

DWS STRATEGIC MUNICIPAL INCOME TRUST

Form N-Q

April 28, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05767

DWS Strategic Municipal Income Trust

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154-0004

(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: 02/29/08

ITEM 1. SCHEDULE OF INVESTMENTS

Investment Portfolio

as of February 29, 2008 (Unaudited)

DWS Strategic Municipal Income Trust

| | Principal Amount (\$) | Value (\$) |
|---|--------------------------|-------------------|
| Municipal Bonds and Notes 144.0% | | |
| Alabama 2.9% | | |
| Alabama, Sales & Special Tax Revenue, Public School and College Authority, Series C, 5.625%, 7/1/2013 | 1,000,000 | 1,045,590 |
| Huntsville, AL, Hospital & Healthcare Revenue, Health Care Authority, Series A, 5.75%, 6/1/2031 | 1,500,000 | 1,625,565 |
| Sylacauga, AL, Health Care Authority Revenue, Coosa Valley Medical Center, Series A, 6.0%, 8/1/2035 | 1,000,000 | 883,680 |
| | | 3,554,835 |
| Arizona 1.4% | | |
| Arizona, Project Revenue, Health Facilities Authority, The New Foundation Project, 8.25%, 3/1/2019 | 1,725,000 | 1,732,849 |
| <hr/> | | |
| California 9.4% | | |
| California, Special Assessment Revenue, Golden State Tobacco Securitization Corp.: | | |
| Series A-1, 5.0%, 6/1/2033 | 2,000,000 | 1,655,760 |
| Series B, 5.625%, 6/1/2038 | 1,890,000 | 2,049,988 |
| Series 2003-A-1, 6.75%, 6/1/2039 | 4,500,000 | 5,119,830 |
| Sacramento County, CA, Sales & Special Tax Revenue, Bradshaw Road Project, 7.2%, 9/2/2015 | 965,000 | 975,248 |
| Sacramento, CA, Project Revenue, City Financing Authority, Convention Center Hotel, Series A, 6.25%, 1/1/2030 | 1,985,000 | 1,818,181 |
| | | 11,619,007 |
| Colorado 2.6% | | |
| Colorado, Health Facilities Authority Revenue, Christian Living Communities Project, Series A, 5.75%, 1/1/2037 | 1,000,000 | 859,550 |
| Colorado, Hospital & Healthcare Revenue, PorterCare Adventist Health Project, 6.5%, 11/15/2031 | 1,000,000 | 1,122,130 |
| Colorado, Transportation/Tolls Revenue, Northwest Parkway Public Highway Authority, Series D, 7.125%, 6/15/2041 | 1,150,000 | 1,294,739 |
| | | 3,276,419 |
| Connecticut 3.6% | | |
| Greenwich, CT, Multi-Family Housing Revenue, 6.35%, 9/1/2027 | 2,000,000 | 2,047,340 |
| Mashantucket, CT, Mashantucket Western Pequot Tribe, Special Revenue, Series A, 144A, 6.5%, 9/1/2031 | 705,000 | 704,577 |
| Mashantucket, CT, Sports, Expo & Entertainment Revenue, Mashantucket Western Pequot Tribe: | | |
| Series B, 144A, Zero Coupon, 9/1/2017 | 2,000,000 | 1,157,480 |
| Series B, 144A, Zero Coupon, 9/1/2018 | 1,000,000 | 536,280 |
| | | 4,445,677 |
| District of Columbia 0.5% | | |
| District of Columbia, General Obligation, Series A, 5.0%, 6/1/2018 (a) | 660,000 | 666,461 |
| Florida 2.7% | | |
| Miami Beach, FL, Health Facilities Authority Hospital Revenue, Mount Sinai Medical Center, 144A, 6.75%, 11/15/2029 | 1,600,000 | 1,577,392 |
| Orlando, FL, Greater Aviation Authority, Airport Facilities Revenue, Jet Blue Airways Corp., AMT, 6.5%, 11/15/2036 | 1,000,000 | 878,920 |
| | 1,000,000 | 938,540 |

