<br>Series 2002,<br>5.900% 11/01/27                    | 1,000,000   | 1,043,920    |
|  |             | -----        |

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|  |            |            |
|--|------------|------------|
| FOREST PRODUCTS - 0.5%   |            |            |
| AL Camden Industrial Development Board, Weyerhaeuser Co., Series 2003 B,<br>6.375% 12/01/24          | 275,000    | 290,513    |
| FL Escambia County Environmental Improvement, International Paper, Series 2003 A,<br>5.750% 11/01/27 | 250,000    | 252,093    |
| MN International Falls, Boise Cascade Corp., Series 1999,<br>6.850% 12/01/29                         | 500,000    | 501,185    |
|  |            | -----      |
|  |            | 1,043,791  |
|  |            | -----      |
| MANUFACTURING - 0.1%   |            |            |
| MO State Development Finance Board, Procter & Gamble Co., Series 1999,<br>5.200% 03/15/29            | 250,000    | 261,532    |
|  |            | -----      |
|  | PAR        | VALUE      |
|  | -----      | -----      |
| OIL & GAS - 0.3%   |            |            |
| NV Clark County Industrial Development, Southwest Gas Corp., Series 2003 E,<br>5.800% 03/01/38       | \$ 250,000 | \$ 266,450 |
| TX Gulf Coast Industrial Development Authority, Citgo Petroleum, Series 1998,<br>8.000% 04/01/28     | 250,000    | 258,693    |
|  |            | -----      |
|  |            | 525,143    |
|  |            | -----      |
| -----  |            |            |
| OTHER - 7.1%   |            |            |
| OTHER - 1.0%   |            |            |
| CA Golden State Tobacco Securitization Authority:<br>Series 2003 A-1,<br>6.250% 06/01/33             | 250,000    | 234,695    |
| Series 2003 B,<br>5.500% 06/01/43  | 500,000    | 490,515    |
| NY Convention Center, Yale Building Project, Series 2003,<br>(a) 06/01/08                            | 700,000    | 547,883    |
| SC Tobacco Settlement Revenue Management Authority, Series 2001 B,<br>6.375% 05/15/28                | 400,000    | 372,672    |
| WI Badger Tobacco Asset Securitization Corp., Series 2002,<br>6.375% 06/01/32                        | 250,000    | 229,955    |
|  |            | -----      |
|  |            | 1,875,720  |
|  |            | -----      |
| POOL/BOND BANK - 0.8%  |            |            |
| FL State Municipal Loan Council,   |            |            |

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|   |           |                             |
|---|-----------|-----------------------------|
| Series 2000 A,<br>(a) 04/01/21  | 520,000   | 221,733                     |
| KS State Development Finance Authority,<br>Water Pollution Control,<br>5.500% 11/01/17  | 1,125,000 | 1,292,096                   |
|   |           | -----<br>1,513,829<br>----- |
| REFUNDED/ESCROWED (E) - 5.3%  |           |                             |
| CA San Joaquin Hills Transportation<br>Corridor Agency, Series 1993,<br>(a) 01/01/23  | 5,250,000 | 2,022,247                   |
| CA State Educational Facilities<br>Authority, Santa Clara University,<br>Series 1996,<br>5.000% 09/01/15                          | 800,000   | 889,096                     |
| CT State Special Tax Obligation<br>Infrastructure, Series 2001 A,<br>5.375% 10/01/16  | 500,000   | 576,370                     |
| DC District of Columbia,<br>Series 1999 A,<br>5.375% 06/01/18   | 360,000   | 414,083                     |
| DE State Economic Development<br>Authority, Osteopathic Hospital<br>Association of Delaware,<br>Series 1992 A,<br>9.500% 01/01/22 | 210,000   | 222,067                     |

See notes to investment portfolio.

6

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| MUNICIPAL BONDS (CONTINUED)   | PAR         | VALUE        |
|---|-------------|--------------|
| -----   |             |              |
| OTHER (CONTINUED)   |             |              |
| REFUNDED/ESCROWED (E) (CONTINUED)   |             |              |
| FL Orange County Health Facilities<br>Authority, Orlando Regional<br>Healthcare System, Series 1996 C,<br>6.250% 10/01/13 | \$1,740,000 | \$ 2,127,742 |
| MA State College Building Authority,<br>Series 1999 A,<br>(a) 05/01/23  | 2,710,000   | 1,036,385    |
| NC Lincoln County, Lincoln County<br>Hospital, Series 1991,<br>9.000% 05/01/07  | 85,000      | 96,397       |
| NC State Municipal Power Agency,<br>Catawba No. 1, Series 1986,<br>5.000% 01/02/20  | 1,670,000   | 1,799,842    |
| TN Shelby County, Health, Education<br>& Housing Facilities Board, Open   |             |              |

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Arms Development Center:

|                 |         |            |
|-----------------|---------|------------|
| Series 1992 A,  |         |            |
| 9.750% 08/01/19 | 415,000 | 525,004    |
| Series 1992 C,  |         |            |
| 9.750% 08/01/19 | 415,000 | 525,108    |
|                 |         | -----      |
|                 |         | 10,234,341 |
|                 |         | -----      |

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| -----                                |           |           |
| OTHER REVENUE - 0.8%                 |           |           |
| RECREATION - 0.8%                    |           |           |
| DC District of Columbia, Smithsonian |           |           |
| Institute, Series 1997,              |           |           |
| 5.000% 02/01/28                      | 1,000,000 | 1,006,220 |
| FL Capital Trust Agency, Seminole    |           |           |
| Tribe Convention Center,             |           |           |
| Series 2002 A,                       |           |           |
| 10.000% 10/01/33                     | 500,000   | 616,675   |
|                                      |           | -----     |
|                                      |           | 1,622,895 |
|                                      |           | -----     |

|                                     |         |           |
|-------------------------------------|---------|-----------|
| -----                               |         |           |
| RESOURCE RECOVERY - 1.2%            |         |           |
| DISPOSAL - 0.6%                     |         |           |
| IL Development Finance Authority,   |         |           |
| Waste Management, Inc.,             |         |           |
| Series 1997,                        |         |           |
| 5.050% 01/01/10                     | 500,000 | 516,240   |
| MA State Industrial Finance Agency, |         |           |
| Peabody Monofill Associates, Inc.,  |         |           |
| Series 1995,                        |         |           |
| 9.000% 09/01/05                     | 115,000 | 119,325   |
| MI State Strategic Fund, Waste      |         |           |
| Management, Series 1995,            |         |           |
| 5.200% 04/01/10                     | 500,000 | 520,915   |
|                                     |         | -----     |
|                                     |         | 1,156,480 |
|                                     |         | -----     |

