

DWS MUNICIPAL INCOME TRUST

Form N-Q

October 29, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

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Investment Company Act file number 811-05655

DWS Municipal Income Trust

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154-0004

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 11/30

Date of reporting period: 08/31/08

ITEM 1. SCHEDULE OF INVESTMENTS

## Investment Portfolio

as of August 31, 2008 (Unaudited)

## DWS Municipal Income Trust

|   | Principal<br>Amount (\$) | Value (\$)        |
|---|--------------------------|-------------------|
| <b>Municipal Bonds and Notes 138.9%</b>   |                          |                   |
| <b>Alabama 3.6%</b>   |                          |                   |
| Camden, AL, Industrial Development Board Revenue, Series B, AMT, Prerefunded, 6.375%, 12/1/2024                           | 1,000,000                | 1,121,460         |
| Huntsville, AL, Hospital & Healthcare Revenue, Health Care Authority, Series A, Prerefunded, 5.75%, 6/1/2031              | 5,500,000                | 6,018,815         |
| Huntsville, AL, Water & Sewer Revenue, AMT, 5.75%, 10/1/2011 (a)  | 8,560,000                | 9,052,201         |
|   |                          | <b>16,192,476</b> |
| <b>Arizona 2.9%</b>   |                          |                   |
| Arizona, Health Facilities Authority Revenue, Banner Health System, Series D, 5.375%, 1/1/2032                            | 3,000,000                | 2,950,800         |
| Arizona, Hospital & Healthcare Revenue, Health Facilities Authority, Catholic Healthcare West, Series A, 6.625%, 7/1/2020 | 7,000,000                | 7,616,210         |
| Arizona, Salt Verde Financial Corp., Gas Revenue, 5.5%, 12/1/2029   | 2,400,000                | 2,240,328         |
|   |                          | <b>12,807,338</b> |
| <b>California 11.7%</b>   |                          |                   |
| California, Special Assessment Revenue, Golden State Tobacco Securitization Corp.:  |                          |                   |
| Series A-1, 5.0%, 6/1/2033  | 3,710,000                | 2,944,924         |
| Series B, Prerefunded, 5.625%, 6/1/2038   | 7,080,000                | 7,839,684         |
| Series 2003-A-1, Prerefunded, 6.75%, 6/1/2039   | 11,730,000               | 13,566,683        |
| California, State General Obligation:   |                          |                   |
| Series 2, 5.0%, 9/1/2019  | 4,385,000                | 4,610,827         |
| 5.0%, 12/1/2020   | 2,000,000                | 2,066,460         |
| 5.125%, 4/1/2024  | 4,400,000                | 4,490,772         |
| 5.25%, 12/1/2021  | 10,215,000               | 10,630,444        |
| 5.25%, 4/1/2030   | 110,000                  | 111,140           |
| California, State Revenue Lease, Public Works Board, Department of Corrections, Series C, 5.5%, 6/1/2021                  | 2,500,000                | 2,625,200         |
| Northern California, Tobacco Securitization Authority, Tobacco Settlement Revenue, Series A-1, 5.375%, 6/1/2038           | 3,000,000                | 2,405,670         |
| Southern California, Public Power Authority, Natural Gas Project Revenue, Project No. 1, Series A, 5.25%, 11/1/2026       | 1,155,000                | 1,146,892         |
|   |                          | <b>52,438,696</b> |
| <b>Colorado 7.5%</b>  |                          |                   |
| Colorado, E-470 Public Highway Authority Revenue, Series A-1, 5.5%, 9/1/2024 (a)  | 2,500,000                | 2,514,425         |
| Colorado, Hospital & Healthcare Revenue, PorterCare Adventist Health Project, Prerefunded, 6.5%, 11/15/2031               | 1,000,000                | 1,131,540         |
| Colorado, Hospital & Healthcare Revenue, Poudre Valley Health Facilities:   |                          |                   |
| Series A, Prerefunded, 5.5%, 12/1/2017 (a)  | 6,145,000                | 6,475,478         |
| Series A, Prerefunded, 6.0%, 12/1/2015 (a)  | 5,705,000                | 6,047,015         |
| Series A, Prerefunded, 6.0%, 12/1/2016 (a)  | 2,000,000                | 2,119,900         |
| Colorado, Public Energy Authority, Natural Gas Purchase Revenue, 6.5%, 11/15/2038   | 10,000,000               | 9,653,200         |
| Colorado, Single Family Housing Revenue, Series B2, AMT, 7.25%, 10/1/2031   | 175,000                  | 188,011           |
| Denver, CO, Airport Revenue, Series A, AMT, 6.0%, 11/15/2014 (a)  | 5,000,000                | 5,141,900         |
|   |                          | <b>33,271,469</b> |

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### District of Columbia 3.5%

|  |           |                   |
|--|-----------|-------------------|
| District of Columbia, Series A, ETM, 5.5%, 6/1/2014 (a)                        | 640,000   | 660,717           |
| District of Columbia, General Obligation:                                      |           |                   |
| Series R-11386, 144A, 2.19% **, 6/1/2020 (a)                                   | 2,000,000 | 2,000,000         |
| Series A-2005, 5.25%, 6/1/2027 (a)   | 8,245,000 | 8,340,065         |
| District of Columbia, Howard University Revenue, Series A, 5.0%, 10/1/2023 (a) | 2,810,000 | 2,869,853         |
| District of Columbia, State General Obligation, Series A, 5.5%, 6/1/2014 (a)   | 1,860,000 | 1,920,208         |
|  |           | <b>15,790,843</b> |