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| | | |
|--|-----------|-------------------|
| Orlando, FL, Special Assessment Revenue, Conroy Road Interchange Project, Series A, 5.8%, 5/1/2026 | | 3,394,852 |
| Georgia 1.8% | | |
| Americus-Sumter County, GA, Hospital & Healthcare Revenue, Hospital Authority, South Georgia Methodist, Series A, 6.375%, 5/15/2029 | 1,250,000 | 1,202,825 |
| Georgia, Main Street Natural Gas, Inc., Gas Project Revenue, Series A, 5.5%, 9/15/2024 | 1,220,000 | 1,079,346 |
| | | 2,282,171 |
| Guam 0.8% | | |
| Guam, Government Waterworks Authority, Water & Wastewater System Revenue, 6.0%, 7/1/2025 | 1,000,000 | 946,860 |
| Hawaii 0.1% | | |
| Hawaii, State General Obligation, Series CU, Prerefunded, 5.75%, 10/1/2011 (a) | 65,000 | 69,511 |
| Illinois 8.6% | | |
| Illinois, Finance Authority Revenue, Monarch Landing, Inc. Facility, Series A: 7.0%, 12/1/2027 | 1,000,000 | 985,660 |
| 7.0%, 12/1/2037 | 1,000,000 | 966,550 |
| Illinois, Finance Authority Revenue, Three Crowns Park Plaza, Series A, 5.875%, 2/15/2038 | 1,000,000 | 860,590 |
| <hr style="border: 1px solid black;"/> | | |
| Illinois, Hospital & Healthcare Revenue, 6.75%, 2/15/2016 | 2,180,000 | 2,349,887 |
| Illinois, State General Obligation, Prerefunded, 6.0%, 1/1/2013 (a) | 3,315,000 | 3,499,115 |
| Illinois, Upper River Valley Development Authority, Solid Waste Disposal Revenue, Waste Recovery Project, AMT, 5.9%, 2/1/2014 | 1,165,000 | 1,169,928 |
| University Park, IL, Sales & Special Tax Revenue, Governors Gateway Industrial Park, 8.5%, 12/1/2011 | 795,000 | 797,942 |
| | | 10,629,672 |
| Indiana 2.8% | | |
| Indiana, Senior Care Revenue, Health Facilities Finance Authority, Franciscan Eldercare Community Services, 5.875%, 5/15/2029 | 3,000,000 | 2,662,110 |
| Vigo County, IN, Hospital Authority Revenue, Union Hospital, Inc., 144A, 5.7%, 9/1/2037 | 1,000,000 | 859,930 |
| | | 3,522,040 |
| Iowa 2.5% | | |
| Cedar Rapids, IA, First Mortgage Revenue, Cottage Grove Place, Series A, 5.875%, 7/1/2028 | 1,670,000 | 1,420,435 |
| Iowa, Finance Authority Retirement Community Revenue, Edgewater LLC Project, 6.5%, 11/15/2027 | 1,000,000 | 931,220 |
| Lake City, IA, Senior Care Revenue, Health Care Facility, Opportunity Living Project, 144A, 6.45%, 5/1/2011 | 700,000 | 705,586 |
| | | 3,057,241 |
| Kansas 4.6% | | |
| Lenexa, KS, Health Care Facility Revenue, 5.5%, 5/15/2039 | 2,000,000 | 1,647,180 |
| Manhattan, KS, Senior Care Revenue, Meadowlark Hills Retirement, Series A, 6.5%, 5/15/2028 | 500,000 | 526,780 |
| Overland Park, KS, Industrial Development Revenue, Series A, 7.375%, 1/1/2032 | 2,000,000 | 2,237,300 |
| Wyandotte County, KS, Unified Government Special Obligation Revenue, Sales Tax, Series B, 5.0%, 12/1/2020 | 1,400,000 | 1,301,692 |
| | | 5,712,952 |
| Kentucky 0.9% | | |
| Kentucky, Economic Development Finance Authority, Health System Revenue, Norton Healthcare: | | |
| Series A, Prerefunded, 6.625%, 10/1/2028 | 790,000 | 867,799 |
| Series A, 6.625%, 10/1/2028 | 210,000 | 220,549 |
| | | 1,088,348 |
| Louisiana 3.3% | | |
| Louisiana, Local Government Environmental Facilities, Community Development Authority Revenue, 6.75%, 11/1/2032 | 1,000,000 | 976,430 |
| Morehouse Parish, LA, Pollution Control Revenue, International Paper Co. Project, Series A, 5.25%, 11/15/2013 | 3,000,000 | 3,068,760 |
| | | 4,045,190 |
| Maryland 6.9% | | |
| | 983,000 | 1,094,344 |

