

MORGAN STANLEY QUALITY MUNICIPAL INCOME TRUST
Form N-CSR
January 09, 2009

**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: 811-06591
Morgan Stanley Quality Municipal Income Trust
(Exact name of registrant as specified in charter)**

522 Fifth Avenue, New York, New York
(Address of principal executive offices)

10036
(Zip code)

Randy Takian
522 Fifth Avenue, New York, New York 10036
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2008

Date of reporting period: October 31, 2008

Item 1 Report to Shareholders

INVESTMENT MANAGEMENT

Welcome, Shareholder:

In this report, you will learn about how your investment in Morgan Stanley Quality Municipal Income Trust performed during the annual period. We will provide an overview of the market conditions, and discuss some of the factors that affected performance during the reporting period. In addition, this report includes the Trust's financial statements and a list of Trust investments.

Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the Trust will achieve its investment objective. The Trust is subject to market risk, which is the possibility that market values of securities owned by the Trust will decline and, therefore, the value of the Trust's shares may be less than what you paid for them. Accordingly, you can lose money investing in this Trust.

Income earned by certain securities in the portfolio may be subject to the federal alternative minimum tax (AMT).

Fund Report

For the year ended October 31, 2008

Market Conditions

The financial markets were highly volatile throughout the reporting period as disrupted credit markets, recession fears, the declining housing market, and ongoing losses in the financial sector led to increasing investor anxiety. The third quarter of 2008, in particular, will go down as a defining moment in financial history, a period in which the industry's landscape changed in ways most would have never imagined.

As the quarter began, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac), the two bedrock government-sponsored entities that own or guarantee about half of the nation's outstanding mortgage debt, were facing financial disintegration as the value of the agencies' assets had severely eroded. At the same time, economic data was signaling slowing growth while rising food and energy prices were fueling inflation, heightening investor anxiety. In early September, deteriorating market conditions caused the U.S. Treasury to rescue both Fannie Mae and Freddie Mac. Shortly thereafter, these same conditions led Lehman Brothers to file for bankruptcy protection. Investor confidence plummeted, initiating a downward spiral in the market that accelerated at an alarming pace. In the weeks that followed, several other large financial institutions were forced into mergers, rescued by the government, or failed altogether.

Credit markets became nearly frozen as liquidity dried up. Overnight and short-term credit markets convulsed as banks stopped lending to both companies and each other, causing short-term borrowing costs to soar. As fear gripped the market, credit spreads dramatically widened as investors demanded substantial compensation for assuming any degree of risk. In response, government officials took various steps including a \$700 billion plan to fortify the precarious financial system.

Overall, the consolidation in the banking and brokerage industry has altered the flow of capital and resulted in a general lack of liquidity in the municipal market. The biggest issue facing the municipal market as of the end of the period is a general lack of trading as new issue offerings have been pulled and/or downsized. And, while liquidity improved in October, demand remains well below historic levels. As a result, yields on even the highest quality, most liquid municipal securities are at historic highs, with yields on 30-year high-grade municipal issues at levels well above that of comparable Treasuries.

Rising unemployment has resulted in declining tax receipts, which directly impacts the bottom line of state budgets. In fact, state budget gaps have widened substantially, with 39 states projected to face fiscal distress in 2009 and 2010.

Performance Analysis

For the 12-month period ended October 31, 2008, the net asset value (NAV) of Morgan Stanley Quality Municipal Income Trust (IQI) decreased from \$14.50 to \$11.12 per share. Based on this change plus reinvestment of tax-free dividends totaling \$0.68 per share, the Trust's total NAV return was -18.82 percent. IQI's value on the New York Stock Exchange (NYSE) moved from \$12.90 to \$9.21 per share during the same period. Based on this change

plus reinvestment of dividends, the Trust's total market return was -24.42 percent. IQI's NYSE market price was at a 17.18 percent discount to its NAV. During the fiscal period, the Trust purchased and retired 281,578 shares of common stock at a weighted average market discount of 10.49 percent. *Past performance is no guarantee of future results.*

The October dividend was decreased to \$0.0475 per share. The dividend reflects the current level of the Trust's net investment income. IQI's level of undistributed net investment income was \$0.058 per share on October 31, 2008 versus \$0.013 per share 12 months earlier.¹

Over the course of the reporting period, we maintained an overweight to the hospital/life care and tobacco sectors, which detracted from relative performance as spreads in these sectors widened, pushing prices lower. Conversely, an overweight to the public utility sector benefited performance as the flight to quality that took place during the period helped to boost the performance of this infrastructure sector.

