

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

MORGAN STANLEY INSURED MUNICIPAL TRUST

Form N-Q

March 29, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-06434

Morgan Stanley Insured Municipal Trust
(Exact name of registrant as specified in charter)

1221 Avenue of the Americas, New York, New York 10020
(Address of principal executive offices) (Zip code)

Ronald E. Robison
1221 Avenue of the Americas, New York, New York 10020
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-762-4000

Date of fiscal year end: October 31, 2007

Date of reporting period: January 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS.

The Trust's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

MORGAN STANLEY INSURED MUNICIPAL TRUST
PORTFOLIO OF INVESTMENTS January 31, 2006 (unaudited)

PRINCIPAL AMOUNT IN THOUSANDS -----		COUPON RATE -----	MAT D ---
	TAX-EXEMPT MUNICIPAL BONDS (157.2%)		
	General Obligation (24.9%)		
\$ 10,000	North Slope Borough, Alaska, Ser 2000 B (MBIA)	0.00%	06/
3,000	Los Angeles, California, Ser 2004 A (MBIA)	5.00	09/
	Honolulu City & County, Hawaii,		
5,000	Ser 2003 A (MBIA)+++	5.25	03/
5,000	Ser 2003 A (MBIA)+++	5.25	03/
	Chicago, Illinois,		
8,000	Refg Ser 1992 (Ambac)	6.25	01/
2,000	Refg 2001 A (MBIA)	0.00++	01/
2,000	Refg 2001 A (MBIA)	0.00++	01/
	Illinois,		
10,000	Ser 2001 (MBIA)	5.375	04/
10,000	Ser 2001 (MBIA)	5.375	04/

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

3,000	Brainerd Independent School District #181, Minnesota, Ser 2002 A (FGIC)	5.375	02/
4,000	Clark County, Nevada, Transportation Impr Ltd Tax Ser 06/01/92 B (Ambac)	6.50	06/
1,880	King County, Washington, Refg 1998 Ser B (MBIA)	5.25	01/

63,880			

	Educational Facilities Revenue (5.9%)		
2,000	Arizona Board of Regents, Arizona State University Ser 2004 COPs (Ambac)	5.00	09/
	University of California,		
1,000	Limited Projects Ser 2005 B (FSA)	5.00	05/
3,120	Ser 2007 J (FSA) +++	4.50	05/
2,880	Ser 2007 J (FSA) +++	4.50	05/
1,735	Orange County Educational Facilities Authority, Florida, Rollins College Ser 2005 (Ambac)	5.125	12/
	Fulton County Development Authority, Georgia,		
900	Morehouse College Ser 2000 (Ambac)	6.25	12/
1,700	Morehouse College Ser 2000 (Ambac)	5.875	12/
2,000	University of North Carolina at Wilmington, Student Housing Ser 2005 COPs (FGIC)	5.00	06/

15,335			

	Electric Revenue (15.3%)		
2,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA)	5.25	10/
2,000	Missouri Joint Municipal Electrical Utility Commission, Plum Point Ser 2006 (MBIA)	5.00	01/
1,000	Long Island Power Authority, New York, Ser 2006 A (XLCA)		
	South Carolina Public Service Authority, Santee Cooper	5.00	12/
9,325	Ser 2002 B (FSA)	5.375	01/
2,000	Ser 2003 A (Ambac)	5.00	01/
10,000	Lower Colorado River Authority, Texas, Refg Ser 1999 A (FSA)	5.875	05/
3,000	Cowlitz County Public Utility District # 1, Washington, Production Ser 2006 (MBIA)	5.00	09/
10,000	Seattle, Washington, Light & Power Refg Rev 2001 (FSA)	5.125	03/

39,325			

	Hospital Revenue (4.7%)		
3,000	Indiana Health Facilities Financing Authority, Community Health Ser 2005 A (Ambac)	5.00	05/
2,000	Louisiana Public Facilities Authority, Baton Rouge General Medical Center-FHA Insured Mtge Ser 2004 (MBIA)	5.25	07/
4,000	Minneapolis, Minnesota, Fairview Health 2005 Ser D (Ambac)	5.00	11/
2,000	New York State Dormitory Authority, Montefiore Hospital - FHA Insured Mtge Ser 2004 A (FGIC)	5.00	08/
1,000	Medical University, South Carolina, Hospital Authority, FHA Insured Mtge Ser 2004 A (MBIA)	5.25	02/

12,000			

	Industrial Development/Pollution Control Revenue (2.5%)		
5,000	New York State Energy Research & Development Authority, Brooklyn Union Gas Co 1996 Ser (MBIA)**	5.50	01/

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

1,500	Delaware County Industrial Development Authority, Pennsylvania, Aqua Inc Ser A 2005 (AMT) (FGIC)	5.00	11/