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| RESOURCE RECOVERY - 0.6%            |           |           |
| MA State Industrial Finance Agency, |           |           |
| Ogden Haverhill Project,            |           |           |
| Series 1998 A,                      |           |           |
| 5.450% 12/01/12                     | 1,250,000 | 1,238,987 |
|                                     |           | -----     |

|   |            |            |
|---|------------|------------|
|   | PAR        | VALUE      |
| -----                                     |            |            |
| TAX-BACKED - 39.7%                        |            |            |
| LOCAL APPROPRIATED - 2.1%                 |            |            |
| CA Compton Certificates of Participation, |            |            |
| Civic Center & Capital Improvement,       |            |            |
| Series 1997 A,                            |            |            |
| 5.500% 09/01/15                           | \$ 500,000 | \$ 521,215 |
| CA Los Angeles County, Series 1999 A,     |            |            |
| (a) 08/01/21                              | 2,135,000  | 878,147    |
| MN Hibbing Economic Development           |            |            |
| Authority, Series 1997,                   |            |            |

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|  |           |           |
|--|-----------|-----------|
| 6.400% 02/01/12  | 335,000   | 344,293   |
| MO Development Finance Board,<br>St. Louis Convention Center,<br>Series 2000 C,<br>(a) 07/15/18                | 300,000   | 150,930   |
| SC Berkeley County School District,<br>Series 2003,<br>5.000% 12/01/28   | 500,000   | 487,460   |
| TX Houston Independent School District,<br>Public Facilities Corp., Series 1998 A,<br>(a) 09/15/13             | 2,500,000 | 1,667,900 |
|  |           | -----     |
|  |           | 4,049,945 |
|  |           | -----     |
| LOCAL GENERAL OBLIGATIONS - 18.8%  |           |           |
| AK North Slope Borough, Series 2001 A,<br>(a) 06/30/12   | 2,000,000 | 1,420,320 |
| CA Carlsbad Unified School District,<br>Series 1997,<br>(a) 05/01/22   | 2,730,000 | 1,067,840 |
| CA Las Virgenes Unified School District,<br>Series 2001 C,<br>(a) 11/01/22                                     | 1,210,000 | 461,385   |
| CA Modesto High School District,<br>Stanislaus County, Capital Appreciation,<br>Series 2002 A,<br>(a) 08/01/19 | 1,350,000 | 634,999   |
| CA Pomona Unified School District,<br>Series 2000 A,<br>6.450% 08/01/22  | 1,000,000 | 1,246,240 |
| CA Vallejo City Unified School District,<br>Series 2002 A,<br>5.900% 08/01/25                                  | 2,000,000 | 2,335,960 |
| CA West Contra Costa Unified School<br>District, Series 2001 B,<br>6.000% 08/01/24                             | 250,000   | 296,727   |
| CO El Paso County School District No. 11,<br>Colorado Springs, Series 1996,<br>7.125% 12/01/19                 | 1,870,000 | 2,460,060 |
| CO Highlands Ranch Metropolitan<br>District, Series 1996,<br>6.500% 06/15/11                                   | 1,375,000 | 1,671,835 |
| IL Chicago:<br>Series 1995 A-2,<br>6.250% 01/01/14   | 1,480,000 | 1,780,144 |
| Series 1999,<br>5.500% 01/01/23  | 1,000,000 | 1,123,040 |
| Series 2001 A,<br>(a) 01/01/15   | 3,000,000 | 1,835,280 |

See notes to investment portfolio.



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## INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| MUNICIPAL BONDS (CONTINUED)               | PAR         | VALUE      |
|---|-------------|------------|
| -----                                     |             |            |
| TAX-BACKED (CONTINUED)                    |             |            |
| LOCAL GENERAL OBLIGATIONS (CONTINUED)     |             |            |
| IL Chicago Board of Education,            |             |            |
| Series 1998 B-1:                          |             |            |
| (a) 12/01/11                              | \$1,000,000 | \$ 739,850 |
| (a) 12/01/21                              | 2,000,000   | 807,540    |
| IL St. Clair County,                      |             |            |
| Series 1999,                              |             |            |
| (a) 10/01/16                              | 2,000,000   | 1,120,920  |
| IL St. Clair County Public Building       |             |            |
| Commission, Series 1997 B,                |             |            |
| (a) 12/01/13                              | 2,000,000   | 1,326,100  |
| IL Will County School District No. 17,    |             |            |
| Series 2001,                              |             |            |
| 8.500% 12/01/15                           | 1,400,000   | 1,993,614  |
| MI Garden City School District,           |             |            |
| Series 2001,                              |             |            |
| 5.500% 05/01/16                           | 325,000     | 363,116    |
| MI St. John's Public School, Series 1998, |             |            |
| 5.100% 05/01/25                           | 1,000,000   | 1,060,590  |
| NY New York City:                         |             |            |
| Series 1997 A,                            |             |            |
| 7.000% 08/01/07                           | 2,000,000   | 2,255,160  |
| Series 2003 J,                            |             |            |
| 5.500% 06/01/18                           | 500,000     | 544,790    |
| OH Kenston Local School District,         |             |            |
| Series 2003,                              |             |            |
| 5.000% 12/01/23                           | 1,000,000   | 1,034,420  |
| PA Erie, Series 2001 C,                   |             |            |
| (a) 11/15/26                              | 2,000,000   | 602,980    |
| TX Brenham, Certificates of Obligation,   |             |            |
| Series 2001,                              |             |            |
| 5.375% 08/15/16                           | 1,040,000   | 1,152,237  |
| TX Dallas County Flood Control            |             |            |
| District, Series 2002,                    |             |            |
| 7.250% 04/01/32                           | 500,000     | 507,820    |
| TX Houston Independent School District,   |             |            |
| Series 1999 A,                            |             |            |
| 4.750% 02/15/22                           | 5,000,000   | 5,027,200  |
| TX La Joya Independent School District,   |             |            |
| Series 1998,                              |             |            |
| 5.500% 02/15/12                           | 1,000,000   | 1,115,630  |
|   |             | -----      |
|   |             | 35,985,797 |
|   |             | -----      |
| SPECIAL NON-PROPERTY TAX - 4.7%           |             |            |
| CA San Diego Redevelopment Agency,        |             |            |
| Capital Appreciation Tax Allocation       |             |            |
| Center, Series 2001,                      |             |            |
| (a) 09/01/21                              | 3,725,000   | 1,525,723  |
| FL Tampa Sports Authority, Tampa Bay      |             |            |
| Arena Project, Series 1995,               |             |            |
| 5.750% 10/01/25                           | 1,000,000   | 1,155,830  |