In the first half of the period, the Trust maintained a lower interest-rate sensitivity (as measured by duration*), which benefited relative performance as yield rose. During the second half of the period, we increased the duration to a neutral stance in order to better position the Trust to benefit from a potential retracement in yields in the future.

The Trust's procedure for reinvesting all dividends and distributions in common shares is through purchases in the open market. This method helps support the market value of the Trust's shares. In addition, we would like to remind you that the Trustees have approved a share repurchase program whereby the Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may also utilize procedures to reduce or eliminate the amount of Auction Rate Preferred Shares (ARPS) outstanding, including their purchase in the open market or in privately negotiated transactions.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost.

There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the Trust in the future.

¹ *Income earned by certain securities in the portfolio may be subject to the federal alternative minimum tax (AMT).*

** A measure of the sensitivity of a bond's price to changes in interest rates, expressed in years. Each year of duration represents an expected 1 percent change in the price of a bond for every 1 percent change in interest rates. The longer a bond's duration, the greater the effect of interest-rate movements on its price. Typically, trusts with shorter durations perform better in rising-interest-rate environments, while trusts with longer durations perform better when rates decline. Duration calculations are adjusted for leverage.*

TOP FIVE SECTORS as of 10/31/08

Water & Sewer	15.4%
Transportation	11.4
General Obligation	11.1
Other Revenue	9.8
Hospital	9.5

LONG-TERM CREDIT ANALYSIS

as of 10/31/08

Aaa/AAA	25.3%
Aa/AA	49.8
A/A	10.1
Baa/BBB	11.5
Ba/BB or Less	1.6
N/R	1.7

SUMMARY OF INVESTMENTS BY STATE CLASSIFICATION as of 10/31/08

California	31.6 %
New York	24.3
Texas	23.7
New Jersey	13.1
Florida	8.2
Hawaii	7.1
Washington	7.1
Indiana	6.0
Arizona	5.8
Ohio	5.7
South Carolina	5.7
Michigan	5.1
Nevada	4.8
Georgia	4.5
Illinois	4.4
Maryland	3.4
Colorado	3.2
Tennessee	2.9
District of Columbia	2.0
Kentucky	1.9 %
North Carolina	1.7
Connecticut	1.5
Virginia	1.4
Alabama	1.4
Idaho	1.4
Missouri	1.2
New Mexico	1.2
Montana	1.1
Pennsylvania	0.8

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Kansas	0.8
Alaska	0.8
North Dakota	0.7
Minnesota	0.7
Vermont	0.6
Oklahoma	0.4
Delaware	0.2
Total Long-Term Investments	186.4
Short-Term Investment	1.6
Liability for Floating Rate Note and Dealer Trusts Obligations	(32.5)
Other Assets in Excess of Liabilities	3.6
Preferred Shares of Beneficial Interest	(59.1)
Net Assets Applicable to Common Shareholders	100.0 %

Does not include open long and short futures contracts with an underlying face value amount of \$456,667,094 with unrealized depreciation of \$9,499.

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. Top five sectors are as a percentage of total investments. Long-term credit analysis are as a percentage of long-term investments. Summary of investments by state classification are as a percentage of net assets applicable to common shareholders. Securities are classified by sectors that represent broad groupings of related industries. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Rating allocations based upon ratings as issued by Standard and Poor's and Moody's, respectively.

For More Information About Portfolio Holdings

Each Morgan Stanley trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust's second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Morgan Stanley also delivers the semiannual and annual reports to trust shareholders and makes these reports available on its public web site, www.morganstanley.com. Each Morgan Stanley trust also files a complete schedule of portfolio holdings with the SEC for the trust's first and third fiscal quarters on Form N-Q. Morgan Stanley does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Morgan Stanley public web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's web site, <http://www.sec.gov>. You may also review and copy them at the SEC's public reference room in Washington, DC. Information on the operation of the SEC's public reference room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by writing the public reference section of the SEC, Washington, DC 20549-0102.