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| | | |
|---|-----------|------------------|
| Anne Arundel County, MD, General Obligation, National Business Park Project, Prerefunded, 144A, 7.375%, 7/1/2028 | | |
| Anne Arundel County, MD, Revenue Lease, Arundel Mills Project, Prerefunded, 7.1%, 7/1/2029 | 1,500,000 | 1,610,040 |
| Maryland, Higher Education Revenue, Collegiate Housing Foundation: | | |
| Series A, Prerefunded, 5.75%, 6/1/2019 | 1,000,000 | 1,054,800 |
| Series A, Prerefunded, 5.75%, 6/1/2031 | 1,000,000 | 1,054,800 |
| Maryland, Hospital & Healthcare Revenue, University of Maryland Medical System, 6.75%, 7/1/2030 | 1,000,000 | 1,094,920 |
| Maryland, State Economic Development Corp. Revenue, Senior Lien Project, Chesapeake Bay, Series B, 5.25%, 12/1/2031 | 2,000,000 | 1,680,280 |
| Maryland, State Health & Higher Educational Facilities Authority Revenue, Washington County Hospital, 5.75%, 1/1/2033 | 1,000,000 | 910,360 |
| | | 8,499,544 |

Massachusetts 5.5%

| | | |
|--|-----------|------------------|
| Massachusetts, Hospital & Healthcare Revenue, Health & Educational Facilities Authority, Civic Investments, Series A, 9.0%, 12/15/2015 | 1,700,000 | 2,055,045 |
| Massachusetts, Industrial Development Revenue, Development Finance Agency, Series A, 7.1%, 7/1/2032 | 1,895,000 | 1,906,332 |
| Massachusetts, Project Revenue, Health & Educational Facilities Authority, Jordan Hospital, Series E, 6.75%, 10/1/2033 | 1,790,000 | 1,816,814 |
| Massachusetts, State Health & Educational Facilities Authority Revenue, Partners Healthcare Systems: | | |
| Series C, Prerefunded, 5.75%, 7/1/2032 | 965,000 | 1,051,773 |
| Series C, 5.75%, 7/1/2032 | 35,000 | 35,364 |
| | | 6,865,328 |

Michigan 4.6%

| | | |
|---|-----------|------------------|
| Kalamazoo, MI, Economic Development Corp. Revenue, Heritage Community, 5.375%, 5/15/2027 | 1,000,000 | 845,020 |
| Kalamazoo, MI, Industrial Development Revenue, Economic Development Corp., Series A, 7.5%, 5/15/2029 | 2,000,000 | 2,212,040 |
| Saginaw, MI, Hospital & Healthcare Revenue, Hospital Finance Authority, Covenant Medical Center, Series F, 6.5%, 7/1/2030 | 1,000,000 | 1,054,010 |
| Tawas City, MI, Hospital Finance Authority, St. Joseph Health Services: | | |
| Series A, ETM, 5.6%, 2/15/2013 | 230,000 | 240,598 |
| Series A, ETM, 5.75%, 2/15/2023 | 1,300,000 | 1,328,015 |
| | | 5,679,683 |

Missouri 0.8%

| | | |
|---|---------|------------------|
| Branson, MO, Regional Airport Transportation Development District, Airport Revenue, Series B, AMT, 6.0%, 7/1/2037 | 250,000 | 211,540 |
| St. Louis, MO, Special Assessment Revenue, Scullin Redevelopment Area, Series A, 10.0%, 8/1/2010 | 770,000 | 832,362 |
| | | 1,043,902 |

Nevada 2.0%

| | | |
|--|-----------|------------------|
| Henderson, NV, Health Care Facility Revenue, Catholic Healthcare West, Series B, 5.25%, 7/1/2031 | 2,000,000 | 1,845,720 |
| Las Vegas, NV, Transportation/Tolls Revenue, Las Vegas Monorail Project, 7.375%, 1/1/2030 | 2,000,000 | 689,260 |
| | | 2,534,980 |