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|   |           |           |
|---|-----------|-----------|
| NM Dona Ana County, Series 1998,<br>5.500% 06/01/15                                   | 1,000,000 | 1,151,230 |
| NY New York City Transitional Finance<br>Authority, Series 1998 A,<br>5.000% 11/15/26 | 1,960,000 | 1,993,967 |

|  | PAR         | VALUE        |
|--|-------------|--------------|
| -----  |             |              |
| NY State Local Government Assistance<br>Corp., Series 1993 E,<br>5.000% 04/01/21                             | \$3,000,000 | \$ 3,182,820 |
|  |             | -----        |
|  |             | 9,009,570    |
|  |             | -----        |
| SPECIAL PROPERTY TAX - 0.5%  |             |              |
| CA Huntington Beach Community<br>Facilities District, Grand Coast Resort,<br>Series 2001,<br>6.450% 09/01/31 | 300,000     | 308,925      |
| FL Celebration Community Development<br>District, Special Assessment,<br>Series 2003 A,<br>6.400% 05/01/34   | 250,000     | 255,830      |
| FL Double Branch Community<br>Development District,<br>Series 2002 A,<br>6.700% 05/01/34                     | 335,000     | 347,603      |
| FL Lexington Oaks Community<br>Development District,<br>Series 1998 B,<br>5.500% 05/01/05                    | 10,000      | 10,061       |
|  |             | -----        |
|  |             | 922,419      |
|  |             | -----        |
| STATE APPROPRIATED - 8.5%  |             |              |
| IN State Office Building Commission,<br>Women's Prison, Series 1995 B,<br>6.250% 07/01/16                    | 2,820,000   | 3,427,118    |
| KY State Property & Buildings<br>Commission, Project No. 73,<br>Series 2001,<br>5.500% 11/01/14              | 455,000     | 511,461      |
| NY New York State Dormitory Authority:<br>City University, Series 1993 A,<br>5.750% 07/01/18                 | 5,000,000   | 5,906,900    |
| Mental Health Services, Series 1998 C,<br>5.000% 02/15/11  | 1,485,000   | 1,599,033    |
| State University, Series 2000 C,<br>5.750% 05/15/17  | 1,000,000   | 1,175,080    |
| NY State Urban Development Corp.,<br>5.600% 04/01/15   | 1,000,000   | 1,143,900    |
| UT State Building Ownership Authority,<br>Facilities Master Lease,<br>Series 1998 C,<br>5.500% 05/15/19      | 1,750,000   | 1,993,915    |
| WV State Building Commission,<br>Series 1998 A,<br>5.375% 07/01/18   | 500,000     | 560,100      |
|  |             | -----        |
|  |             | 16,317,507   |

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|   | PAR       | VALUE     |
|---|-----------|-----------|
| STATE GENERAL OBLIGATIONS - 5.1%                              |           |           |
| CA State, Series 1995,<br>5.750% 03/01/19                     | 70,000    | 73,935    |
| DC District of Columbia,<br>Series 1999 A,<br>5.375% 06/01/18 | 890,000   | 967,359   |
| MA State, Series 1998 C,<br>5.250% 08/01/17                   | 1,000,000 | 1,111,640 |
| NJ State, Series 2001,<br>5.250% 07/01/16                     | 2,000,000 | 2,255,920 |

See notes to investment portfolio.

8

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| MUNICIPAL BONDS (CONTINUED)  | PAR         | VALUE        |
|--|-------------|--------------|
| TAX-BACKED (CONTINUED)   |             |              |
| STATE GENERAL OBLIGATIONS (CONTINUED)  |             |              |
| PR Commonwealth of Puerto Rico,<br>Aqueduct & Sewer Authority:<br>Series 1995: |             |              |
| 6.250% 07/01/12  | \$1,000,000 | \$ 1,211,590 |
| 6.250% 07/01/13  | 750,000     | 915,420      |
| Series 2001,<br>5.500% 07/01/17  | 1,000,000   | 1,159,480    |
| TX State, Series 1999 ABC,<br>5.500% 08/01/35                                  | 2,000,000   | 2,141,340    |
|  |             | 9,836,684    |

|   |         |         |
|---|---------|---------|
| TRANSPORTATION - 10.3%  |         |         |
| AIR TRANSPORTATION - 2.1%   |         |         |
| CA Los Angeles Regional Airport<br>Improvement Corp., American<br>Airlines, Inc., Series 2000 C,<br>7.500% 12/01/24 (f) | 750,000 | 736,455 |
| IL Chicago O'Hare International Airport,<br>United Airlines, Inc., Series 2000 A,<br>6.750% 11/01/11 (c)                | 800,000 | 175,168 |
| KY Kenton County Airport Board,<br>Delta Airlines, Inc.,<br>Series 1992 A:<br>7.500% 02/01/12                           | 250,000 | 249,957 |
| 7.500% 02/01/20   | 200,000 | 199,600 |
| MN Minneapolis & St. Paul Metropolitan  |         |         |

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|  |           |                             |
|--|-----------|-----------------------------|
| Airport Commission, Northwest<br>Airlines, Series 2001 A,<br>7.000% 04/01/25                                     | 350,000   | 327,071                     |
| NC Charlotte, US Airways, Inc.:<br>Series 1998,<br>5.600% 07/01/27   | 500,000   | 361,980                     |
| Series 2000,<br>7.750% 02/01/28  | 500,000   | 451,965                     |
| NY Port Authority of New York &<br>New Jersey JFK International Air<br>Terminal, Series 1997,<br>6.250% 12/01/08 | 1,000,000 | 1,150,740                   |
| TX Houston Industrial Development<br>Corp., Air Cargo, Perot Development,<br>Series 2002,<br>6.000% 03/01/23     | 400,000   | 402,756                     |
|  |           | -----<br>4,055,692<br>----- |
| AIRPORTS - 1.9%  |           |                             |
| MA State Port Authority:<br>Series 1998 D,<br>5.000% 07/01/28  | 2,500,000 | 2,523,050                   |
| Series 1999, IFRN,<br>10.140% 07/01/29 (f)   | 1,000,000 | 1,170,080                   |
|  |           | -----<br>3,693,130<br>----- |
| TOLL FACILITIES - 3.9%   |           |                             |
| CA Foothill/Eastern Transportation<br>Corridor Agency, Series 1995 A,<br>5.000% 01/01/35                         | 1,000,000 | 927,270                     |

|   | PAR         | VALUE                       |
|---|-------------|-----------------------------|
| CA San Joaquin Hills Transportation<br>Corridor Agency, Series 1997 A,<br>(a) 01/15/15                        | \$2,000,000 | \$ 1,222,740                |
| CO State Public Highway Authority,<br>E-470, Series 1997 B,<br>(a) 09/01/11                                   | 2,000,000   | 1,495,740                   |
| MA State Turnpike Authority,<br>Series 1999 A:<br>4.750% 01/01/34   | 1,600,000   | 1,582,240                   |
| 5.000% 01/01/39   | 1,000,000   | 1,008,830                   |
| NH State Turnpike Systems,<br>Series 1991 C, IFRN,<br>12.314% 11/01/17 (f)                                    | 1,000,000   | 1,297,680                   |
|   |             | -----<br>7,534,500<br>----- |
| TRANSPORTATION - 2.4%   |             |                             |
| IL Regional Transportation Authority,<br>Series 1994 C,<br>7.750% 06/01/20                                    | 1,000,000   | 1,391,660                   |
| NV State Department of Business &<br>Industry, Las Vegas Monorail Project,<br>Series 2000:<br>7.375% 01/01/30 | 250,000     | 250,483                     |