Investment Advisory Agreement Approval

Nature, Extent and Quality of Services

The Board reviewed and considered the nature and extent of the investment advisory services provided by the Investment Adviser (as defined herein) under the advisory agreement, including portfolio management, investment research and fixed income securities trading. The Board also reviewed and considered the nature and extent of the non-advisory, administrative services provided by the Trust's Administrator (as defined herein) under the administration agreement, including accounting, clerical, bookkeeping, compliance, business management and planning, and the provision of supplies, office space and utilities at the Investment Adviser's expense. (The Investment Adviser and the Administrator together are referred to as the Adviser and the advisory and administration agreements together are referred to as the Management Agreement.) The Board also compared the nature of the services provided by the Adviser with similar services provided by non-affiliated advisers as reported to the Board by Lipper Inc. (Lipper).

The Board reviewed and considered the qualifications of the portfolio managers, the senior administrative managers and other key personnel of the Adviser who provide the administrative and advisory services to the Trust. The Board determined that the Adviser's portfolio managers and key personnel are well qualified by education and/or training and experience to perform the services in an efficient and professional manner. The Board concluded that the nature and extent of the advisory and administrative services provided were necessary and appropriate for the conduct of the business and investment activities of the Trust. The Board also concluded that the overall quality of the advisory and administrative services was satisfactory.

Performance Relative to Comparable Funds Managed by Other Advisers

On a regular basis, the Board reviews the performance of all funds in the Morgan Stanley Fund Complex, including the Trust, compared to their peers, paying specific attention to the underperforming funds. In addition, the Board specifically reviewed the Trust's performance for the one-, three- and five-year periods ended December 31, 2007 as shown in a report provided by Lipper (the Lipper Report), compared to the performance of comparable funds selected by Lipper (the performance peer group). The Board also discussed with the Adviser the performance goals and the actual results achieved in managing the Trust. The Board concluded that the Trust's performance was acceptable.

Fees Relative to Other Proprietary Funds Managed by the Adviser with Comparable Investment Strategies

The Board reviewed the advisory and administrative fee (together, the management fee) rate paid by the Trust under the Management Agreement. The Board noted that the management fee rate was comparable to

the management fee rates charged by the Adviser to other proprietary funds it manages with investment strategies comparable to those of the Trust.

Fees and Expenses Relative to Comparable Funds Managed by Other Advisers

The Board reviewed the management fee rate and total expense ratio of the Trust as compared to the average management fee rate and average total expense ratio for funds, selected by Lipper (the expense peer group), managed by other advisers with investment strategies comparable to those of the Trust, as shown in the Lipper Report. The Board concluded that the Trust's management fee rate and total expense ratio were competitive with those of its expense peer group.

Breakpoints and Economies of Scale

The Board reviewed the structure of the Trust's management fee schedule under the Management Agreement and noted that it does not include any breakpoints. The Board considered that the Trust is a closed-end fund and, therefore, that the Trust's assets are not likely to grow with new sales or grow significantly as a result of capital appreciation. The Board concluded that the economies of scale for the Trust were not a factor that needed to be considered at the present time.

Profitability of the Adviser and Affiliates

The Board considered information concerning the costs incurred and profits realized by the Adviser and affiliates during the last year from their relationship with the Trust and during the last two years from their relationship with the Morgan Stanley Fund Complex and reviewed with the Adviser the cost allocation methodology used to determine the profitability of the Adviser and affiliates. Based on its review of the information it received, the Board concluded that the profits earned by the Adviser and affiliates were not excessive in light of the advisory, administrative and other services provided to the Trust.

Fall-Out Benefits

The Board considered so-called fall-out benefits derived by the Adviser and affiliates from their relationship with the Trust and the Morgan Stanley Fund Complex, such as float benefits derived from handling of checks for purchases and sales of Trust shares, through a broker-dealer affiliate of the Adviser. The Board also considered that, from time to time, the Adviser may, directly or indirectly, effect trades on behalf of certain Morgan Stanley Funds through various electronic communications networks or other alternative trading systems in which the Adviser's affiliates have ownership interests and/or board seats. The Board concluded that the fall-out benefits were relatively small.

