

DWS STRATEGIC MUNICIPAL INCOME TRUST
Form N-Q
October 30, 2007
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)

222 South Riverside Plaza

Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(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: 08/31/07

ITEM 1. SCHEDULE OF INVESTMENTS

Investment Portfolio as of **August 31, 2007 (Unaudited)****DWS Strategic Municipal Income Trust**

| | Principal Amount (\$) | Value (\$) |
|--|----------------------------------|-------------------|
| Municipal Bonds and Notes 141.9% | | |
| Alabama 2.8% | | |
| Alabama, Sales & Special Tax Revenue, Public School and College Authority, Series C, 5.625%, 7/1/2013 | 1,000,000 | 1,046,150 |
| Huntsville, AL, Hospital & Healthcare Revenue, Health Care Authority, Series A, 5.75%, 6/1/2031 | 1,500,000 | 1,617,975 |
| Sylacauga, AL, Health Care Authority Revenue, Coosa Valley Medical Center, Series A, 6.0%, 8/1/2035 | 1,000,000 | 1,000,560 |
| | | 3,664,685 |
| | | |
| Arizona 1.4% | | |
| Arizona, Project Revenue, Health Facilities Authority, The New Foundation Project, 8.25%, 3/1/2019 | 1,815,000 | 1,829,193 |
| California 9.4% | | |
| California, Special Assessment Revenue, Golden State Tobacco Securitization Corp.: | | |
| Series B, 5.625%, 6/1/2038 | 1,890,000 | 2,053,013 |
| Series 2003-A-1, 6.75%, 6/1/2039 | 4,500,000 | 5,171,310 |
| California, State Public Works Board, Lease Revenue, Department of Corrections, Series C, 5.5%, 6/1/2019 | 1,920,000 | 2,048,333 |
| Sacramento County, CA, Sales & Special Tax Revenue, Bradshaw Road Project, 7.2%, 9/2/2015 | 1,050,000 | 1,062,180 |
| Sacramento, CA, Project Revenue, City Financing Authority, Convention Center Hotel, Series A, 6.25%, 1/1/2030 | 1,995,000 | 2,000,426 |
| | | 12,335,262 |
| | | |
| Colorado 2.5% | | |
| Colorado, Health Facilities Authority Revenue, Christian Living Communities Project, Series A, 5.75%, 1/1/2037 | 1,000,000 | 951,720 |
| Colorado, Hospital & Healthcare Revenue, PorterCare Adventist Health Project, 6.5%, 11/15/2031 | 1,000,000 | 1,115,590 |
| Colorado, Transportation/Tolls Revenue, Northwest Parkway Public Highway Authority, Series D, 7.125%, 6/15/2041 | 1,150,000 | 1,208,903 |
| | | 3,276,213 |
| | | |
| Connecticut 2.9% | | |
| Greenwich, CT, Multi-Family Housing Revenue, 6.35%, 9/1/2027 | 2,000,000 | 2,061,900 |
| Mashantucket, CT, Sports, Expo & Entertainment Revenue, Mashantucket Western Pequot Tribe: | | |
| Series B, 144A, Zero Coupon, 9/1/2017 | 2,000,000 | 1,170,800 |
| Series B, 144A, Zero Coupon, 9/1/2018 | 1,000,000 | 550,730 |
| | | 3,783,430 |
| | | |
| District of Columbia 0.8% | | |
| District of Columbia, General Obligation: | | |
| Series A, Prerefunded, 5.0%, 6/1/2018 (a) | 340,000 | 346,616 |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