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|  |           |           |
|--|-----------|-----------|
| 7.375% 01/01/40  | 250,000   | 248,570   |
| NY Metropolitan Transportation Authority,<br>Series 2002 A,                      |           |           |
| 5.000% 11/15/30  | 1,465,000 | 1,493,597 |
| OH Toledo-Lucas County Port Authority,<br>CSX Transportation, Inc., Series 1992, |           |           |
| 6.450% 12/15/21  | 1,000,000 | 1,099,570 |
|  |           | -----     |
|  |           | 4,483,880 |
|  |           | -----     |

-----

|  |         |           |
|--|---------|-----------|
| UTILITIES - 13.9%  |         |           |
| INDEPENDENT POWER PRODUCERS - 0.7%   |         |           |
| MI Midland County Economic<br>Development Corp., Series 2000,  |         |           |
| 6.875% 07/23/09  | 600,000 | 617,364   |
| NY New York City Industrial Development<br>Agency, Brooklyn Navy Yard Partners,<br>Series 1997,  |         |           |
| 5.650% 10/01/28  | 200,000 | 182,136   |
| PA Carbon County Industrial Development<br>Authority, Panther Creek Partners,<br>Series 2000,  |         |           |
| 6.650% 05/01/10  | 150,000 | 162,449   |
| PR Commonwealth of Puerto Rico<br>Industrial, Educational, Medical<br>& Environmental Cogeneration<br>Facilities, AES Project,<br>Series 2000, |         |           |
| 6.625% 06/01/26  | 325,000 | 337,191   |
|  |         | -----     |
|  |         | 1,299,140 |
|  |         | -----     |

|  |         |         |
|--|---------|---------|
| INVESTOR OWNED - 6.3%  |         |         |
| AZ Maricopa County Pollution Control<br>Revenue, El Paso Electric Co.,<br>Series 2002 A, |         |         |
| 6.250% 05/01/37 (f)  | 500,000 | 516,085 |

See notes to investment portfolio.

9

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| MUNICIPAL BONDS (CONTINUED)           | PAR | VALUE |
|---------------------------------------|-----|-------|
| -----                                 |     |       |
| UTILITIES (CONTINUED)                 |     |       |
| INVESTOR OWNED (CONTINUED)            |     |       |
| FL Polk County Industrial Development |     |       |

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|  |            |            |
|--|------------|------------|
| Authority, Tampa Electric Co.,<br>Series 1996,<br>5.850% 12/01/30  | \$ 500,000 | \$ 497,980 |
| IN Petersburg, Indiana Power & Light<br>Co., Series 1993 B,<br>5.400% 08/01/17                                       | 2,500,000  | 2,787,425  |
| MI State Strategic Fund, Detroit Edison<br>Co., Series 1998 A,<br>5.550% 09/01/29                                    | 3,000,000  | 3,139,920  |
| MS State Business Finance Corp.,<br>Systems Energy Resources Project,<br>Series 1998,<br>5.875% 04/01/22             | 1,000,000  | 1,001,020  |
| MT Forsyth Pollution Control,<br>Portland General, Series 1998 A,<br>5.200% 05/01/33                                 | 150,000    | 154,701    |
| OH State Air Quality Development<br>Authority, Cleveland Electric<br>Illumination, Series 2002 A,<br>6.000% 12/01/13 | 650,000    | 659,633    |
| TX Brazos River Authority, Pollution<br>Control, TXU Electric Co.:<br>Series 1999,<br>7.700% 04/01/33                | 250,000    | 280,608    |
| Series 2001,<br>5.750% 05/01/36  | 125,000    | 131,108    |
| Series 2003 C,<br>6.750% 10/01/38  | 375,000    | 394,028    |
| TX Matagorda County Navigation District<br>No.1, Houston Light & Power Co.,<br>Series 1997,<br>5.125% 11/01/28       | 2,000,000  | 2,058,740  |
| WY Converse County Pollution Control,<br>Pacifcorp, Series 1988,<br>3.900% 01/01/14                                  | 500,000    | 485,160    |
|  |            | -----      |
|  |            | 12,106,408 |
|  |            | -----      |
| JOINT POWER AUTHORITY - 2.6%   |            |            |
| MA Municipal Wholesale Electric Co.,<br>Power Supply System, Project 6-A,<br>5.250% 07/01/14                         | 1,000,000  | 1,101,650  |
| NC Eastern Municipal Power Agency,<br>Series 2003,<br>5.500% 01/01/16  | 285,000    | 303,653    |
| NC State Municipal Power Agency,<br>Catawba Electric No. 1:<br>Series 1998 A,<br>5.500% 01/01/15                     | 640,000    | 730,227    |
| Series 2003 A,<br>5.250% 01/01/18  | 2,500,000  | 2,714,300  |
| OH Municipal Electricity Generation<br>Agency, Series 2001,<br>(a) 02/15/30  | 1,000,000  | 258,370    |
|  |            | -----      |
|  |            | 5,108,200  |
|  |            | -----      |

PAR VALUE

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|   |             |              |
|---|-------------|--------------|
| -----   |             |              |
| MUNICIPAL ELECTRIC - 1.2%   |             |              |
| CA State Water Resources Authority,<br>Series 2002 A,   |             |              |
| 5.500% 05/01/14   | \$1,000,000 | \$ 1,131,930 |
| NC University of North Carolina at<br>Chapel Hill, Series 1997,   |             |              |
| (a) 08/01/14  | 1,000,000   | 648,260      |
| NE Public Power District, Series 1998 A,  |             |              |
| 5.250% 01/01/11   | 500,000     | 554,845      |
|   |             | -----        |
|   |             | 2,335,035    |
|   |             | -----        |
| WATER & SEWER - 3.1%  |             |              |
| GA Atlanta, Series 1993,  |             |              |
| 5.500% 11/01/22 (g)   | 1,000,000   | 1,130,570    |
| MA State Water Resources Authority,<br>Series 1998 A,   |             |              |
| 4.750% 08/01/27   | 1,000,000   | 995,850      |
| MS Five Lakes Utility District,   |             |              |
| 8.250% 07/15/24   | 140,000     | 135,722      |
| NY New York City Municipal Water<br>Finance Authority, Water & Sewer<br>System, Capital Appreciation,<br>Series 1998 D, |             |              |
| (a) 06/15/20  | 3,900,000   | 1,849,458    |
| WA King County, Series 1999,  |             |              |
| 5.250% 01/01/30   | 1,750,000   | 1,818,512    |
|   |             | -----        |
|   |             | 5,930,112    |
|   |             | -----        |
| TOTAL MUNICIPAL BONDS   |             |              |
| (cost of \$173,309,069)   |             | 185,086,714  |
|   |             | -----        |
| MUNICIPAL PREFERRED STOCK - 0.3%  |             |              |
| -----   |             |              |
| HOUSING - 0.3%  |             |              |
| MULTI-FAMILY - 0.3%   |             |              |
| Charter Municipal Mortgage<br>Acceptance Co.,   |             |              |
| 7.600% 11/30/50 (d)   |             |              |
| (cost of \$500,000)   | 500,000     | 554,760      |
|   |             | -----        |
| SHORT-TERM OBLIGATIONS - 2.9%   |             |              |
| -----   |             |              |
| VARIABLE RATE DEMAND NOTES (H) - 2.9%   |             |              |
| FL Alachua County Health Facilities<br>Authority, Oak Hammock at the<br>University of Florida,<br>Series 2002 A,        |             |              |
| 1.100% 10/01/32   | 1,100,000   | 1,100,000    |
| IN State Development Finance Authority,<br>Cathedral Trustees, Inc.,<br>Series 2001,                                    |             |              |
| 1.150% 09/01/26   | 100,000     | 100,000      |
| MO State Development Finance Board,<br>St. Louis Convention Center,<br>Series 2000 C,                                   |             |              |
| 1.150% 12/01/20   | 400,000     | 400,000      |
| MO State Health & Educational   |             |              |

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Facilities Authority,  
Washington University,  
Series 1996 C,

1.050% 09/01/30 200,000 200,000

See notes to investment portfolio.