New Hampshire 2.0%

| | | |
|---|-----------|------------------|
| New Hampshire, Higher Education Revenue, Health & Educational Facilities Authority, New Hampshire College Issue, 7.4%, 1/1/2023 | 1,000,000 | 1,123,210 |
| New Hampshire, Hospital & Healthcare Revenue, Rivermead at Peterborough Retirement Community, 5.75%, 7/1/2028 | 1,500,000 | 1,317,210 |
| | | 2,440,420 |

New Jersey 1.5%

| | | |
|--|-----------|------------------|
| New Jersey, Economic Development Authority Revenue, Cigarette Tax, 5.75%, 6/15/2034 | 290,000 | 267,168 |
| New Jersey, Resource Recovery Revenue, Tobacco Settlement Financing Corp., 5.75%, 6/1/2032 | 1,435,000 | 1,551,465 |
| | | 1,818,633 |

New Mexico 2.2%

| | | |
|---|-----------|-----------|
| Farmington, NM, Pollution Control Revenue, 5.8%, 4/1/2022 | 2,750,000 | 2,752,970 |
|---|-----------|-----------|

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New York 21.2%

| | | |
|---|-----------|-----------|
| Long Island, NY, Power Authority Electric System Revenue, Series E, 5.0%, 12/1/2021 (a) | 8,000,000 | 7,945,920 |
| Nassau County, NY, Hospital & Healthcare Revenue, 6.0%, 8/1/2016 (a) | 2,825,000 | 3,002,975 |
| Nassau County, NY, Industrial Development Agency, Continuing Care Retirement, Amsterdam at Harborside, Series A, 6.7%, 1/1/2043 | 1,000,000 | 962,550 |
| Nassau County, NY, Project Revenue, North Shore Healthcare Systems Project, Series B, 5.875%, 11/1/2011 | 475,000 | 490,984 |

| | | |
|---|-----------|-------------------|
| New York, Core City General Obligation, Series C, 7.0%, 2/1/2010 | 315,000 | 320,232 |
| New York, Sales & Special Tax Revenue, Metropolitan Transportation Authority, Series A, Prerefunded, 5.125%, 4/1/2019 (a) | 1,450,000 | 1,575,976 |
| New York, Sales & Special Tax Revenue, Transitional Finance Authority, Series B, 6.0%, 11/15/2013 | 490,000 | 526,878 |
| New York, State General Obligation Lease, Higher Education Revenue, Dormitory Authority, State University, Prerefunded, 5.125%, 5/15/2021 (a) | 1,880,000 | 1,906,959 |
| New York, Transportation/Tolls Revenue, Triborough Bridge and Tunnel Authority Systems, ETM, Series Y, 6.0%, 1/1/2012 | 5,000,000 | 5,344,200 |
| New York City, NY, Industrial Development Agency Revenue, Liberty-7, World Trade Center, Series A, 6.25%, 3/1/2015 | 2,000,000 | 2,029,180 |
| New York City, NY, Industrial Development Agency, Special Facility Revenue, American Airlines, JFK International Airport, AMT, 8.0%, 8/1/2028 | 2,000,000 | 2,115,380 |
| | | 26,221,234 |

North Carolina 1.9%

| | | |
|---|-----------|------------------|
| North Carolina, Electric Revenue, Municipal Power Agency: Series C, 5.375%, 1/1/2017 | 1,000,000 | 1,023,200 |
| Series B, 6.375%, 1/1/2013 | 1,300,000 | 1,376,570 |
| | | 2,399,770 |

North Dakota 0.9%

| | | |
|---|-----------|------------------|
| Grand Forks, ND, Hospital & Healthcare Revenue, Altru Health Care System, 7.125%, 8/15/2024 | 1,000,000 | 1,103,550 |
|---|-----------|------------------|

Ohio 1.8%

| | | |
|---|-----------|------------------|
| Buckeye, OH, Tobacco Settlement Financing Authority, Series A-2, 5.875%, 6/1/2030 | 2,350,000 | 2,199,107 |
|---|-----------|------------------|