### Florida 7.6%

|  |            |           |
|--|------------|-----------|
| Dade County, FL, Special Assessment Revenue:   |            |           |
| Series B, Prerefunded, Zero Coupon, 10/1/2022 (a)  | 7,735,000  | 3,301,917 |
| Series B, Prerefunded, Zero Coupon, 10/1/2024 (a)  | 16,955,000 | 6,374,741 |
| Hillsborough County, FL, Industrial Development Revenue, University Community Hospital Project, Series A, Prerefunded, 5.625%, 8/15/2023 | 1,000,000  | 1,044,750 |
| Miami-Dade County, FL, Educational Facilities Authority Revenue, University of Miami, Series A, 5.75%, 4/1/2028                          | 3,000,000  | 3,106,020 |
| Miami-Dade County, FL, Transportation/Tolls Revenue, Expressway Authority:   |            |           |
| 6.0%, 7/1/2013 (a)   | 1,665,000  | 1,769,395 |
| 6.0%, 7/1/2014 (a)   | 1,000,000  | 1,062,700 |
| North Brevard County, FL, Hospital District Revenue, Parrish Medical Center Project, 5.75%, 10/1/2043                                    | 10,000,000 | 9,616,700 |

|  |           |                   |
|--|-----------|-------------------|
| Orange County, FL, Health Facilities Authority Revenue, Orlando Regional Healthcare Systems:     |           |                   |
| Series B, 5.25%, 12/1/2029 (a)   | 3,500,000 | 3,577,455         |
| Prerefunded, 5.75%, 12/1/2032  | 1,000,000 | 1,115,100         |
| Palm Beach County, FL, School District Revenue Lease, Series A, Prerefunded, 5.75%, 8/1/2017 (a) | 2,850,000 | 3,060,558         |
|  |           | <b>34,029,336</b> |

### Georgia 4.4%

|   |           |                   |
|---|-----------|-------------------|
| Georgia, Main Street Natural Gas, Inc., Gas Project Revenue:  |           |                   |
| Series A, 5.0%, 3/15/2022   | 7,340,000 | 6,972,339         |
| Series A, 5.5%, 9/15/2027   | 5,000,000 | 4,458,100         |
| Richmond County, GA, Hospital Authority Revenue, Anticipation Certificates, University Health Services, Inc. Project, 1.85% **, 1/1/2036, SunTrust Bank (b) | 8,000,000 | 8,000,000         |
|   |           | <b>19,430,439</b> |

### Hawaii 4.5%

|  |           |                   |
|--|-----------|-------------------|
| Hawaii, Airport System Revenue, Series B, AMT, 6.5%, 7/1/2013 (a)                            | 8,800,000 | 9,183,768         |
| Hawaii, Electric Revenue, Department of Budget & Finance, Series D, AMT, 6.15%, 1/1/2020 (a) | 2,195,000 | 2,220,594         |
| Hawaii, Port Authority Revenue:  |           |                   |
| Series A, AMT, 6.0%, 7/1/2011 (a)  | 2,950,000 | 3,099,653         |
| Series A, AMT, 6.0%, 7/1/2012 (a)  | 3,135,000 | 3,339,151         |
| Hawaii, State General Obligation, Series CT, Prerefunded, 5.75%, 9/1/2014 (a)                | 2,310,000 | 2,420,187         |
|  |           | <b>20,263,353</b> |

### Idaho 0.0%

|  |        |               |
|--|--------|---------------|
| Idaho, Single Family Housing Revenue, Series C2, AMT, 6.9%, 7/1/2025 | 10,000 | <b>10,009</b> |
|--|--------|---------------|

### Illinois 6.7%

|   |            |                   |
|---|------------|-------------------|
| Chicago, IL, Airport Revenue, O'Hare International Airport, AMT, 5.5%, 1/1/2014 (a)                                       | 10,000,000 | 10,212,900        |
| Chicago, IL, Core City General Obligation:  |            |                   |
| Series A, Prerefunded, 6.0%, 1/1/2014 (a)   | 2,085,000  | 2,249,152         |
| Series A, Prerefunded, 6.125%, 1/1/2015 (a)   | 2,000,000  | 2,161,940         |
| Series A, Prerefunded, 6.125%, 1/1/2016 (a)   | 2,000,000  | 2,161,940         |
| Chicago, IL, Other General Obligation, Neighborhoods Alive 21 Project:  |            |                   |
| Series A, Prerefunded, 6.0%, 1/1/2015 (a)   | 1,000,000  | 1,078,730         |
| Series A, Prerefunded, 6.0%, 1/1/2017 (a)   | 1,000,000  | 1,078,730         |
| Illinois, Finance Authority Revenue, Northwest Community Hospital, Series A, 5.5%, 7/1/2038 (c)                           | 5,750,000  | 5,633,965         |
| Illinois, Finance Authority Revenue, Rush University Medical Center, Series B, 5.75%, 11/1/2028 (a)                       | 1,250,000  | 1,269,125         |
| Illinois, Health Facilities Authority Revenue, Children's Memorial Hospital, Series A, Prerefunded, 5.625%, 8/15/2019 (a) | 4,000,000  | 4,182,520         |
|   |            | <b>30,029,002</b> |