10

INVESTMENT PORTFOLIO (CONTINUED)

November 30, 2003

| SHORT-TERM OBLIGATIONS (CONTINUED)   | PAR        | VALUE         |
|--|------------|---------------|
| -----  |            |               |
| VARIABLE RATE DEMAND NOTES (H) (CONTINUED)                                 |            |               |
| MS Jackson County Pollution Control,<br>Chevron USA, Inc.,<br>Series 1993, |            |               |
| 1.080% 06/01/23  | \$ 200,000 | \$ 200,000    |
| NY New York, Series 1993 A-4,<br>1.080% 08/01/22                           | 3,000,000  | 3,000,000     |
| SD Lower Brule Sioux Tribe,<br>Series 1999,<br>1.150% 12/01/11             | 500,000    | 500,000       |
|  |            | -----         |
| TOTAL SHORT TERM OBLIGATIONS<br>(cost of \$5,500,000)                      |            | 5,500,000     |
|  |            | -----         |
| TOTAL INVESTMENTS - 99.6%<br>(cost of \$179,309,069) (i)                   |            | 191,141,474   |
|  |            | -----         |
| OTHER ASSETS & LIABILITIES, NET - 0.4%                                     |            | 824,947       |
|  |            | -----         |
| NET ASSETS* - 100.0%   |            | \$191,966,421 |
|  |            | =====         |

NOTES TO INVESTMENT PORTFOLIO:

- 
- \* Net assets represent both Common Shares and Auction Preferred Shares.
  - (a) Zero coupon bond.
  - (b) This security has been purchased on a delayed delivery basis.
  - (c) As of November 30, 2003, the Trust held securities of certain issuers that have filed for bankruptcy protection under Chapter 11, representing 0.4% of net assets. This issuer is in default of certain debt covenants. Income is not being accrued.
  - (d) 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 \$779,219, which represents 0.4% of net



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assets.

- (e) 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.
- (f) Interest rates on variable rate securities change periodically. The rate listed is as of November 30, 2003.
- (g) This security, or a portion thereof, with a market value of \$887,497, is being used to collateralize open futures contracts.
- (h) 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.
- (i) Cost for federal income tax purposes is \$179,038,757.

Short futures contracts open at November 30, 2003:

| TYPE               | PAR VALUE<br>COVERED BY<br>CONTRACTS | EXPIRATION<br>MONTH | UNREALIZED<br>APPRECIATION<br>AT 11/30/03 |
|--------------------|--------------------------------------|---------------------|---|
| -----              |                                      |                     |   |
| 10 Year            |                                      |                     |   |
| U.S. Treasury Note | \$43,000,000                         | Mar-04              | \$64,823                                  |

| ACRONYM | NAME                       |
|---------|----------------------------|
| -----   | -----                      |
| IFRN    | Inverse Floating Rate Note |

See notes to financial statements.

11

STATEMENT OF ASSETS AND LIABILITIES

November 30, 2003

|                                      |               |
|--------------------------------------|---------------|
| ASSETS:                              |               |
| Investments, at cost                 | \$179,309,069 |
|                                      | -----         |
| Investments, at value                | \$191,141,474 |
| Cash                                 | 1,979         |
| Receivable for:                      |               |
| Interest                             | 2,745,717     |
| Futures variation margin             | 329,219       |
| Deferred Trustees' compensation plan | 6,756         |
|                                      | -----         |
| Total Assets                         | 194,225,145   |
|                                      | -----         |

LIABILITIES:  
Payable for:

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|   |           |
|---|-----------|
| Investments purchased on a delayed delivery basis | 1,411,359 |
| Distributions--common shares                      | 661,768   |
| Distributions--preferred shares                   | 9,370     |
| Preferred shares remarketing commissions          | 2,467     |
| Investment advisory fee                           | 99,455    |
| Pricing and bookkeeping fees                      | 14,029    |
| Trustees' fees                                    | 1,990     |
| Custody fee                                       | 2,923     |
| Audit fee   | 32,890    |
| Deferred Trustees' fees                           | 6,756     |
| Other liabilities                                 | 15,717    |
|   | -----     |
| Total Liabilities                                 | 2,258,724 |
|   | -----     |

|  |               |
|--|---------------|
| Auction Preferred Shares (2,400 shares issued and outstanding at \$25,000 per share) | \$ 60,000,000 |
|  | -----         |

### COMPOSITION OF NET ASSETS

#### APPLICABLE TO COMMON SHARES:

|   |               |
|---|---------------|
| Paid-in capital--common shares  | \$126,993,094 |
| Undistributed net investment income   | 732,461       |
| Accumulated net realized loss   | (7,656,362)   |
| Net unrealized appreciation on:   |               |
| Investments   | 11,832,405    |
| Futures contracts   | 64,823        |
|   | -----         |
| Net assets at value applicable to 11,509,000 common shares of beneficial interest outstanding | \$131,966,421 |
|   | =====         |
| Net asset value per common share  | \$ 11.47      |
|   | =====         |

### STATEMENT OF OPERATIONS

For the Year Ended November 30, 2003

|  |               |
|--|---------------|
| INVESTMENT INCOME:                       |               |
| Interest                                 | \$ 10,267,350 |
|  | -----         |
| EXPENSES:                                |               |
| Investment advisory fee                  | 1,236,147     |
| Pricing and bookkeeping fees             | 108,493       |
| Trustees' fees                           | 14,032        |
| Preferred shares remarketing commissions | 150,582       |
| Custody fee                              | 12,951        |
| Other expenses                           | 185,124       |
|  | -----         |
| Total Expenses                           | 1,707,329     |

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|                         |           |
|-------------------------|-----------|
| Custody earnings credit | (468)     |
|                         | -----     |
| Net Expenses            | 1,706,861 |
|                         | -----     |
| Net Investment Income   | 8,560,489 |
|                         | -----     |

NET REALIZED AND UNREALIZED GAIN (LOSS)  
ON INVESTMENTS AND FUTURES CONTRACTS:

|  |             |
|--|-------------|
| Net realized gain (loss) on:                               |             |
| Investments  | 2,668,407   |
| Futures contracts  | (1,669,888) |
|  | -----       |
| Net realized gain  | 998,519     |
|  | -----       |
| Net change in unrealized appreciation/<br>depreciation on: |             |
| Investments  | 3,919,883   |
| Futures contracts  | (120,708)   |
|  | -----       |
| Net change in unrealized<br>appreciation/depreciation      | 3,799,175   |
|  | -----       |
| Net Gain   | 4,797,694   |
|  | -----       |
| Net Increase in Net Assets from Operations                 | 13,358,183  |
|  | -----       |

|   |               |
|---|---------------|
| LESS DISTRIBUTIONS DECLARED TO<br>PREFERRED SHAREHOLDERS:                 |               |
| From net investment income  | (586,950)     |
|   | -----         |
| Net Increase in Net Assets from Operations<br>Applicable to Common Shares | \$ 12,771,233 |
|   | -----         |

See notes to financial statements.