6,500			

3,695	Mortgage Revenue - Multi-Family (1.4%) New Jersey Housing Mortgage Finance Authority, Home Buyer Ser 2000 CC (AMT) (MBIA)	5.875	10/

2,000	Public Facilities Revenue (6.5%) Kern County Board of Education, California, Refg 2006 Ser A COPs (MBIA)	5.00	06/
1,500	Albuquerque, New Mexico, Gross Receipts Lodgers' Tax Refg Ser 2004 A (FSA)	5.00	07/
12,000	Hudson Yards Infrastructure Corporation, 2007 Ser A (MBIA)+++	4.50	02/
1,685	Oregon Department of Administrative Services, Ser 2005 B COPs (FGIC)	5.00	11/

17,185			

6,500	Recreational Facilities Revenue (9.1%) Denver Convention Center Hotel Authority, Colorado, Refg Ser 2006 (XLCA)	5.00	12/
4,000	District of Columbia Ballpark, Ser 2006 B-1 (FGIC) Iowa,	5.00	02/
3,600	Vision Iowa Ser 2001 (MBIA)	5.50	02/
2,500	Vision Iowa Ser 2001 (MBIA)	5.50	02/
1,000	Omaha Convention Hotel Corporation, Nebraska, Ser 2002 A (Ambac)	5.50	04/
1,000	New York City Industrial Development Agency, New York, Queens Baseball Stadium Ser 2006 (Ambac)	5.00	01/
2,000	Yankee Stadium Ser 2006 (FGIC)	5.00	03/
1,965	Hamilton County, Ohio, Sales Tax 2000 (Ambac)	5.60	12/

22,565			

5,000	Transportation Facilities Revenue (33.6%) Denver City & County, Colorado, Airport Refg Ser 2000 A (AMT) (Ambac)	6.00	11/
	Miami Dade County, Florida,		
2,155	Miami Int'l Airport Refg Ser 2003 B (AMT) (MBIA)	5.25	10/
2,270	Miami Int'l Airport Refg Ser 2003 B (AMT) (MBIA)	5.25	10/
5,000	Atlanta, Georgia, Airport Ser 2004 C (FSA)	5.00	01/
5,000	Hawaii, Airports Refg Ser 2001 (AMT) (FGIC)	5.25	07/
4,000	Regional Transportation Authority, Illinois, Refg Ser 1999 (FSA)	5.75	06/
	Chicago, Illinois,		
3,000	O'Hare Int'l Airport, Ser 2005 A (MBIA)	5.25	01/
2,000	O'Hare Int'l Airport Third Lien Ser 2003 (AMT) (FSA)	5.75	01/
2,500	Maryland Economic Development Corporation, Maryland Aviation Administration Ser 2003 (AMT) (FSA)	5.375	06/
8,000	Massachusetts Turnpike Authority, Metropolitan Highway Ser 1997 A (MBIA)+++	5.00	01/
5,000	Nevada Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (Ambac)	0.00	01/
2,000	New Jersey Transportation Trust Fund Authority, Ser 2005 C (FGIC)	5.25	06/
5,000	New Jersey Turnpike Authority, Ser 2003 A (Ambac)	5.00	01/
6,805	Metropolitan Transportation Authority, New York, State Service Contract Refg Ser 2002 B (MBIA)	5.50	07/

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

10,000	Transportation Refg Ser 2002 A (Ambac)	5.50	11/
2,000	Transportation Refg Ser 2002 A (FGIC)	5.00	11/
	Pennsylvania Turnpike Commission,		
4,000	Ser R 2001 (Ambac)	5.00	12/
4,000	Ser A 2004 (Ambac)	5.00	12/
3,000	Harris County, Texas, Toll Road Sr Lien Ser 2005 A (FSA)	5.25	08/
	Port of Seattle, Washington, Passenger Facility		
4,010	Ser 1998 A (MBIA)+++	5.00	12/
2,500	Ser 2001 B (AMT) (MBIA)	5.625	02/