### Indiana 1.2%

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|  |            |                                |
|--|------------|--------------------------------|
| Indiana, Hospital & Healthcare Revenue, Health Facilities Authority, Prerefunded, 5.5%,<br>11/1/2031                               | 5,000,000  | <b>5,509,000</b>               |
| <b>Kansas 0.8%</b>   |            |                                |
| Overland Park, KS, Industrial Development Revenue, Series A, Prerefunded, 7.375%, 1/1/2032   | 3,000,000  | <b>3,345,300</b>               |
| <b>Kentucky 2.4%</b>   |            |                                |
| Kentucky, Economic Development Finance Authority, Health System Revenue, Norton<br>Healthcare:                                     |            |                                |
| Series A, Prerefunded, 6.5%, 10/1/2020   | 790,000    | 865,232                        |
| Series A, 6.5%, 10/1/2020  | 1,210,000  | 1,249,373                      |
| Series A, Prerefunded, 6.625%, 10/1/2028   | 3,130,000  | 3,435,989                      |
| Series A, 6.625%, 10/1/2028  | 870,000    | 907,497                        |
| <br>   |            |                                |
| Kentucky, Economic Development Finance Authority, Louisville Arena Project Revenue, Series<br>A-1, 6.0%, 12/1/2042 (a) (c)         | 4,000,000  | 4,068,360<br><b>10,526,451</b> |
| <b>Maine 0.1%</b>  |            |                                |
| Maine, Hospital & Healthcare Revenue, Series D, 5.7%, 7/1/2013 (a)   | 265,000    | <b>265,697</b>                 |
| <b>Maryland 0.9%</b>   |            |                                |
| Maryland, Hospital & Healthcare Revenue, University of Maryland Medical System, Prerefunded,<br>6.75%, 7/1/2030                    | 2,500,000  | 2,731,400                      |
| Maryland, State Health & Higher Educational Facilities Authority Revenue, Washington County<br>Hospital, 5.75%, 1/1/2033           | 1,500,000  | 1,472,895<br><b>4,204,295</b>  |
| <b>Massachusetts 1.8%</b>  |            |                                |
| Massachusetts, Airport Revenue, U.S. Airways, Inc. Project, Series A, AMT, 5.875%, 9/1/2023<br>(a)                                 | 5,000,000  | 4,909,650                      |
| Massachusetts, Port Authority Revenue, Series B, AMT, 5.5%, 7/1/2015 (a)   | 3,000,000  | 3,050,580<br><b>7,960,230</b>  |
| <b>Michigan 2.2%</b>   |            |                                |
| Chippewa County, MI, Hospital & Healthcare Revenue, Chippewa County War Memorial, Series<br>B, 5.625%, 11/1/2014                   | 1,500,000  | 1,466,145                      |
| Michigan, Industrial Development Revenue:  |            |                                |
| Prerefunded, 5.5%, 6/1/2018 (a)  | 3,425,000  | 3,625,465                      |
| Prerefunded, 5.75%, 6/1/2016 (a)   | 4,640,000  | 4,931,485<br><b>10,023,095</b> |
| <b>Minnesota 2.5%</b>  |            |                                |
| Minneapolis & St. Paul, MN, Airport Revenue, Series B, AMT, 6.0%, 1/1/2012 (a)   | 4,395,000  | 4,549,880                      |
| Minneapolis & St. Paul, MN, Port Authority Revenue, Series B, AMT, 5.625%, 1/1/2015 (a)  | 2,500,000  | 2,532,725                      |
| Minnesota, State General Obligation, Series R-11576, 144A, 1.96% **, 8/1/2020 (a)  | 3,865,000  | 3,865,000<br><b>10,947,605</b> |
| <b>Missouri 0.1%</b>   |            |                                |
| Missouri, Hospital & Healthcare Revenue, Lake of the Ozarks General Hospital, 6.5%, 2/15/2021                                      | 365,000    | <b>365,325</b>                 |
| <b>Nevada 2.1%</b>   |            |                                |
| Henderson, NV, Health Care Facility Revenue, Catholic Healthcare West, Series B, 5.25%,<br>7/1/2031                                | 10,000,000 | <b>9,508,000</b>               |
| <b>New Jersey 9.8%</b>   |            |                                |
| New Jersey, Economic Development Authority Revenue, Cigarette Tax, 5.75%, 6/15/2034  | 1,090,000  | 1,015,640                      |
| New Jersey, Hospital & Healthcare Revenue, General Hospital Center at Passaic, ETM, 6.75%,<br>7/1/2019 (a)                         | 5,000,000  | 6,044,800                      |
| New Jersey, Industrial Development Revenue, American Water Co., Inc. Project, Series A, AMT,<br>6.875%, 11/1/2034 (a)              | 10,775,000 | 10,903,546                     |
| New Jersey, Industrial Development Revenue, Economic Development Authority, Harrogate, Inc.,<br>Series A, 5.875%, 12/1/2026        | 1,400,000  | 1,294,720                      |
| New Jersey, Resource Recovery Revenue, Tobacco Settlement Financing Corp., 5.75%, 6/1/2032   | 1,875,000  | 2,038,256                      |
| New Jersey, State Agency General Obligation Lease, Transportation Trust Fund Authority, Series<br>A, Prerefunded, 5.75%, 6/15/2017 | 10,000,000 | 10,645,700                     |
| New Jersey, Tobacco Settlement Financing Corp.:  |            |                                |
| Series 1-A, 5.0%, 6/1/2029   | 3,325,000  | 2,582,794                      |
| Series 1-A, 5.0%, 6/1/2041   | 1,000,000  | 714,820                        |
| New Jersey, Transportation/Tolls Revenue, Garden State Parkway Project, Prerefunded, 5.6%,<br>1/1/2017 (a)                         | 8,000,000  | 8,464,480<br><b>43,704,756</b> |