Soft Dollar Benefits

The Board considered whether the Adviser realizes any benefits from commissions paid to brokers who execute securities transactions for the Trust (soft dollars). The Board noted that the Trust invests only in fixed income securities, which do not generate soft dollars.

Adviser Financially Sound and Financially Capable of Meeting the Trust's Needs

The Board considered whether the Adviser is financially sound and has the resources necessary to perform its obligations under the Management Agreement. The Board concluded that the Adviser has the financial resources necessary to fulfill its obligations under the Management Agreement.

Historical Relationship Between the Trust and the Adviser

The Board also reviewed and considered the historical relationship between the Trust and the Adviser, including the organizational structure of the Adviser, the policies and procedures formulated and adopted by the Adviser for managing the Trust's operations and the Board's confidence in the competence and integrity of the senior managers and key personnel of the Adviser. The Board concluded that it is beneficial for the Trust to continue its relationship with the Adviser.

Other Factors and Current Trends

The Board considered the controls and procedures adopted and implemented by the Adviser and monitored by the Trust's Chief Compliance Officer and concluded that the conduct of business by the Adviser indicates a good faith effort on its part to adhere to high ethical standards in the conduct of the Trust's business.

General Conclusion

After considering and weighing all of the above factors, the Board concluded that it would be in the best interest of the Trust and its shareholders to approve renewal of the Management Agreement for another year.

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (186.4%)			
	<i>Alabama (1.4%)</i>			
\$ 3,700	University of Alabama, Ser 2004-A (MBIA Insd)	5.25 %	07/01/22	\$ 3,696,152
	<i>Alaska (0.8%)</i>			
4,000	Northern Tobacco Securitization Corporation, Asset Backed Ser 2006 A	5.00	06/01/46	2,128,000
	<i>Arizona (5.8%)</i>			
2,000	Arizona Transportation Board, Highway Refg Ser 2002 A	5.25	07/01/19	2,077,820
3,000	Phoenix Civic Improvement Corporation, Airport Ser 2002 B (AMT) (FGIC Insd)	5.25	07/01/32	2,348,010
3,800	Phoenix Civic Improvement Corporation, Jr Lien Water Ser 2002 (FGIC Insd)	5.00	07/01/26	3,628,050
6,000	Salt River Project Agricultural Improvement & Power District, 2002 Ser B (a)	5.00	01/01/31	5,816,207
2,000	Surprise Municipal Property Corporation, Ser 2007	4.90	04/01/32	1,411,540
				15,281,627
	<i>California (31.6%)</i>			
10,000	California Economic Recovery, Ser 2004 A (a)	5.00	07/01/16	10,342,200
2,000	California Health Facilities Financing Authority, Cedars-Sinai Medical Center Ser 2005	5.00	11/15/34	1,591,980
2,000	California Health Facilities Financing Authority, Kaiser Permanente Ser 2006 A	5.25	04/01/39	1,647,560
3,000	California Infrastructure & Economic Development Bank, The Scripps Research Institute Ser 2005 A	5.00	07/01/29	2,812,410
5,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges First Lien Ser 2003 A (a)	5.00	01/01/28 (b)	5,064,430
6,000	California Pollution Control Financing Authority, Keller Canyon Landfill	6.875	11/01/27	4,581,540

	Co/Browning-Ferris Industries Inc Ser 1992 (AMT)			
	California Statewide Communities Development, Baptist University			
4,000	Ser 2007 A	5.40	11/01/27	2,747,080
	California Statewide Communities Development, John Muir Health			
5,000	Ser 2006 A	5.00	08/15/32	4,025,650
	California, Various Purpose Dtd			
5,000	05/01/03	5.25	02/01/19	5,038,650
	California, Various Purpose Dtd			
16,000	11/01/06 (a)	4.50	10/01/36	12,254,400
	Golden State Tobacco Securitization Corporation, Enhanced Asset Backed			
6,000	Ser 2005 A (AMBAC Insd)	5.00	06/01/29	4,773,120
	Golden State Tobacco Securitization Corporation, Enhanced Asset Backed			
4,000	Ser 2007 A	5.75	06/01/47	2,633,120
	Golden State Tobacco Securitization Corporation, Enhanced Asset Backed			
8,000	Ser 2007 A-1	5.125	06/01/47	4,724,000
4,000	Los Angeles, Ser 2004 A (MBIA Insd)	5.00	09/01/24	3,943,800