Pennsylvania 5.6%

| | | |
|---|-----------|------------------|
| Montgomery County, PA, Industrial Development Authority Revenue, Whitemarsh Continuing Care, 6.25%, 2/1/2035 | 600,000 | 552,882 |
| Montgomery County, PA, Senior Care Revenue, Higher Education & Health Authority, Philadelphia Geriatric Center, Series A, 7.25%, 12/1/2027 | 2,000,000 | 2,175,800 |
| Pennsylvania, Hospital & Healthcare Revenue, Economic Development Financing Authority, UPMC Health System, Series A, 6.0%, 1/15/2031 | 750,000 | 786,023 |
| Pennsylvania, St. Mary Hospital Authority, Health Systems Revenue, Catholic Health East, Series B, 5.5%, 11/15/2024 | 1,465,000 | 1,614,869 |
| Philadelphia, Redevelopment Authority Revenue, First Lien Mortgage, Series A, 6.5%, 1/1/2029 | 610,100 | 612,742 |
| Westmoreland County, PA, Senior Care Revenue, Industrial Development Authority, Health Care Facilities-Redstone, Series B, 8.125%, 11/15/2030 | 1,000,000 | 1,137,280 |
| | | 6,879,596 |

Rhode Island 1.6%

| | | |
|--|-----------|------------------|
| Rhode Island, Special Assessment Revenue, Series A, 6.125%, 6/1/2032 | 2,000,000 | 1,929,840 |
|--|-----------|------------------|

South Carolina 7.5%

| | | |
|--|-----------|------------------|
| South Carolina, Jobs Economic Development Authority, Hospital Facilities Revenue, Palmetto Health Alliance: Series C, Prerefunded, 7.0%, 8/1/2030 | 1,375,000 | 1,609,493 |
| Series C, 7.0%, 8/1/2030 | 170,000 | 198,536 |
| Series A, Prerefunded, 7.375%, 12/15/2021 | 1,000,000 | 1,133,240 |
| South Carolina, Jobs Economic Development Authority Revenue, Bon Secours Health System: Series A, Prerefunded, 5.625%, 11/15/2030 | 415,000 | 454,823 |
| Series B, 5.625%, 11/15/2030 | 1,585,000 | 1,557,928 |
| South Carolina, Transportation Infrastructure Bank Revenue, Series A, Prerefunded, 5.375%, 10/1/2024 (a) | 4,150,000 | 4,356,878 |
| | | 9,310,898 |

South Dakota 1.6%

| | | |
|--|-----------|------------------|
| South Dakota, Hospital & Healthcare Revenue, Sioux Valley Hospital, Series E, 5.375%, 11/1/2024 | 2,000,000 | 1,926,300 |
|--|-----------|------------------|

Tennessee 2.7%

| | | |
|--|-----------|------------------|
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue: 5.0%, 12/15/2017 | 500,000 | 466,945 |
| 5.0%, 12/15/2018 | 540,000 | 497,615 |
| Johnson City, TN, Hospital & Healthcare Revenue, Health & Educational Facilities Board Hospital, Series A, 7.5%, 7/1/2033 | 2,000,000 | 2,367,800 |
| | | 3,332,360 |