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**New York 9.2%**

|   |            |                   |
|---|------------|-------------------|
| Nassau County, NY, Hospital & Healthcare, Prerefunded, 6.0%, 8/1/2015 (a)   | 3,390,000  | 3,565,229         |
| New York, State Agency General Obligation Lease, Higher Education Revenue, Dormitory Authority, City University, Series A, 5.625%, 7/1/2016 | 1,500,000  | 1,668,405         |
| New York, State General Obligation, Tobacco Settlement Financing Corp., Series A-1, 5.25%, 6/1/2022 (a)                                     | 10,000,000 | 10,399,600        |
| New York, Tobacco Settlement Financing Corp., Series B-1C, 5.5%, 6/1/2019   | 5,500,000  | 5,834,125         |
| New York, Transportation/Tolls Revenue, Prerefunded, 5.75%, 4/1/2014 (a)  | 2,000,000  | 2,068,300         |
| New York & New Jersey, Port Authority, Series 3095, 144A, 1.84% **, 12/1/2013   | 6,000,000  | 6,000,000         |
| New York City, NY, Municipal Water Finance Authority, Series 3092, 144A, 1.84% **, 6/15/2010  | 5,000,000  | 5,000,000         |
| New York City, NY, Sales & Special Tax Revenue, Transitional Finance Authority:<br>Series B, Prerefunded, 6.125%, 11/15/2014                | 2,000,000  | 2,158,620         |
| Series B, Prerefunded, 6.125%, 11/15/2015   | 3,000,000  | 3,237,420         |
| Niagara Falls, NY, School District General Obligation, 5.6%, 6/15/2014 (a)  | 1,180,000  | 1,345,306         |
|   |            | <b>41,277,005</b> |

**North Carolina 1.8%**

|   |           |                  |
|---|-----------|------------------|
| Charlotte, NC, Airport Revenue:<br>Series B, AMT, 5.75%, 7/1/2013 (a)                   | 2,480,000 | 2,536,073        |
| Series B, AMT, 5.875%, 7/1/2014 (a)   | 1,140,000 | 1,164,943        |
| North Carolina, Electric Revenue, Municipal Power Agency:<br>Series C, 5.375%, 1/1/2017 | 1,000,000 | 1,030,500        |
| Series B, 6.375%, 1/1/2013  | 3,000,000 | 3,170,580        |
|   |           | <b>7,902,096</b> |

**North Dakota 0.8%**

|  |           |                  |
|--|-----------|------------------|
| Grand Forks, ND, Hospital & Healthcare Revenue, Altru Health Care System, Prerefunded, 7.125%, 8/15/2024 | 3,400,000 | <b>3,740,170</b> |
|--|-----------|------------------|

**Ohio 2.9%**

|   |           |                   |
|---|-----------|-------------------|
| Buckeye, OH, Tobacco Settlement Financing Authority, Series A-2, 5.875%, 6/1/2030                             | 8,820,000 | 7,664,845         |
| Green Springs, OH, Senior Care Revenue, St. Francis Health Care Center Project, Series A, 7.125%, 5/15/2025 * | 6,000,000 | 5,281,920         |
|   |           | <b>12,946,765</b> |

**Oregon 1.1%**

|   |           |                  |
|---|-----------|------------------|
| Oregon, State General Obligation Lease, Department of Administrative Services, Series A, Prerefunded, 6.25%, 5/1/2017 (a) | 1,000,000 | 1,078,070        |
| Oregon, State Revenue Lease, Department of Administrative Services, Series A, Prerefunded, 6.25%, 5/1/2018 (a)            | 1,000,000 | 1,078,070        |
| Portland, OR, Special Assessment Revenue, Downtown Waterfront, Series A, 5.75%, 6/15/2019 (a)                             | 2,820,000 | 2,920,110        |
|   |           | <b>5,076,250</b> |

**Pennsylvania 0.6%**

|  |           |                  |
|--|-----------|------------------|
| Pennsylvania, Hospital & Healthcare Revenue, Economic Development Financing Authority, UPMC Health System, Series A, 6.0%, 1/15/2031 | 2,570,000 | <b>2,703,357</b> |
|--|-----------|------------------|

**Rhode Island 0.8%**

|  |           |                  |
|--|-----------|------------------|
| Rhode Island, Special Assessment Revenue, Series A, 6.125%, 6/1/2032 | 4,000,000 | <b>3,766,360</b> |
|--|-----------|------------------|

**South Carolina 3.5%**

|  |           |           |
|--|-----------|-----------|
| Greenwood County, SC, Hospital & Healthcare Revenue, South Carolina Memorial Hospital, 5.5%, 10/1/2031   | 1,500,000 | 1,492,740 |
| South Carolina, Jobs Economic Development Authority, Hospital Facilities Revenue, Palmetto Health Alliance:<br>Series C, Prerefunded, 7.0%, 8/1/2030 | 5,420,000 | 6,408,390 |
| Series A, Prerefunded, 7.375%, 12/15/2021  | 2,000,000 | 2,259,620 |
| South Carolina, Tobacco Settlement Revenue Management Authority:   |           |           |

|                           |           |           |
|---------------------------|-----------|-----------|
| Series B, 6.0%, 5/15/2022 | 1,790,000 | 1,893,516 |
|---------------------------|-----------|-----------|