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008 *continued*

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 4,000	Port of Oakland, Ser 2002 L (AMT) (FGIC Insd)	5.00 %	11/01/32	\$ 3,008,960
1,000	San Diego County, Burnham Institute for Medical Research Ser 2006 (COPs)	5.00	09/01/34	711,500
3,720	San Diego County Water Authority, Ser 2002 A (COPs) (MBIA Insd)	5.00	05/01/27	3,551,447
960	San Francisco City & County, Laguna Honda Hospital Refg Ser 2008-R3 (AGC Insd) (a)	5.00	06/15/28	921,005
16,000	Silicon Valley Tobacco Securitization Authority Tobacco Settlement, Santa Clara Tobacco Securitization Corp Ser 2007 (g)	0.00	06/01/36	1,107,360
5,000	Tobacco Securitization Authority of Northern California, Sacramento County Tobacco Securitization Corporation Ser 2006 A-1	5.00	06/01/37	3,007,500
2,760	University of California, Ser 2007-J (FSA Insd) (a)	4.50	05/15/31	2,305,663
2,240	University of California, Ser 2007-J (FSA Insd) (a)	4.50	05/15/35	1,829,563
				82,622,938
	<i>Colorado (3.2%)</i>			
1,750	Boulder County, University Corp for Atmospheric Research Ser 2002 (MBIA Insd)	5.375	09/01/18	1,784,108
1,750	Boulder County, University Corp for Atmospheric Research Ser 2002 (MBIA Insd)	5.375	09/01/21	1,756,772
2,000	Colorado Educational & Cultural Facilities Authority, Peak to Peak Charter School Refg & Impr Ser 2004 (XLCA Insd)	5.25	08/15/34	1,789,820
2,000	Colorado Health Facilities Authority, Adventist/Sunbelt Ser 2006 D	5.25	11/15/35	1,627,220
1,590	Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd)	5.00	12/01/30	1,236,511
265	Public Authority for Colorado Energy, Natural Gas Ser 2008	6.25	11/15/28	207,437

8,401,868

<i>Connecticut (1.5%)</i>				
5,000	Connecticut Housing Finance Authority, SubSer A-2 (AMT)	5.15	05/15/38	3,786,650
<i>Delaware (0.2%)</i>				
1,000	New Castle County, Newark Charter School Inc Ser 2006	5.00	09/01/36	649,000
<i>District of Columbia (2.0%)</i>				
6,000	District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd)	5.00	02/01/31	5,091,780
<i>Florida (8.2%)</i>				
2,000	Broward County School Board, Ser 2001 A (COPs) (FSA Insd)	5.00	07/01/26	1,847,320
3,500	Broward County Water & Sewer Utility, Ser 2003 (MBIA Insd)	5.00	10/01/24	3,366,055
75	Highlands County Health Facilities Authority, Adventist Health/Sunbelt Ser 2006 C	5.25	11/15/16 (b)	81,325
2,925	Highlands County Health Facilities Authority, Adventist Health/Sunbelt Ser 2006 C	5.25	11/15/36	2,282,202
3,300	Jacksonville Electric Authority, St Johns Power Park Refg Issue 2 Ser 17	5.00	10/01/18	3,324,783