87,240			

	Water & Sewer Revenue (33.8%)		
1,000	Phoenix Civic Improvement Corporation, Arizona, Jr Lien		
	Wastewater Ser 2004 (MBIA)	5.00	07/
4,000	Eastern Municipal Water District, California, Water & Sewer		
	Refg Ser 2006 A COPs (MBIA)	5.00	07/
5,000	Los Angeles Department Water & Power, California, 2006 Ser A-1		
	(Ambac)	5.00	07/
2,000	Sacramento County Sanitation Districts Financing Authority,		
	California, Sacramento Regional Ser 2006 (FGIC)	5.00	12/
5,000	San Diego County Water Authority, California, Ser 2004 A COPs		
	(FSA)	5.00	05/
10,000	Tampa Bay Water, Florida, Ser 2001 B (FGIC)	5.00	10/
2,000	Atlanta, Georgia, Water & Wastewater Ser 1999 A (FGIC)	5.00	11/
10,000	Louisville & Jefferson County Metropolitan Sewer District,		
	Kentucky, Ser 1999 A (FGIC)	5.75	05/
3,800	Louisville Board of Water Works, Kentucky, Water Ser 2000		
	(FSA)	5.50	11/
5,000	Grand Strand Water & Sewer Authority, South Carolina,		
	Refg Ser 2001 (FSA)	5.00	06/
	Austin, Texas,		
10,000	Water & Wastewater Refg Ser 2001 A & B (FSA)+++	5.125	05/
2,000	Water & Wastewater Ser 2004 A (Ambac)	5.00	11/
15,000	Houston, Texas, Combined Utility First Lien Refg 2004 Ser A		
	(FGIC)	5.25	05/
	San Antonio, Texas,		
2,000	Water & Refg Ser 2002 (FSA)	5.50	05/
2,500	Water & Refg Ser 2002 (FSA)	5.50	05/
2,000	Water & Refg Ser 2002 A (FSA)	5.00	05/
5,000	King County, Washington, Sewer Refg 2001 (FGIC)	5.00	01/

86,300			

	Other Revenue (3.3%)		
2,500	California, Economic Recovery Ser 2004 A (MBIA)	5.00	07/
6,000	Golden State Tobacco Securitization Corporation, California,		
	Enhanced Asset Backed Ser 2005 A (FGIC)	5.00	06/

8,500			

	Refunded (16.2%)		
2,390	San Jose Redevelopment Agency, California, Merged Area		
	Ser 2002 (MBIA)	5.00	08/
5,000	Honolulu City & County, Hawaii, Wastewater Ser 2001 (Ambac)	5.125	07/

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

5,000	Detroit, Michigan, Sewage Disposal Ser 2001 A (FGIC)	5.125	07/
5,000	Minneapolis - St Paul Metropolitan Airports Commission, Minnesota, Ser 2001 C (FGIC)	5.25	01/
2,500	University of North Carolina, Ser 2000 (Ambac)	5.25	10/
8,035	Hamilton County, Ohio, Sales Tax 2000 (Ambac)	5.60	12/
2,000	Pennsylvania Public School Building Authority, Philadelphia School District Ser 2003 (FSA)	5.00	06/
	Wichita Falls, Texas,		
2,000	Water & Sewer Ser 2001 (Ambac)	5.375	08/
3,000	Water & Sewer Ser 2001 (Ambac)	5.375	08/
3,000	Utah Board of Regents, University of Utah - Huntsman Cancer Institute Refg Ser 2000 A (MBIA)	5.50+	04
3,000	Alexandria Industrial Development Authority, Virginia, Institute for Defense Analysis Ser 2000 A (Ambac)	5.90+	10

40,925			

403,450	TOTAL TAX-EXEMPT MUNICIPAL BONDS (Cost \$401,647,614)		

	SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATION (3.3%)		
700	North Central Texas Health Facility Development Corporation, Presbyterian Medical Center Ser 1985 D (Demand 02/01/07)	3.70*	12/
8,200	San Antonio Education Facilities Corporation, Texas, Trinity University Ser 2002 (Demand 02/01/07)	3.73*	06/

8,900	TOTAL SHORT-TERM TAX-EXEMPT MUNICIPAL OBLIGATION (Cost \$8,900,000)		

412,350	TOTAL INVESTMENTS (Cost \$410,547,614)		

(36,260)	FLOATING RATE NOTE OBLIGATIONS RELATED TO SECURITIES HELD (-13.5%) Notes with interest rates ranging from 3.44% to 3.65% at January 31, 2007 and contractual maturities of collateral ranging from 12/01/23 to 02/15/47 ++++ (c) (Cost (\$36,260,000))		

\$ 376,090	TOTAL NET INVESTMENTS (Cost \$374,287,614) (a) (b)		
=====			
	OTHER ASSETS IN EXCESS OF LIABILITIES PREFERRED SHARES OF BENEFICIAL INTEREST		
	NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS		

Note: The categories of investments are shown as a percentage of net assets applicable to common shareholders.

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

FHA Federal Housing Authority.

+ Prerefunded to call date shown.

++ Security is a "step-up" bond where the coupon increases on a predetermined future date.