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|   |            |                    |
|---|------------|--------------------|
| Series B, ETM, 6.375%, 5/15/2030  | 3,085,000  | 3,491,757          |
|   |            | <b>15,546,023</b>  |
| <b>South Dakota 0.3%</b>  |            |                    |
| South Dakota, State Health & Educational Facilities Authority Revenue, Sanford Health, 5.0%, 11/1/2027  | 1,500,000  | <b>1,454,910</b>   |
| <b>Tennessee 5.7%</b>   |            |                    |
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue, 5.0%, 12/15/2021   | 2,000,000  | 1,750,180          |
| Jackson, TN, Hospital Revenue, Jackson-Madison Project, 5.625%, 4/1/2038  | 4,000,000  | 3,929,040          |
| Memphis-Shelby County, TN, Airport Revenue, Series D, AMT, 6.25%, 3/1/2017 (a)  | 4,690,000  | 4,833,514          |
| Shelby County, TN, Health Educational & Housing Facility Board, Hospital Revenue, Methodist Health Care, Prerefunded, 6.5%, 9/1/2026                                | 7,000,000  | 8,025,850          |
| Tennessee, Energy Acquisition Corp., Gas Revenue, Series A, 5.25%, 9/1/2019   | 7,000,000  | 6,866,510          |
|   |            | <b>25,405,094</b>  |
| <b>Texas 23.2%</b>  |            |                    |
| Austin, TX, Sales & Special Tax Revenue, Hotel Occupancy Tax:   |            |                    |
| Prerefunded, 6.0%, 11/15/2013 (a)   | 3,190,000  | 3,344,779          |
| Prerefunded, 6.0%, 11/15/2015 (a)   | 3,480,000  | 3,648,850          |
| Prerefunded, 6.0%, 11/15/2016 (a)   | 3,625,000  | 3,800,885          |
| Brazos River, TX, Pollution Control Revenue, Brazos River Authority, Texas Utilities Electric Co. Project, Series C, AMT, 5.75%, 5/1/2036                           | 3,965,000  | 3,691,137          |
| Harris County, TX, Hospital & Healthcare Revenue, Health Facilities Development Corp., Memorial Hermann Healthcare Systems, Series A, Prerefunded, 6.375%, 6/1/2029 | 5,500,000  | 6,109,730          |
| Harris County, TX, Houston Port Authority, Series A, AMT, 6.25%, 10/1/2029  | 3,000,000  | 3,222,750          |
| Houston, TX, Airport Revenue, People Mover Project, Series A, AMT, 5.5%, 7/15/2017 (a)  | 3,300,000  | 3,304,323          |
| Houston, TX, Port Authority Revenue, Airport Revenue, Series A, AMT, 5.875%, 7/1/2014 (a)   | 3,960,000  | 4,145,328          |
| North Texas, Tollway Authority Revenue, First Tier, Series A, 5.625%, 1/1/2033  | 3,500,000  | 3,442,740          |
| North Texas, Tollway Authority Revenue, Second Tier, Series F, 5.75%, 1/1/2038  | 6,500,000  | 6,293,755          |
| Red River, TX, Education Finance Revenue Lease, St. Mark's School Project, Prerefunded, 6.0%, 8/15/2019   | 5,390,000  | 5,695,667          |
| Tarrant County, TX, Cultural Educational Facilities Finance Corp. Revenue, Texas Health Resources, Series A, 5.0%, 2/15/2026  | 4,000,000  | 3,886,480          |
| Tarrant County, TX, Hospital & Healthcare Revenue, Health Facilities Development Corp., Prerefunded, 6.7%, 11/15/2030   | 4,500,000  | 4,964,985          |
| Texas, Dallas/Fort Worth International Airport Revenue, Series A, AMT, 5.875%, 11/1/2016 (a)  | 6,500,000  | 6,622,460          |
| Texas, Industrial Development Revenue, Waste Disposal Authority, Series A, AMT, 6.1%, 8/1/2024  | 2,000,000  | 1,873,280          |
| Texas, Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue:  |            |                    |
| Series B, 2.56% ***, 12/15/2026   | 12,000,000 | 8,568,000          |
| Series D, 6.25%, 12/15/2026   | 5,000,000  | 4,892,900          |
| Texas, State Turnpike Authority, Dallas Northway Revenue, 5.5%, 1/1/2015 (a)  | 10,865,000 | 11,105,551         |
| Texas, Veteran Housing Assistance Fund II, Series A, AMT, 1.8% **, 12/1/2038  | 15,000,000 | 15,000,000         |
|   |            | <b>103,613,600</b> |
| <b>Virginia 0.2%</b>  |            |                    |
| Virginia, Tobacco Settlement Financing Corp., Series B-1, 5.0%, 6/1/2047  | 1,200,000  | <b>854,508</b>     |
| <b>Washington 5.8%</b>  |            |                    |
| Seattle, WA, Airport Revenue, Series B, AMT, 6.0%, 2/1/2013 (a)   | 7,355,000  | 7,789,901          |
| Seattle, WA, Special Assessment Revenue:  |            |                    |
| Series B, AMT, 5.5%, 9/1/2011 (a)   | 1,085,000  | 1,119,579          |
| Series B, AMT, 5.75%, 9/1/2013 (a)  | 1,045,000  | 1,096,048          |
| Snohomish County, WA, Electric Revenue, Public Utility District No. 1, Prerefunded, 5.375%, 12/1/2024 (a)   | 3,000,000  | 3,156,720          |
| Washington, Hospital & Healthcare Revenue, Group Health Coop of Puget Sound, 5.375%, 12/1/2017 (a)  | 1,500,000  | 1,569,555          |
| Washington, State General Obligation, Series A, Prerefunded, 5.5%, 7/1/2016   | 4,835,000  | 4,987,496          |
| Washington, State Health Care Facilities Authority Revenue, Series C, 5.375%, 8/15/2028 (a)   | 5,240,000  | 4,995,187          |
| Washington, State Health Care Facilities Authority Revenue, Virginia Mason Medical Center, Series A, 6.125%, 8/15/2037  | 1,000,000  | 967,760            |
|   |            | <b>25,682,246</b>  |
| <b>West Virginia 4.6%</b>   |            |                    |
| West Virginia, Hospital & Healthcare Revenue, Hospital Finance Authority, Charleston Medical Center:  |            |                    |