Texas 16.2%

| | | |
|---|-----------|-------------------|
| Abilene, TX, Senior Care Revenue, Health Facilities Development, Sears Methodist Retirement Facilities, Series A, 5.9%, 11/15/2025 | 2,500,000 | 2,258,400 |
| Austin, TX, Project Revenue, Bergstrom Landhost Enterprises, Inc. Airport Hotel Project, Series A, 5.738%, 4/1/2027 * | 1,985,000 | 1,402,819 |
| Hidalgo County, TX, Health Services, Mission Hospital: Prerefunded, 6.75%, 8/15/2016 | 915,000 | 932,467 |
| 6.75%, 8/15/2016 | 1,085,000 | 1,096,414 |
| Houston, TX, Transportation/Tolls Revenue, Special Facilities, Continental Airlines, Inc., AMT, Series E, 6.75%, 7/1/2029 | 2,000,000 | 1,911,800 |
| Tarrant County, TX, Hospital & Healthcare Revenue, Health Facilities Development Corp., 6.7%, 11/15/2030 | 1,000,000 | 1,104,260 |
| Texas, Industrial Development Revenue, Waste Disposal Authority, AMT, Series A, 6.1%, 8/1/2024 | 1,000,000 | 966,280 |
| Texas, Lower Colorado River Authority Revenue: Series B, Prerefunded, 6.0%, 5/15/2013 (a) | 10,000 | 10,496 |
| Series B, 6.0%, 5/15/2013 (a) | 4,990,000 | 5,185,359 |
| Travis County, TX, Health Facilities Development Corp., Retirement Facility Revenue, Querencia Barton Creek Project, 5.65%, 11/15/2035 | 1,250,000 | 1,068,163 |
| Travis County, TX, Hospital & Healthcare Revenue, Ascension Health Credit, Series A, 6.0%, 11/15/2012 (a) | 3,860,000 | 4,054,081 |
| | | 19,990,539 |

Virgin Islands 2.6%

| | | |
|---|-----------|------------------|
| Virgin Islands, Sales & Special Tax Revenue, Public Finance Authority, Series A, 6.375%, 10/1/2019 | 3,000,000 | 3,183,780 |
|---|-----------|------------------|

Virginia 1.8%

| | | |
|--|-----------|------------------|
| Fairfax County, VA, Hospital & Healthcare Revenue, Economic Development Authority, Greenspring Retirement Community, Series A, 7.25%, 10/1/2019 | 2,000,000 | 2,168,520 |
|--|-----------|------------------|

Washington 2.0%

| | | |
|---|-----------|------------------|
| Washington, State Health Care Facilities Authority Revenue, Series C, 5.375%, 8/15/2028 (a) | 595,000 | 552,815 |
| Washington, State Health Care Facilities Authority Revenue, Virginia Mason Medical Center, Series A, 6.125%, 8/15/2037 | 2,000,000 | 1,963,820 |
| | | 2,516,635 |

West Virginia 1.8%

| | | |
|---|-----------|------------------|
| West Virginia, Hospital & Healthcare Revenue, Hospital Finance Authority, Charleston Medical Center, Series A, 6.75%, 9/1/2022 | 390,000 | 426,800 |
| West Virginia, Hospital Finance Authority, Charleston Medical Center, Prerefunded, 6.75%, 9/1/2022 | 1,610,000 | 1,761,920 |
| | | 2,188,720 |

Wisconsin 0.8%

| | | |
|---|-----------|------------------|
| Wisconsin, Hospital & Healthcare Revenue, Health & Education Facilities Authority, Aurora Health Care, Inc., 6.875%, 4/15/2030 | 1,000,000 | 1,042,510 |
|---|-----------|------------------|

| | | |
|---|--|--------------------|
| Total Municipal Bonds and Notes (Cost \$174,200,927) | | 178,072,904 |
|---|--|--------------------|