| | | |
|--|-----------|------------------|
| Series A, 5.0%, 6/1/2018 (a) | 660,000 | 671,544 |
| | | 1,018,160 |
| Florida 4.2% | | |
| Miami Beach, FL, Health Facilities Authority Hospital Revenue, Mount Sinai Medical Center, 144A, 6.75%, 11/15/2029 | 1,600,000 | 1,726,864 |
| Nassau County, FL, ICF/MR-Intercare Facilities Mentally Retarded Revenue, GF/Amelia Island Properties Project, Series A, 9.75%, 1/1/2023 | 1,775,000 | 1,780,006 |
| Orlando, FL, Greater Aviation Authority, Airport Facilities Revenue, Jet Blue Airways Corp., AMT, 6.5%, 11/15/2036 | 1,000,000 | 1,029,210 |
| Orlando, FL, Special Assessment Revenue, Conroy Road Interchange Project, Series A, 5.8%, 5/1/2026 | 1,000,000 | 1,005,910 |
| | | 5,541,990 |
| Georgia 1.0% | | |
| Americus-Sumter County, GA, Hospital & Healthcare Revenue, Hospital Authority, South Georgia Methodist, Series A, 6.375%, 5/15/2029 | 1,250,000 | 1,273,525 |
| Guam 0.8% | | |
| Guam, Government Waterworks Authority, Water & Wastewater System Revenue, 6.0%, 7/1/2025 | 1,000,000 | 1,031,070 |
| Hawaii 1.0% | | |
| Hawaii, State General Obligation: | | |
| Series CU, Prerefunded, 5.75%, 10/1/2011 (a) | 65,000 | 68,895 |
| Series CU, 5.75%, 10/1/2011 (a) | 1,185,000 | 1,256,373 |
| | | 1,325,268 |
| Illinois 6.9% | | |
| Illinois, Finance Authority Revenue, Three Crowns Park Plaza, Series A, 5.875%, 2/15/2038 | 1,000,000 | 978,200 |
| Illinois, Hospital & Healthcare Revenue, 6.75%, 2/15/2016 | 2,180,000 | 2,351,849 |
| Illinois, State General Obligation, Prerefunded, 6.0%, 1/1/2013 (a) | 3,315,000 | 3,485,656 |
| Illinois, Upper River Valley Development Authority, Solid Waste Disposal Revenue, Waste Recovery Project, AMT, 5.9%, 2/1/2014 | 1,325,000 | 1,335,468 |
| University Park, IL, Sales & Special Tax Revenue, Governors Gateway Industrial Park, 8.5%, 12/1/2011 | 955,000 | 958,104 |
| | | 9,109,277 |
| Indiana 3.0% | | |
| Indiana, Senior Care Revenue, Health Facilities Finance Authority, Franciscan Eldercare Community Services, 5.875%, 5/15/2029 | 3,000,000 | 2,989,110 |
| Vigo County, IN, Hospital Authority Revenue, Union Hospital, Inc., 144A, 5.7%, 9/1/2037 | 1,000,000 | 944,580 |
| | | 3,933,690 |
| Iowa 1.4% | | |
| Cedar Rapids, IA, First Mortgage Revenue, Cottage Grove Place, Series A, 5.875%, 7/1/2028 | 1,245,000 | 1,142,014 |
| Lake City, IA, Senior Care Revenue, Health Care Facility, Opportunity Living Project, 144A, 6.45%, 5/1/2011 | 700,000 | 707,672 |
| | | 1,849,686 |
| Kansas 4.5% | | |
| Lenexa, KS, Health Care Facility Revenue, 5.5%, 5/15/2039 | 2,000,000 | 1,911,860 |
| Manhattan, KS, Senior Care Revenue, Meadowlark Hills Retirement, Series A, 6.5%, 5/15/2028 | 500,000 | 527,425 |
| Overland Park, KS, Industrial Development Revenue, Series A, 7.375%, 1/1/2032 | 2,000,000 | 2,108,060 |
| Wyandotte County, KS, Unified Government Special Obligation Revenue, Sales Tax, Series B, 5.0%, 12/1/2020 | 1,400,000 | 1,373,974 |
| | | 5,921,319 |
| Kentucky 0.8% | | |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

Kentucky, Economic Development Finance Authority, Health System Revenue, Norton Healthcare:

| | | |
|--|---------|------------------|
| Series A, Prerefunded, 6.625%, 10/1/2028 | 790,000 | 863,170 |
| Series A, 6.625%, 10/1/2028 | 210,000 | 224,815 |
| | | 1,087,985 |

Louisiana 2.4%

| | | |
|---|-----------|------------------|
| Morehouse Parish, LA, Pollution Control Revenue, International Paper Co. Project, Series A, 5.25%, 11/15/2013 | 3,000,000 | 3,098,310 |
|---|-----------|------------------|