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|  |            |                    |
|--|------------|--------------------|
| Series A, Prerefunded, 6.75%, 9/1/2022   | 2,355,000  | 2,584,236          |
| Prerefunded, 6.75%, 9/1/2030   | 395,000    | 433,449            |
| West Virginia, Hospital Finance Authority, Charleston Medical Center:  |            |                    |
| Prerefunded, 6.75%, 9/1/2022   | 9,645,000  | 10,583,844         |
| Prerefunded, 6.75%, 9/1/2030   | 3,605,000  | 3,955,911          |
| West Virginia, Water & Sewer Revenue, Water Development Authority, Series B, 5.25%, 11/1/2023 (a)                                      | 2,740,000  | 2,843,517          |
|  |            | <b>20,400,957</b>  |
| <b>Wisconsin 2.1%</b>  |            |                    |
| Badge, WI, Tobacco Asset Securitization Corp., 6.125%, 6/1/2027  | 3,670,000  | 3,653,375          |
| Wisconsin, Hospital & Healthcare Revenue, Health & Education Facilities Authority, Aurora Health Care, Inc., Series A, 5.6%, 2/15/2029 | 6,000,000  | 5,714,400          |
|  |            | <b>9,367,775</b>   |
| <b>Total Municipal Bonds and Notes (Cost \$598,048,319)</b>  |            | <b>620,359,831</b> |
| <b>Municipal Inverse Floating Rate Notes (d) 74.2%</b>   |            |                    |
| <b>Arizona 2.4%</b>  |            |                    |
| Phoenix, AZ, Industrial Development Authority, Single Family Mortgage Revenue, AMT, Series 2007-3, 5.625%, 5/1/2039 (e)                | 11,010,213 | <b>10,780,831</b>  |
| <i>Trust: Phoenix, AZ, Puttable Floating Option, Tax Exempt Receipts, RITES-PA-1509,</i>   |            |                    |
| <i>144A, AMT, 16.187%, 5/1/2039, Leverage Factor at purchase date: 4 to 1</i>  |            |                    |
| <b>California 10.2%</b>  |            |                    |
| California, San Francisco Bay Area Toll Authority, Toll Bridge Revenue, Series F, 5.0%, 4/1/2031 (e)                                   | 10,000,000 | 10,131,850         |
| <i>Trust: California, Bay Area Toll Authority, Toll Bridge Revenue, Series 1962-5, 144A,</i>   |            |                    |
| <i>14.0%, 4/1/2031, Leverage Factor at purchase date: 4 to 1</i>   |            |                    |
| California, State General Obligation, 5.0%, 6/1/2023 (a) (e)   | 10,000,000 | 10,446,200         |
| <i>Trust: California, State General Obligation, Series 1932, 144A, 11.99%, 6/1/2023,</i>   |            |                    |
| <i>Leverage Factor at purchase date: 4 to 1</i>  |            |                    |
| Rowland, CA, Unified School District, Series A, 5.0%, 8/1/2031 (a) (e)   | 17,715,000 | 18,004,095         |
| <i>Trust: Rowland, CA, Unified School District, Series 2803, 144A, 15.513%, 8/1/2031,</i>  |            |                    |
| <i>Leverage Factor at purchase date: 5 to 1</i>  |            |                    |
| Sacramento, CA, Municipal Utility District, Electric Revenue, Series U, 5.0%, 8/15/2026 (a) (e)  | 2,615,144  | 2,689,823          |
| Sacramento, CA, Municipal Utility District, Electric Revenue, Series U, 5.0%, 8/15/2027 (a) (e)  | 2,026,590  | 2,084,463          |
| Sacramento, CA, Municipal Utility District, Electric Revenue, Series U, 5.0%, 8/15/2028 (a) (e)  | 2,044,931  | 2,103,326          |
| <i>Trust: Sacramento, CA, Municipal Utility District, Electric Revenue, Series 2815, 144A,</i>   |            |                    |
| <i>15.513%, 8/15/2026, Leverage Factor at purchase date: 5 to 1</i>  |            |                    |
|  |            | <b>45,459,757</b>  |
| <b>Florida 14.7%</b>   |            |                    |
| Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2023 (a) (e)  | 3,740,000  | 3,821,738          |
| Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2024 (a) (e)  | 3,915,000  | 4,000,563          |
| Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2025 (a) (e)  | 4,122,500  | 4,212,597          |
| Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2026 (a) (e)  | 4,317,500  | 4,411,859          |
| Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2032 (a) (e)  | 16,470,000 | 16,829,953         |
| <i>Trust: Miami-Dade County, FL, Series 2008-1160, 144A, 13.395%, 7/1/2023, Leverage</i>   |            |                    |
| <i>Factor at purchase date: 4 to 1</i>   |            |                    |
| Miami-Dade County, FL, Aviation Revenue, Miami International Airport, Series A, AMT, 5.25%, 10/1/2033 (a) (e)                          | 34,000,000 | 32,361,200         |
| <i>Trust: Miami-Dade County, FL, Series 2008-1144, 144A, AMT, 13.86%, 10/1/2033,</i>   |            |                    |
| <i>Leverage Factor at purchase date: 4 to 1</i>  |            |                    |
|  |            | <b>65,637,910</b>  |
| <b>Illinois 1.5%</b>   |            |                    |
| Aurora, IL, Single Family Mortgage Revenue, Series C, AMT, 5.5%, 6/1/2045 (e)  | 6,820,000  | <b>6,828,764</b>   |

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*Trust: Aurora, IL, Puttable Floating Option, Tax Exempt Receipts, RITES-PA-1499,*