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| | | |
|--|-------------------|---------------------|
| Municipal Inverse Floating Rate Notes 25.0% | | |
| California 5.9% | | |
| California, State General Obligation, 5.0%, 6/1/2022 (a) (b) <i>Trust: California, Municipal Securities Trust Certificates, Series 7066, Class B, 144A,</i> | 7,000,000 | 7,238,875 |
| <i>4.505%, 6/1/2022, Leverage Factor at purchase date: 4 to 1</i> | | |
| Illinois 2.4% | | |
| Aurora, IL, Single Family Mortgage Revenue, Series C, 5.5%, 6/1/2045 (b) <i>Trust: Illinois, Puttable Floating Option Tax Exempt Receipts, RITES-PA-1499, AMT,</i> | 3,000,000 | 2,985,465 |
| <i>144A, 11.26%, 6/1/2045, Leverage Factor at purchase date: 4 to 1</i> | | |
| Nevada 5.9% | | |
| Clark County, NV, School District, Series A, 5.0%, 6/15/2022 (a) (b) <i>Trust: Clark County, NV, School District, Series 1976, 144A, 7.463%, 6/15/2022,</i> | 7,327,500 | 7,318,826 |
| <i>Leverage Factor at purchase date: 4 to 1</i> | | |
| New York 10.8% | | |
| New York, State Dormitory Authority, State Personal Income Tax Revenue, Series A, 5.0%, 3/15/2023 (b) <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 1955-2,</i> | 5,535,000 | 5,566,731 |
| <i>144A, 9.225%, 3/15/2023, Leverage Factor at purchase date: 4 to 1</i> | | |
| New York & New Jersey, Port Authority, Series 147, 5.0%, 10/15/2023 (a) (b) <i>Trust: New York & New Jersey, Port Authority Revenue, Series 1969, AMT, 144A,</i> | 8,260,000 | 7,838,533 |
| <i>7.46%, 10/15/2023, Leverage Factor at purchase date: 4 to 1</i> | | |
| | | 13,405,264 |
| Total Municipal Inverse Floating Rate Notes (Cost \$32,449,001) | | 30,948,430 |
| | % of | |
| | Net Assets | Value (\$) |
| Total Investment Portfolio (Cost \$206,649,928) | 169.0 | 209,021,334 |
| Other Assets and Liabilities, Net | (12.4) | (15,358,804) |
| Preferred Shares, at Redemption Value | (56.6) | (70,000,000) |
| Net Assets Applicable to Common Shareholders | 100.0 | 123,662,530 |

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.

The cost for federal income tax purposes was \$206,072,697. At February 29, 2008, net unrealized appreciation for all securities based on tax cost was \$2,948,637. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$10,422,082 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$7,473,445.

* *Partial interest paying security. The rate shown represents 85% of the original coupon rate.*

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

| | <i>As a % of Total Investment Portfolio</i> |
|--------------------------------------|---|
| Insurance Coverage | |
| Ambac Financial Group, Inc. | 5.5 |
| Financial Guaranty Insurance Company | 13.6 |
| Financial Security Assurance Inc. | 4.7 |
| MBIA Corp. | 2.3 |
| Radian Asset Assurance | 0.3 |

(b) *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

The following is a summary of the inputs used as of February 29, 2008 in valuing the Fund's assets carried at fair value:

| Investments in Securities at | |
|--|-----------------------|
| Valuation Inputs | Value |
| Level 1 - Quoted Prices | \$ - |
| Level 2 - Other Significant Observable Inputs | 209,021,334 |
| Level 3 - Significant Unobservable Inputs | - |
| Total | \$ 209,021,334 |

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), effective December 1, 2007, which governs the application of generally accepted accounting principles that require fair value measurements of the Fund's assets and liabilities. Fair value is an estimate of the price the Fund would receive upon selling a security in a timely transaction to an independent buyer in the principal or most advantageous market of the security. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels as follows:

- Level 1 quoted prices in active markets for identical securities
- Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

For Level 1 inputs, the Fund uses unadjusted quoted prices in active markets for assets or liabilities with sufficient frequency and volume to provide pricing information as the most reliable evidence of fair value. The Fund's Level 2 valuation techniques include inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 observable inputs may include quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active in which there are few transactions, the prices are not current, or price quotations vary substantially over time or among market participants. Inputs that are observable for the asset or liability in Level 2 include such factors as interest rates, yield curves, prepayment speeds, credit risk, and default rates for similar liabilities. For Level 3 valuation techniques, the Fund uses unobservable inputs that reflect assumptions market participants would be expected to use in pricing the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available and are developed based on the best information available under the circumstances. In developing unobservable inputs, market participant assumptions are used if they are reasonably available without undue cost and effort.

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The Fund may record changes to valuations based on the amount that might reasonably be expected to receive for a security upon its current sale consistent with the fair value measurement objective. Each determination is based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to the type of the security, the existence of any contractual restrictions on the security's disposition, the price and extent of public trading in similar securities of the issue or of comparable companies, quotations or evaluated prices from broker-dealers and/or pricing services, information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities), an analysis of the company's financial statements, an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold, and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination,

and the movement of the market in which the security is normally traded. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value determined upon sale of those investments.

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

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 Strategic Municipal Income Trust

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

President

Date: April 16, 2008

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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.

Registrant: DWS Strategic Municipal Income Trust

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

Date: April 16, 2008

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

Date: April 16, 2008