Maryland 9.2%

| | | |
|--|-----------|-------------------|
| Anne Arundel County, MD, General Obligation, National Business Park Project, Prerefunded, 144A, 7.375%, 7/1/2028 | 983,000 | 1,092,546 |
| Anne Arundel County, MD, Revenue Lease, Arundel Mills Project, Prerefunded, 7.1%, 7/1/2029 | 1,500,000 | 1,613,310 |
| Maryland, Higher Education Revenue, Collegiate Housing Foundation: | | |
| Series A, Prerefunded, 5.75%, 6/1/2019 | 1,000,000 | 1,052,560 |
| Series A, Prerefunded, 5.75%, 6/1/2031 | 1,000,000 | 1,052,560 |
| Maryland, Hospital & Healthcare Revenue, University of Maryland Medical System, 6.75%, 7/1/2030 | 1,000,000 | 1,091,260 |
| Maryland, Project Revenue, Economic Development Corp., Chesapeake Bay, Series B, 7.625%, 12/1/2022 | 4,000,000 | 4,362,920 |
| Maryland, State Economic Development Corp. Revenue, Sr. Lien Project, Chesapeake Bay, Series B, 5.25%, 12/1/2031 | 2,000,000 | 1,836,880 |
| | | 12,102,036 |

Massachusetts 7.9%

| | | |
|--|-----------|-------------------|
| Massachusetts, Hospital & Healthcare Revenue, Health & Educational Facilities Authority, Civic Investments, Series A, 9.0%, 12/15/2015 | 1,800,000 | 2,175,066 |
| Massachusetts, Industrial Development Revenue, Development Finance Agency, Series A, 7.1%, 7/1/2032 | 1,895,000 | 1,946,203 |
| Massachusetts, Project Revenue, Health & Educational Facilities Authority, Jordan Hospital, Series E, 6.75%, 10/1/2033 | 1,790,000 | 1,883,957 |
| Massachusetts, State General Obligation, Consolidated Loan: | | |
| Series B, Prerefunded, 5.0%, 4/1/2016 (a) | 915,000 | 930,601 |
| Series B, 5.0%, 4/1/2016 (a) | 2,260,000 | 2,298,533 |
| Massachusetts, State Health & Educational Facilities Authority Revenue, Partners Healthcare System: | | |
| Series C, Prerefunded, 5.75%, 7/1/2032 | 965,000 | 1,043,252 |
| Series C, 5.75%, 7/1/2032 | 35,000 | 37,681 |
| | | 10,315,293 |

Michigan 4.4%

| | | |
|---|-----------|------------------|
| Kalamazoo, MI, Economic Development Corp. Revenue, Heritage Community, 5.375%, 5/15/2027 | 1,000,000 | 939,770 |
| Kalamazoo, MI, Industrial Development Revenue, Economic Development Corp., Series A, 7.5%, 5/15/2029 | 2,000,000 | 2,209,500 |
| Saginaw, MI, Hospital & Healthcare Revenue, Hospital Finance Authority, Covenant Medical Center, Series F, 6.5%, 7/1/2030 | 1,000,000 | 1,065,370 |
| Tawas City, MI, Hospital Finance Authority, St. Joseph Health Services: | | |
| Series A, ETM, 5.6%, 2/15/2013 | 270,000 | 277,843 |
| Series A, ETM, 5.75%, 2/15/2023 | 1,300,000 | 1,336,829 |
| | | 5,829,312 |

Missouri 0.8%

| | | |
|---|---------|---------|
| Branson, MO, Regional Airport Transportation Development District, Airport Revenue, Series B, AMT, 6.0%, 7/1/2037 | 250,000 | 236,260 |
| St. Louis, MO, Special Assessment Revenue, Scullin Redevelopment Area, Series A, 10.0%, 8/1/2010 | 770,000 | 843,019 |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