*144A, AMT, 15.64%, 6/1/2045, Leverage Factor at purchase date: 4 to 1*

### **Massachusetts 5.3%**

|  |            |            |
|--|------------|------------|
| Massachusetts, State Water Pollution Abatement Trust, Series 13, 5.0%, 8/1/2032 (e)    | 18,250,000 | 18,648,288 |
| Massachusetts, State Water Pollution Abatement Trust, Series 13, 5.0%, 8/1/2037 (e)    | 5,000,000  | 5,109,120  |
| <i>Trust: Massachusetts, State Water Pollution Abatement Trust, Series 2823, 144A,</i> |            |            |

*16.44%, 8/1/2032, Leverage Factor at purchase date: 5 to 1*

**23,757,408**

### **Nevada 6.6%**

|   |           |            |
|---|-----------|------------|
| Clark County, NV, General Obligation, Limited Tax-Bond Bank, 5.0%, 6/1/2028 (e)           | 9,421,628 | 9,625,086  |
| Clark County, NV, General Obligation, Limited Tax-Bond Bank, 5.0%, 6/1/2029 (e)           | 9,892,710 | 10,106,341 |
| Clark County, NV, General Obligation, Limited Tax-Bond Bank, 5.0%, 6/1/2030 (e)           | 9,601,660 | 9,809,005  |
| <i>Trust: Clark County, NV, General Obligation, Series 2841, 144A, 16.396%, 6/1/2028,</i> |           |            |

*Leverage Factor at purchase date: 5 to 1*

**29,540,432**

### **New York 17.8%**

|   |            |            |
|---|------------|------------|
| New York City, NY, Transitional Finance Authority Revenue, Series C-1, 5.0%, 11/1/2027 (e)  | 17,560,000 | 18,239,572 |
| <i>Trust: New York City, NY, Series 2008-1190, 144A, 13.49%, 11/1/2027, Leverage Factor</i> |            |            |

*at purchase date: 4 to 1*

|   |            |            |
|---|------------|------------|
| New York, State Dormitory Authority, State Personal Income Tax Revenue, Series A, 5.0%, 3/15/2026 (e) | 13,500,000 | 14,104,125 |
| <i>Trust: New York, State Dormitory Authority Revenue, Series 2008-1189, 144A, 13.49%,</i>            |            |            |

*3/15/2026, Leverage Factor at purchase date: 4 to 1*

|  |            |            |
|--|------------|------------|
| New York, Triborough Bridge & Tunnel Authority Revenues, Series C, 5.0%, 11/15/2033 (e)      | 12,000,000 | 12,229,980 |
| <i>Trust: New York, Triborough Bridge &amp; Tunnel Authority Revenues, Series 2008-1188,</i> |            |            |

*144A, 13.49%, 11/15/2033, Leverage Factor at purchase date: 4 to 1*

|  |            |            |
|--|------------|------------|
| New York, State Dormitory Authority, State Personal Income Tax Revenues, Series A, 5.0%, 3/15/2026 (e) | 10,000,000 | 10,408,850 |
| <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 2568,</i>             |            |            |

*144A, 13.61%, 3/15/2026, Leverage Factor at purchase date: 4 to 1*

|  |            |            |
|--|------------|------------|
| New York, State Dormitory Authority, State Personal Income Tax Revenues, Series A, 5.0%, 3/15/2024 (e) | 10,000,000 | 10,481,350 |
| <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 1955-3,</i>           |            |            |

*144A, 13.94%, 3/15/2024, Leverage Factor at purchase date: 4 to 1*

|   |           |           |
|---|-----------|-----------|
| New York, State Dormitory Authority Revenues, State Supported Debt, University Dormitory Facilities, 5.0%, 7/1/2025 (e) | 5,425,000 | 5,624,758 |
| <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 1971-1,</i>                            |           |           |

*144A, 13.998%, 7/1/2025, Leverage Factor at purchase date: 4 to 1*

|   |           |           |
|---|-----------|-----------|
| New York, State Dormitory Authority Revenues, State Supported Debt, University Dormitory Facilities, 5.0%, 7/1/2027 (e) | 8,080,000 | 8,306,200 |
| <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 1971-2,</i>                            |           |           |

*144A, 14.0%, 7/1/2027, Leverage Factor at purchase date: 4 to 1*

**79,394,835**

### **Pennsylvania 2.3%**

|   |            |                   |
|---|------------|-------------------|
| Pennsylvania, State General Obligation, Second Series, 5.0%, 1/1/2025 (e) | 10,000,000 | <b>10,416,850</b> |
|---|------------|-------------------|



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Trust: Pennsylvania, State General Obligation, Series 2008-1146, 144A, 13.4%,

1/1/2025, Leverage Factor at purchase date: 4 to 1

### Tennessee 7.4%

|  |            |            |
|--|------------|------------|
| Nashville & Davidson County, TN, Metropolitan Government, 5.0%, 1/1/2027 (e)       | 10,756,695 | 11,212,650 |
| <i>Trust: Nashville &amp; Davidson County, TN, Metropolitan Government, Series</i> |            |            |

|   |            |            |
|---|------------|------------|
| 2631-3, 144A, 13.546%, 1/1/2027, Leverage Factor at purchase date: 4 to 1<br>Nashville & Davidson County, TN, Metropolitan Government, 5.0%, 1/1/2026 (e) | 10,200,000 | 10,679,910 |
| <i>Trust: Nashville &amp; Davidson County, TN, Metropolitan Government, Series</i>  |            |            |

|  |            |            |
|--|------------|------------|
| 2631-2, 144A, 13.55%, 1/1/2026, Leverage Factor at purchase date: 4 to 1<br>Nashville & Davidson County, TN, Metropolitan Government, 5.0%, 1/1/2028 (e) | 10,564,925 | 10,971,485 |
| <i>Trust: Nashville &amp; Davidson County, TN, Metropolitan Government, Series</i>   |            |            |

|   |  |                   |
|---|--|-------------------|
| 2631-4, 144A, 13.555%, 1/1/2028, Leverage Factor at purchase date: 4 to 1 |  | <b>32,864,045</b> |
|---|--|-------------------|