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008 *continued*

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Lee County Industrial Development Authority, Shell Point Village/ The Alliance Community for Retirement Living Inc, Ser 2006	5.125 %	11/15/36	\$ 965,430
\$ 1,500				
	South Miami Health Facilities Authority, Baptist Health South Florida Ser 2007 (a)	5.00	08/15/42	9,656,363
12,000				
				21,523,478
	<i>Georgia (4.5%)</i>			
	Atlanta, Airport Ser 2004 J (FSA Insd)	5.00	01/01/34	2,669,610
3,000				
	Georgia State Road & Tollway Authority, Ser 2004	5.00	10/01/22	6,010,080
6,000				
	Georgia State Road & Tollway Authority, Ser 2004	5.00	10/01/23	2,996,760
3,000				
				11,676,450
	<i>Hawaii (7.1%)</i>			
	Hawaii, 1992 Ser BZ	6.00	10/01/11	8,651,280
8,000				
	Honolulu City & County, Ser 2003 A (MBIA Insd) (a)	5.25	03/01/26	9,876,100
10,000				
				18,527,380
	<i>Idaho (1.4%)</i>			
	Idaho Housing Agency, 1992 Ser E (AMT)	6.75	07/01/12	91,079
90				
	Idaho Housing & Finance Association, 2000 Ser E (AMT)	6.00	01/01/32	835,768
835				
	Idaho Housing & Finance Association, 2008 Ser A	5.25	07/15/23	2,671,448
2,600				
				3,598,295
	<i>Illinois (4.4%)</i>			
	Chicago O Hare Int 1 Airport, Third Lien Ser 2003 B-2 (AMT) (FSA Insd)	5.75	01/01/23	3,614,680
4,000				
	Illinois, First Ser 2002 (MBIA Insd)	5.375	07/01/20	6,102,240
6,000				
	Schaumburg, Ser 2004 B (FGIC Insd)	5.25	12/01/34	1,888,800
2,000				
				11,605,720

<i>Indiana (6.0%)</i>				
10,000	Indiana Bond Bank, Revolving Fund Ser 2001 A	5.00	02/01/23	9,908,800
6,000	Indiana Health & Educational Facility Financing Authority, Clarian Health Ser 2006 A	5.25	02/15/40	4,446,960
1,400	Marion County Convention & Recreational Facilities Authority, Refg Ser 2003 A (AMBAC Insd)	5.00	06/01/21	1,374,310
				15,730,070
<i>Kansas (0.8%)</i>				
3,000	University of Kansas Hospital Authority, KU Health Ser 2002	4.50	09/01/32	2,136,180
<i>Kentucky (1.9)</i>				
5,000	Louisville & Jefferson County Metropolitan Sewer District, Ser 1999 A (FGIC Insd)	5.75	05/15/33	4,999,850

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008 *continued*

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	<i>Maryland (3.4%)</i>			
\$ 2,000	Baltimore County, Oak Crest Village Ser 2007 A	5.00 %	01/01/37	\$ 1,496,960
3,000	Maryland Health & Higher Educational Facilities Authority, King Farm Presbyterian Community 2006 Ser B	5.00	01/01/17	2,355,750
1,500	Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Ser 2002	6.00	07/01/12 (b)	1,638,975
2,000	Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Ser 2006 A	5.00	07/01/41	1,515,340
2,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 2003 (AMT) (AMBAC Insd)	5.50	04/01/16	1,940,720
				8,947,745
	<i>Michigan (5.1%)</i>			
6,000	Michigan Hospital Finance Authority, Henry Ford Health Refg Ser 2006 A	5.25	11/15/46	4,501,500
5,000	Michigan Strategic Fund, Detroit Edison Co Ser 2001 C (AMT)	5.65	09/01/29	4,183,800
3,000	Wayne County, Detroit Metropolitan Wayne County Airport Refg Ser 2002 D (AMT) (FGIC Insd)	5.50	12/01/17	2,815,410
1,855	Wayne State University, Refg Ser 2008 (FSA Insd)	5.00	11/15/25	1,813,355
				13,314,065
	<i>Minnesota (0.7%)</i>			
2,000	Western Minnesota Municipal Power Agency, 2003 Ser A (MBIA Insd)	5.00	01/01/30	1,766,240
	<i>Missouri (1.2%)</i>			
2,250	Gravois Bluffs Transportation Development District, Sales Tax Ser 2007	4.75	05/01/32	1,840,725
1,500	Missouri Health & Educational Facilities Authority, Lutheran Senior Services Ser 2005 A	5.375	02/01/35	1,143,270