12

STATEMENT OF CHANGES IN NET ASSETS

INCREASE (DECREASE) IN NET ASSETS:

OPERATIONS:

|   |  |
|---|--|
| Net investment income   |  |
| Net realized gain (loss) on investments and futures contracts |  |

\$

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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

LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:

From net investment income

Total Increase (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 \$732,461 and \$624,554, respectively)

NUMBER OF TRUST SHARES:

Common Shares:

Outstanding at end of period

Preferred Shares:

Outstanding at end of period

See notes to financial statements.

13

### NOTES TO FINANCIAL STATEMENTS

November 30, 2003

#### NOTE 1. ORGANIZATION

Colonial Investment Grade 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 as high a level of after-tax return as is consistent with prudent risk, by pursuing current income generally exempt from ordinary federal income tax and opportunities for long-term appreciation from a portfolio primarily invested in investment grade municipal bonds.

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### TRUST SHARES

The Trust may issue an unlimited number of common shares. On August 26, 1999 the Trust issued 2,400 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 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. Debt securities for which quotations are readily available are valued at an 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.

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

Investments for which market quotations are not readily available 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

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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 contracts. The Trust recognizes a realized gain or loss when the contract is closed or expires.

14

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2003

#### OPTIONS

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 Trust 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. 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.

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### 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 Trust 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 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 0.95%. For the year ended November 30, 2003, the Trust declared dividends to Auction Preferred shareholders amounting to \$586,950, representing an average APS dividend rate of 0.98%.

### 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 and discount accretion/premium amortization on debt securities were identified and reclassified among the components of the Trust's net assets as follows:

| UNDISTRIBUTED<br>NET INVESTMENT<br>INCOME | ACCUMULATED<br>NET REALIZED<br>LOSS | PAID-IN<br>CAPITAL |
|---|-------------------------------------|--------------------|
| -----                                     | -----                               | -----              |
| \$ (10,736)                               | \$10,736                            | \$--               |

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

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15

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

November 30, 2003

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

|                          | NOVEMBER 30,<br>2003 | NOVEMBER 30,<br>2002 |
|--------------------------|----------------------|----------------------|
|                          | -----                | -----                |
| Distributions paid from: |                      |                      |
| Tax-Exempt Income        | \$8,411,303          | \$8,504,760          |
| Ordinary Income*         | 30,543               | 88,367               |
| 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<br>TAX-EXEMPT INCOME | UNDISTRIBUTED<br>ORDINARY<br>INCOME | UNDISTRIBUTED<br>LONG-TERM<br>CAPITAL GAINS | NET UNREALIZED<br>APPRECIATION* |
|------------------------------------|-------------------------------------|---|---------------------------------|
| -----                              | -----                               | -----                                       | -----                           |
| \$1,366,434                        | \$--                                | \$--  | \$12,102,717                    |

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

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

|                             |              |
|-----------------------------|--------------|
| Unrealized appreciation     | \$16,706,859 |
| Unrealized depreciation     | (4,604,142)  |
|                             | -----        |
| Net unrealized appreciation | \$12,102,717 |
|                             | -----        |

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<br>EXPIRATION | CAPITAL LOSS<br>CARRYFORWARD |
|-----------------------|------------------------------|
| -----                 | -----                        |
| 2008                  | \$2,403,657                  |
| 2010                  | 1,238,884                    |
|                       | -----                        |
|                       | \$3,642,541                  |
|                       | -----                        |

Capital loss carryforwards of \$2,688,020 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



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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, 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 0.65% 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 0.057%. 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.

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November 30, 2003

### NOTE 5. PREFERRED SHARES

The Trust currently has outstanding 2,400 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 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 \$23,663,236 and \$28,408,168, respectively.

### 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, New York 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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17

FINANCIAL HIGHLIGHTS

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

|   | YEAR ENDED NOVEMBER 30, |              |          |          |
|---|-------------------------|--------------|----------|----------|
|   | 2003                    | 2002         | 2001     | 2000     |
| NET ASSET VALUE, BEGINNING OF PERIOD  | \$ 11.04                | \$ 11.06     | \$ 10.55 | \$ 10.00 |
| INCOME FROM INVESTMENT OPERATIONS:  |                         |              |          |          |
| Net investment income   | 0.74 (b)                | 0.78 (b) (c) | 0.75 (b) | 0.00     |
| Net realized and unrealized gain (loss)<br>on investments and futures contracts | 0.42                    | (0.05) (c)   | 0.52     | 0.00     |
| Total from Investment Operations  | 1.16                    | 0.73         | 1.27     | 1.00     |
| LESS DISTRIBUTIONS DECLARED TO<br>PREFERRED SHAREHOLDERS:                       |                         |              |          |          |
| From net investment income  | (0.05)                  | (0.08)       | (0.16)   | (0.00)   |
| Total from Investment Operations<br>Applicable to Common Shareholders           | 1.11                    | 0.65         | 1.11     | 0.00     |
| LESS DISTRIBUTIONS DECLARED<br>TO COMMON SHAREHOLDERS:                          |                         |              |          |          |
| From net investment income  | (0.68)                  | (0.67)       | (0.60)   | (0.00)   |
| In excess of net investment income  | --                      | --           | --       | --       |
| Total Distributions Declared<br>to Common Shareholders                          | (0.68)                  | (0.67)       | (0.60)   | (0.00)   |
| LESS SHARE TRANSACTIONS:  |                         |              |          |          |
| Commission and offering<br>costs--preferred shares                              | --                      | --           | --       | (0.00)   |
| NET ASSET VALUE, END OF PERIOD  | \$ 11.47                | \$ 11.04     | \$ 11.06 | \$ 10.00 |
| Market price per share-- common shares  | \$ 10.63                | \$ 10.09     | \$ 10.87 | \$ 8.00  |
| Total return-- based on market<br>value-- common shares (f)                     | 12.48%                  | (1.10)%      | 29.28%   | 5.20%    |
| RATIOS TO AVERAGE NET ASSETS/<br>SUPPLEMENTAL DATA:                             |                         |              |          |          |
| Expenses (h) (i)  | 1.31%                   | 1.28%        | 1.28%    | 1.30%    |
| Net investment income before preferred<br>stock dividend (h) (i)                | 6.57%                   | 7.06% (c)    | 6.80%    | 7.90%    |
| Net investment income after preferred<br>stock dividend (h) (i)                 | 6.12%                   | 6.38% (c)    | 5.38%    | 5.80%    |