### Texas 2.3%

|  |            |                   |
|--|------------|-------------------|
| Texas, State General Obligation, Transportation Commission Mobility Fund, 5.0%, 4/1/2025 (e) | 10,000,000 | <b>10,433,100</b> |
| <i>Trust: Texas, Series 2008-1147, 144A, 13.4%, 4/1/2025, Leverage Factor at purchase</i>    |            |                   |

*date: 4 to 1*

### Virginia 3.7%

|   |           |           |
|---|-----------|-----------|
| Virginia, State Resource Authority, Clean Water Revenue, 5.0%, 10/1/2027 (e)              | 9,039,684 | 9,446,742 |
| Virginia, State Resource Authority, Clean Water Revenue, 5.0%, 10/1/2028 (e)              | 6,770,509 | 7,075,386 |
| <i>Trust: Virginia, State Resource Authority, Clean Water Revenue, Series 2917, 144A,</i> |           |           |

*15.987%, 10/1/2027, Leverage Factor at purchase date: 5 to 1*

|   |  |                    |
|---|--|--------------------|
| <b>Total Municipal Inverse Floating Rate Notes</b> (Cost \$332,755,686) |  | <b>16,522,128</b>  |
|   |  | <b>331,636,060</b> |

|  | % of       |                      |
|--|------------|----------------------|
|  | Net Assets | Value (\$)           |
| <b>Total Investment Portfolio</b> (Cost \$930,804,005) | 213.1      | <b>951,995,891</b>   |
| <b>Other Assets and Liabilities, Net</b>               | (53.8)     | <b>(240,263,994)</b> |
| <b>Preferred Shares, at Redemption Value</b>           | (59.3)     | <b>(265,000,000)</b> |
| <b>Net Assets Applicable to Common Shareholders</b>    | 100.0      | <b>446,731,897</b>   |

*For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.*

\* *Non-income producing security. In the case of a bond, generally denotes that the issuer has defaulted on the payment of principal or interest or has filed for bankruptcy. The following table represents bonds that are in default:*

|  | Maturity      | Principal   | Acquisition        |                  |                   |
|--|---------------|-------------|--------------------|------------------|-------------------|
| <b>Securities</b>  | <b>Coupon</b> | <b>Date</b> | <b>Amount (\$)</b> | <b>Cost (\$)</b> | <b>Value (\$)</b> |
| Green Springs, OH, Senior Care Revenue, St. Francis Health Care Center Project, Series A | 7.125%        | 5/15/2025   | 6,000,000          | 5,917,429        | <b>5,281,920</b>  |

\*\* *Variable rate demand notes are securities whose interest rates are reset periodically at market levels. These securities are often payable on demand and are shown at their current rates as of August 31, 2008.*

\*\*\* *Floating rate notes are securities whose yields vary with a designated market index or market rate, such as the coupon-equivalent of the US Treasury bill rate. These securities are shown at their current rate as of August 31, 2008.*

*The cost for federal income tax purposes was \$930,084,340. At August 31, 2008, net unrealized appreciation for all securities based on tax cost was \$21,911,551. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$32,951,726 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$11,040,175.*

(a) *Bond is insured by one of these companies:*

|                           | <b>As a % of Total</b>      |
|---------------------------|-----------------------------|
| <b>Insurance Coverage</b> | <b>Investment Portfolio</b> |
| Ambac Financial Group     | 8.2                         |
| Assured Guaranty Corp.    | 3.8                         |

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|                                      |      |
|--------------------------------------|------|
| Financial Guaranty Insurance Company | 7.2  |
| Financial Security Assurance, Inc.   | 13.6 |
| MBIA Corp.                           | 4.4  |
| Radian Asset Assurance, Inc.         | 0.5  |

(b) Security incorporates a letter of credit from the bank listed.

(c) When-issued security.

(d) Securities represent the underlying municipal obligations of inverse floating rate obligations held by the Fund.

(e) Security forms part of the below tender option bond trust. The principal amount and value shown take into account the leverage factor.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

AMT: Subject to alternative minimum tax.

ETM: Bonds bearing the description ETM (escrow to maturity) are collateralized usually by US Treasury securities which are held in escrow and used to pay principal and interest on bonds so designated.

Prerefunded: Bonds which are prerefunded are collateralized usually by US Treasury securities which are held in escrow and used to pay principal and interest on tax-exempt issues and to retire the bonds in full at the earliest refunding date.

RITES: Residual Interest Tax Exempt Security

### Fair Value Measurements

The following is a summary of the inputs used as of August 31, 2008 in valuing the Fund's investments. Please see below for information on the Fund's policy regarding valuation inputs, and their aggregate levels used in the table below:

| Valuation Inputs | Investments in Securities |
|------------------|---------------------------|
| Level 1          | \$ -                      |
| Level 2          | 951,995,891               |
| Level 3          | -                         |
| <b>Total</b>     | <b>\$ 951,995,891</b>     |

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"), effective at the beginning of the Fund's fiscal year. FAS 157 establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and requires additional disclosure about the classification of fair value measurements.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

### ITEM 2. CONTROLS AND PROCEDURES

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

### ITEM 3. EXHIBITS

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

**SIGNATURES**

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

Registrant: DWS Municipal Income Trust

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: October 22, 2008

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.

Registrant: DWS Municipal Income Trust

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: October 22, 2008

By: /s/Paul Schubert  
Paul Schubert  
Chief Financial Officer and Treasurer

Date: October 22, 2008