Missouri Housing Development Commission, Homeownership Ser 2000				
165	B-1 (AMT)	6.25	03/01/31	164,922
				3,148,917
<i>Montana (1.1%)</i>				
2,825	Montana Board of Housing, 2000 Ser B (AMT)	6.00	12/01/29	2,827,514
<i>Nevada (4.8%)</i>				
2,000	Clark County, Airport SubLien Ser 2004 A-1 (AMT) (FGIC Insd)	5.50	07/01/20	1,801,640
1,000	Clark County, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/19	909,650
1,100	Clark County, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/20	984,830
2,000	Clark County, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/22	1,742,280

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008 *continued*

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 5,345	Las Vegas Valley Water District, Water Impr Refg Ser 2003 A (FGIC Insd)	5.25 %	06/01/20	\$ 5,421,113
2,000	Reno, Renown Regional Medical Center Ser 2007 A	5.25	06/01/37	1,551,680
				12,411,193
	<i>New Jersey (13.1%)</i>			
2,000	New Jersey Economic Development Authority, Cigarette Tax Ser 2004	5.75	06/15/29	1,560,580
1,565	New Jersey Housing Mortgage Finance Authority, Home Buyer Ser 2000 CC (AMT) (MBIA Insd)	5.875	10/01/31	1,565,250
5,000	New Jersey Transportation Trust Fund Authority, 1999 Ser A	5.75	06/15/20	5,262,250
12,000	New Jersey Turnpike Authority, Ser 2003 A (FGIC Insd) (c)	5.00	01/01/27	10,805,040
10,000	Passaic Valley Sewerage Commissioners, Ser F (FGIC Insd)	5.00	12/01/20	9,415,000
5,000	Tobacco Settlement Financing Corporation, Ser 2007-1 A	4.625	06/01/26	3,588,900
6,000	Tobacco Settlement Financing Corporation, Ser 2007-1 B (g)	0.00	06/01/41	256,740
2,000	University of Medicine & Dentistry, Ser 2004 (COPs) (MBIA Insd)	5.25	06/15/23	1,849,680
				34,303,440
	<i>New Mexico (1.2%)</i>			
3,000	Rio Rancho, Water & Wastewater Refg Ser 1999 (AMBAC Insd)	5.25	05/15/19	3,004,350
	<i>New York (24.3%)</i>			
1,935	New York City Trust for Cultural Resources, Museum of Modern Art Refg Ser 2008 1-A (a)	5.00	04/01/26	1,855,799
2,815	New York City Trust for Cultural Resources, Museum of Modern Art Refg Ser 2008 1-A (a)	5.00	04/01/27	2,699,781
2,380	New York City, 2009 Subser A-1 (a)	5.25	08/15/27	2,295,666
2,380	New York City, 2009 Subser A-1 (a)	5.25	08/15/28	2,295,667
10,000		5.00	11/15/25	9,131,000

	Metropolitan Transportation Authority, Transportation Refg Ser 2002 A (FGIC Insd)			
5,000	Nassau County Tobacco Settlement Corporation, Ser 2006 A-3	5.125	06/01/46	3,292,850
3,500	New York City Municipal Water Finance Authority, Ser A-2003	5.375	06/15/19	3,616,375
10,000	New York City Municipal Water Finance Authority, 2004 Ser A	5.00	06/15/35	9,135,600
18,000	New York City Municipal Water Finance Authority, 2002 Ser B (a)	5.00	06/15/26	17,566,680
2,000	Seneca Nation of Indians, Ser 2007 A (d) Tobacco Settlement Financing	5.00	12/01/23	1,499,620
5,000	Corporation, State Contingency Ser 2003 B-1C	5.50	06/01/17	5,048,800
5,000	Triborough Bridge & Tunnel Authority, Refg 2002 E (MBIA Insd) (a)	5.25	11/15/22	4,991,867
				63,429,705
	<i>North Carolina (1.7%)</i>			
4,500	Charlotte, Water & Sewer Ser 2001	5.125	06/01/26	4,519,530
	<i>North Dakota (0.7%)</i>			
2,750	Ward County, Trinity Ser 2006	5.125	07/01/29	1,881,385

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - October 31, 2008 *continued*

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	<i>Ohio (5.7%)</i>			
	American Municipal Power Ohio, Inc., Prairie State Energy Campus Ser 2008 A (AGC Insd) (a)	5.25 %	02/15/33	\$ 4,723,024
\$ 5,100 5,370				