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

- +++ Underlying security related to inverse floaters entered into by the Trust.
- ++++ Floating rate note obligations related to securities held. The interest rate shown reflects the rate in effect at January 31, 2007.
- * Current coupon of variable rate demand obligation.
- ** A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$107,250.
- (a) Securities have been designated as collateral in an amount equal to \$17,851,109 in connection with open futures contracts.
- (b) The aggregate cost for federal income tax purposes is \$374,281,947. The aggregate gross unrealized appreciation is \$19,935,831 and the aggregate gross unrealized depreciation is \$272,554, resulting in net unrealized appreciation of \$19,663,277.
- (c) Floating Rate Note Obligations Related to Securities Held - The Trust enters into transactions in which it transfers to Dealer Trusts ("Dealer Trusts"), fixed rate bonds in exchange for cash and residual interests in the Dealer Trusts' assets and cash flows, which are in the form of inverse floating rate investments. The Dealer Trusts fund the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Trust to retain residual interest in the bonds. The Trust enters into shortfall agreements with the Dealer Trusts which commit the Trust to pay the Dealer Trusts, in certain circumstances, the difference between the liquidation value of the fixed rate bonds held by the Dealer Trusts and the liquidation value of the floating rate notes held by third parties, as well as any shortfalls in interest cash flows. The residual interests held by the Trust (inverse floating rate investments) include the right of the Trust (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the Dealer Trusts to the Trust, thereby collapsing the Dealer Trusts. The Trust accounts for the transfer of bonds to the Dealer Trusts as secured borrowings, with the securities transferred remaining in the Trust's investment assets, and the related floating rate notes reflected as Trust liabilities. The notes issued by the Dealer Trust have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the Dealer Trust for redemption at par at each reset date. At January 31, 2007, Trust investments with a value of \$50,891,590 are held by the Dealer Trust and serve as collateral for the \$36,260,000 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at January 31, 2007 are presented in the "Portfolio of Investments".

Bond Insurance:

Ambac Ambac Assurance Corporation.

FGIC Financial Guaranty Insurance Company.

FSA Financial Security Assurance Inc.

MBIA Municipal Bond Investors Assurance Corporation.

XLCA XL Capital Assurance Inc.

FUTURES CONTRACTS OPEN AT JANUARY 31, 2007:

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED APPRECIATION
165	Short	U.S. Treasury Notes 10 Year, March 2007	\$(17,613,750)	\$344,156 =====

Geographic Summary of Investments
Based on Market Value as a Percent of Total Net Investments

Alaska	2.0%
Arizona	0.8
California	9.5
Colorado	3.3
District of Columbia	1.0
Florida	3.9
Georgia	2.3
Hawaii	4.9
Illinois	10.3
Indiana	0.7
Iowa	1.6
Kentucky	3.4
Louisiana	0.5
Maryland	0.6
Massachusetts	1.9
Michigan	1.2
Minnesota	3.0
Missouri	0.5
Nebraska	0.3
Nevada	1.7
New Jersey	2.6
New Mexico	0.4
New York	10.1
North Carolina	1.1
Ohio	2.4
Oregon	0.4
Pennsylvania	2.8
South Carolina	4.3
Texas	14.7
Utah	0.7
Virginia	0.7
Washington	6.4
Joint exemptions*	0.0

Total+	100.0%
	=====

* Joint exemptions have been included in each geographic location.

+ Does not include open short futures contracts with an underlying face amount of \$17,613,750 with a total unrealized appreciation of \$344,156.

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

ITEM 2. CONTROLS AND PROCEDURES.

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to provide reasonable assurance that information required to be disclosed by the Trust in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report. The Trust's principal executive officer and principal financial officer have also concluded that the Trust's disclosure controls and procedures designed to ensure that information required to be disclosed by the Trust in this Form N-Q is accumulated and communicated to the Trust's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure were effective.

Management of the Trust has determined that as of and prior to November 30, 2006, the Trust's fiscal quarter end period, the Trust had a deficiency in its internal control over financial reporting related to the review, analysis and determination of whether certain transfers of municipal securities qualified for sale accounting under the provisions of Statement of Financial Accounting Standards No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Since November 30, 2006, and prior to the issuance of the Trust's quarterly schedule of portfolio holdings, management has revised its disclosure controls and procedures and its internal control over financial reporting in order to improve the controls' effectiveness to ensure that transactions in transfer of municipal securities are accounted for properly.

Management notes that other investment companies investing in similar investments over similar time periods had been accounting for such investments in a similar manner as the Trust. Accordingly, other investment companies are also concluding that there was a material weakness in their internal control over financial reporting of such investments. There was no impact to the net asset value of the Trust's shares or the Trust's total return for any period as a result of the changes in financial reporting of such investments.

(b) There were no changes in the Trust's internal control over financial reporting that occurred during the fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Trust's internal control over financial reporting. However, as discussed above, subsequent to November 30, 2006, the Trust's internal control over financial reporting was revised.

ITEM 3. EXHIBITS.

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

SIGNATURES

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

Morgan Stanley Insured Municipal Trust

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

/s/ Ronald E. Robison

Ronald E. Robison
Principal Executive Officer
March 22, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Ronald E. Robison

Ronald E. Robison
Principal Executive Officer
March 22, 2007

/s/ Francis Smith

Francis Smith
Principal Financial Officer
March 22, 2007