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|  |            |           |           |            |
|--|------------|-----------|-----------|------------|
| Portfolio turnover rate                              | 13%        | 10%       | 31%       | 2          |
| Net assets, end of period (000's)--<br>common shares | \$ 131,966 | \$127,050 | \$127,273 | \$ 121,366 |

- (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 net investment income per share by \$0.01, increase net realized and unrealized loss per share by \$0.01, increase the ratio of net investment income to average net assets from 6.98% to 7.06% and increase the ratio of net investment income (adjusted for dividend payments to preferred shareholders) from 6.30% to 6.38%. 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) Rounds to less than \$0.01 per share.
- (f) Total return at market value assuming all distributions reinvested at prices calculated in accordance with the Dividend Reinvestment Plan.
- (g) Not annualized.
- (h) The benefits derived from custody credits and directed brokerage arrangements, if applicable, had an impact of less than 0.01%.
- (i) Ratios reflect average net assets available to common shares only.
- (j) 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 |          |      |
|---|----------------|----------|------|
|   | 1997           | 1996     | 1995 |
| NET ASSET VALUE, BEGINNING OF PERIOD  | \$ 10.87       | \$ 11.05 | \$ 9 |
| INCOME FROM INVESTMENT OPERATIONS:  |                |          |      |
| Net investment income   | 0.62           | 0.63     | 0    |
| Net realized and unrealized gain (loss) on<br>investments and futures contracts | 0.58           | (0.19)   | 1    |
| Total from Investment Operations  | 1.20           | 0.44     | 1    |
| LESS DISTRIBUTIONS DECLARED TO COMMON SHAREHOLDERS:                             |                |          |      |
| From net investment income  | (0.64)         | (0.62)   | (0)  |

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|  |            |            |         |
|--|------------|------------|---------|
| NET ASSET VALUE, END OF PERIOD                         | \$ 11.43   | \$ 10.87   | \$ 11   |
|  | =====      | =====      | =====   |
| Market price per share--common shares                  | \$ 10.56   | \$ 10.13   | \$ 9    |
|  | =====      | =====      | =====   |
| Total return--based on market value--common shares (a) | 10.76%     | 9.06%      | 13.     |
|  | =====      | =====      | =====   |
| RATIOS TO AVERAGE NET ASSETS/SUPPLEMENTAL DATA:        |            |            |         |
| Expenses (b)   | 0.83%      | 0.88%      | 1.      |
| Net investment income (b)                              | 5.63%      | 5.80%      | 6.      |
| Portfolio turnover rate                                | 21%        | 20%        |         |
| Net assets, end of period (000's)--common shares       | \$ 131,503 | \$ 125,125 | \$ 127, |

(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<br>OUTSTANDING | ASSET<br>COVERAGE<br>PER SHARE | INVOLUNTARY<br>LIQUIDATION<br>PREFERRED<br>PER SHARE |
|-----------|-----------------------------|--------------------------------|--|
| 11/30/03  | \$60,000,000                | \$79,986                       | \$25,000   |
| 11/30/02  | 60,000,000                  | 77,937                         | 25,000   |
| 11/30/01  | 60,000,000                  | 78,030                         | 25,000   |
| 11/30/00  | 60,000,000                  | 75,569                         | 25,000   |
| 11/30/99* | 60,000,000                  | 74,444                         | 25,000   |

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

19

### REPORT OF INDEPENDENT AUDITORS

TO THE TRUSTEES AND THE SHAREHOLDERS OF COLONIAL INVESTMENT GRADE 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 Investment Grade 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

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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

20

### UNAUDITED INFORMATION

#### FEDERAL INCOME TAX INFORMATION

99.64% of the distributions from net investment income will be treated as exempt income for federal income tax purposes.

21

#### DIVIDEND REINVESTMENT PLAN

##### COLONIAL INVESTMENT GRADE MUNICIPAL TRUST

Pursuant to the Trust's Dividend Reinvestment Plan (the "Plan"), all shareholders whose shares are registered in their own names will have all distributions reinvested automatically in additional shares of the Trust by EquiServe Trust Company, N.A. (the "Plan Agent") unless a shareholder elects to receive cash. Shareholders whose shares are held in the name of a broker or nominee will have distributions reinvested automatically by the broker or nominee in additional shares under the Plan, unless the service is not provided by the broker or the nominee or the shareholder elects to receive distributions in cash. If the service is not available, such distributions will be paid in cash. Shareholders whose shares are held in the name of a broker or nominee should contact the broker or nominee for details. All distributions to shareholders who elect not to participate in the Plan will be paid by check mailed directly to the shareholder of record on the record date therefore by the Plan Agent as the dividend disbursing agent.

Non-participants in the Plan will receive distributions in cash. Distributions payable to participants in the Plan will be applied by the Plan Agent, acting as

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agent for Plan participants, to the purchase of shares of the Trust. Such shares will be purchased by the Plan Agent at the then current market price of such shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts.

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 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 distributions. The Plan Agent's fees for the handling of the reinvestment of distributions will be paid by the Trust. Each participant in the Plan 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 distributions. Purchase orders from the participants in the Plan may be combined with those of other participants and the price paid by any particular participant may be the average of the price paid on various orders executed on behalf of groups of participants in the Plan.

The automatic reinvestment of 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.

22

### 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

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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 | Principal occupation(s) during past five years   |
|---|---------------------|---|--|
| <hr/>   |                     |   |  |
| Disinterested Trustees  |                     |   |  |
| <hr/>   |                     |   |  |
| Douglas A. Hacker<br>(age 48)<br>P.O. Box 66100<br>Chicago, IL 60666                                      | Trustee             | 1996                                      | Executive Vice President-Strategy of United (airline) since December, 2002 (formerly President of UAL Loyalty Services (airline) from September 2001 to December, 2002; Executive Vice President and Chief Financial Officer of United Airlines from March, 1993 to September, 2001).  |
| Janet Langford Kelly<br>(age 45)<br>3100 West Beaver Road<br>Troy, MI 48084-3163                          | Trustee             | 1996                                      | Chief Administrative Officer and Senior Vice President, Kmart Holding Corporation (consumer goods) since September, 2003 (formerly Executive Vice President-Corporate Development and Administration, General Counsel and Secretary of Kellogg Company (food manufacturer), from September 1999 to August, 2003; Senior Vice President, Secretary and General Counsel, Sara Lee Corporation (branded, packaged, consumer-products manufacturer) from January, 1995 to September, 1999).          |
| Richard W. Lowry<br>(age 67)<br>10701 Charleston Drive<br>Vero Beach, FL 32963                            | Trustee             | 1995                                      | Private Investor since August, 1987 (formerly Chairman and Chief Executive Officer, U.S. Paper Corporation (building products manufacturer)).  |
| Charles R. Nelson<br>(age 61)<br>Department of Economics<br>University of Washington<br>Seattle, WA 98195 | Trustee             | 1981                                      | Professor of Economics, University of Washington since January, 1976; Ford and Louisa Van Voorhis Professor of Political Economy, University of Washington, since September, 1993; Director, Institute for Economic Research, University of Washington, since September, 2001; Adjunct Professor of Statistics, University of Washington since September, 1980; Associate Editor, Journal of Money Credit and Banking, since September, 1980; consultant on econometric and statistical methods. |
| John J. Neuhauser<br>(age 60)<br>84 College Road<br>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, 1977 to September, 1999).   |
| Patrick J. Simpson<br>(age 58)<br>1211 S.W. 5th Avenue<br>Suite 1500                                      | Trustee             | 2000                                      | Partner, Perkins Coie L.L.P. (law firm).   |



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Portland, OR 97204

23

TRUSTEES (CONTINUED)

| Name, address and age   | Position with Funds                        | Year first elected or appointed to office | Principal occupation(s) during past five years   |
|---|--|---|--|
| -----   |  |   |  |
| Disinterested Trustees (continued)  |  |   |  |
| -----   |  |   |  |
| Thomas E. Stitzel<br>(age 67)<br>2208 Tawny Woods Place<br>Boise, ID 83706                  | Trustee                                    | 1998                                      | Business Consultant since 1999 (formerly Pro of Finance from 1975 to 1999, College of Bus Boise State University); Chartered Financial   |
| Thomas C. Theobald<br>(age 66)<br>27 West Monroe Street,<br>Suite 3500<br>Chicago, IL 60606 | Trustee<br>and<br>Chairman of<br>the Board | 1996                                      | Managing Director, William Blair Capital Par (private equity investing) since September,   |
| Anne-Lee Verville<br>(age 58)<br>359 Stickney Hill Road<br>Hopkinton, NH 03229              | Trustee                                    | 1998                                      | Author and speaker on educational systems ne (formerly General Manager, Global Education Industry, IBM Corporation (computer and technology) from 1994 to 1997).   |
| Richard L. Woolworth<br>(age 62)<br>100 S.W. Market Street<br>#1500<br>Portland, OR 97207   | Trustee                                    | 1991                                      | Retired since December 2003 (formerly Chairm and Chief Executive Officer, The Regence Gro (regional health insurer); Chairman and Chief Executive Officer, BlueCross BlueShield of O Certified Public Accountant, Arthur Young & |

24

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TRUSTEES (CONTINUED)

| Name, address and age  | Position with Funds         | Year first elected or appointed to office <sup>1</sup> | Principal occupation(s) during past five years   |
|--|-----------------------------|--|--|
| -----  |                             |  |  |
| Interested Trustees  |                             |  |  |
| -----  |                             |  |  |
| William E. Mayer <sup>2</sup><br>(age 63)<br>399 Park Avenue<br>Suite 3204<br>New York, NY 10022 | Trustee                     | 1994   | Managing Partner, Park Avenue Equity Partners (private equity) since February, 1999 (former Founding Partner, Development Capital LLC from November 1996 to February, 1999).   |
| Joseph R. Palombo <sup>2</sup><br>(age 50)<br>One Financial Center<br>Boston, MA 02111           | Trustee<br>and<br>President | 2000   | Executive Vice President and Chief Operating Officer of Columbia Management Group, Inc. since December, 2001 and Director, Executive Vice President and Chief Operating Officer of Columbia Management Advisors, Inc. (Advisor) since April, 2003 (formerly Chief Operations Officer of Columbia Funds, Liberty Financial Companies, Inc. from August, 2000 to November, 2001; Executive Vice President of Stein Roe & Farnham Incorporated (Stein Roe) from April, 1999 to April, 2003; Director of Colonial Management Associates, Inc. (Colonial) from April, 1999 to April, 2003; Director of Stein Roe from September, 2000 to April, 2003) President of Columbia Funds and Galaxy Funds since February, 2003 (formerly Executive Vice President from September 2002 to February 2003) Manager of Columbia Floating Rate Limited Liability Company since October, 2000; (formerly Vice President of the Columbia Funds from April, 2000 to August, 2000; Chief Operating Officer and Compliance Officer, Putnam Mutual Funds from December, 1993 to March, 1999). |

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 Columbia Funds complex.

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- 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.

25

OFFICERS

| Name, address and age  | Position with Columbia funds            | Year first elected or appointed to office | Principal occupation(s) during past five years  |
|--|---|---|---|
| -----  |   |   |   |
| Officers   |   |   |   |
| -----  |   |   |   |
| Vicki L. Benjamin<br>(Age 42)<br>One Financial Center<br>Boston, MA 02111    | Chief Accounting Officer and Controller | 2001                                      | Controller of the Columbia Funds and of the Liberty Funds and of the Liberty All-Star Funds since June, 2001; Chief Accounting Officer of the Columbia Funds and of the Liberty Funds and of the Liberty All-Star Funds from September, 2002 (formerly Vice President, Corporate Trust Company from May, 1998 to April, 2001).  |
| J. Kevin Connaughton<br>(Age 39)<br>One Financial Center<br>Boston, MA 02111 | Treasurer                               | 2000                                      | Treasurer of the Columbia Funds and of the Liberty Funds and of the Liberty All-Star Funds since April, 2000; Vice President of the Advisor since April, 2000; Treasurer of the Galaxy Funds since September, 2000; Treasurer of the Columbia Management Multi-Strategy Hedge Fund, LLC since December, 2000; President of Colonial from February, 1998 to October, 2000. |
| David A. Rozenon<br>(Age 49)<br>One Financial Center<br>Boston, MA 02111     | Secretary                               | 2003                                      | Secretary of the Columbia Funds and of the Liberty Funds and of the Liberty All-Star Funds since December, 2003; Senior Counsel, Fleet Boston Financial Corp from February, 2003 to August, 2003; Associate General Counsel, Columbia Management Group from August, 2003 to December, 2003.   |

26

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TRANSFER AGENT

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IMPORTANT INFORMATION ABOUT THIS REPORT

The Transfer Agent for Colonial Investment Grade 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 Investment Grade Municipal Trust.

COLONIAL INVESTMENT GRADE MUNICIPAL TRUST      ANNUAL REPORT

130-02/574Q-1103 (01/04) 03/3859

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)

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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 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

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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 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.

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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.

- (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

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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 Investment Grade Municipal Trust  
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By (Signature and Title) /s/ Joseph R. Palombo  
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Joseph R. Palombo, President

Date February 4, 2004  
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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 February 4, 2004  
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By (Signature and Title) /s/ J. Kevin Connaughton  
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J. Kevin Connaughton, Treasurer

Date February 4, 2004  
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