| | | |
|---|-----------|-------------------|
| | 2,000,000 | 1,079,279 |
| Nevada 1.5% | | |
| Las Vegas, NV, Transportation/Tolls Revenue, Las Vegas Monorail Project, 7.375%, 1/1/2030 | 2,000,000 | 2,011,960 |
| New Hampshire 2.4% | | |
| New Hampshire, Health & Education Facilities Authority Revenue, Havenwood Heritage Heights, Series A, 5.4%, 1/1/2030 | 550,000 | 518,078 |
| New Hampshire, Higher Education Revenue, Health & Educational Facilities Authority, New Hampshire College Issue, 7.4%, 1/1/2023 | 1,000,000 | 1,121,630 |
| New Hampshire, Hospital & Healthcare Revenue, Rivermead at Peterborough Retirement Community, 5.75%, 7/1/2028 | 1,500,000 | 1,477,500 |
| | | 3,117,208 |
| New Jersey 2.8% | | |
| New Jersey, Economic Development Authority Revenue, Cigarette Tax, 5.75%, 6/15/2034 | 290,000 | 301,606 |
| New Jersey, Economic Development Authority Revenue, Motor Vehicle Surplus Revenue, Series A, 5.0%, 7/1/2023 (a) | 1,770,000 | 1,824,604 |
| New Jersey, Resource Recovery Revenue, Tobacco Settlement Financing Corp., 5.75%, 6/1/2032 | 1,435,000 | 1,536,469 |
| | | 3,662,679 |
| New Mexico 2.1% | | |
| Farmington, NM, Pollution Control Revenue, 5.8%, 4/1/2022 | 2,750,000 | 2,766,665 |
| New York 15.0% | | |
| Nassau County, NY, Hospital & Healthcare Revenue, 6.0%, 8/1/2016 (a) | 2,825,000 | 2,997,523 |
| Nassau County, NY, Project Revenue, North Shore Healthcare Systems Project, Series B, 5.875%, 11/1/2011 | 575,000 | 598,822 |
| | | |
| New York, Core City General Obligation, Series C, 7.0%, 2/1/2010 | 315,000 | 319,104 |
| New York, Sales & Special Tax Revenue, Metropolitan Transportation Authority, Series A, Prerefunded, 5.125%, 4/1/2019 (a) | 1,450,000 | 1,571,568 |
| New York, Sales & Special Tax Revenue, Transitional Finance Authority, Series B, 6.0%, 11/15/2013 | 490,000 | 524,413 |
| New York, State General Obligation Lease, Higher Education Revenue, Dormitory Authority, State University, Prerefunded, 5.125%, 5/15/2021 (a) | 1,880,000 | 1,917,356 |
| New York, Transitional Finance Authority, Series B, Prerefunded, 6.0%, 11/15/2013 | 1,510,000 | 1,616,047 |
| New York, Transportation/Tolls Revenue, Triborough Bridge and Tunnel Authority Systems, ETM, Series Y, 6.0%, 1/1/2012 | 5,000,000 | 5,303,650 |
| New York City, NY, Industrial Development Agency Revenue, Liberty-7, World Trade Center, Series A, 6.25%, 3/1/2015 | 2,000,000 | 2,090,680 |
| New York City, NY, Industrial Development Agency, Special Facility Revenue, American Airlines, JFK International Airport, AMT, 8.0%, 8/1/2028 | 2,000,000 | 2,317,120 |
| New York City, NY, Municipal Finance Authority, Water & Sewer Systems Revenue, Second Generation Resolution, Series CC-1, 3.9% *, 6/15/2038 | 400,000 | 400,000 |
| | | 19,656,283 |
| North Carolina 1.8% | | |
| North Carolina, Electric Revenue, Municipal Power Agency: | | |
| Series C, 5.375%, 1/1/2017 | 1,000,000 | 1,020,810 |
| Series B, 6.375%, 1/1/2013 | 1,300,000 | 1,370,213 |
| | | 2,391,023 |
| North Dakota 0.8% | | |
| Grand Forks, ND, Hospital & Healthcare Revenue, Altru Health Care System, 7.125%, 8/15/2024 | 1,000,000 | 1,100,310 |
| Pennsylvania 5.3% | | |
| Montgomery County, PA, Industrial Development Authority Revenue, Whitmarsh Continuing Care, 6.25%, 2/1/2035 | 600,000 | 606,510 |
| Montgomery County, PA, Senior Care Revenue, Higher Education & Health Authority, Philadelphia Geriatric Center, Series A, 7.25%, 12/1/2027 | 2,000,000 | 2,171,560 |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

| | | |
|--|-----------|------------------|
| Pennsylvania, Hospital & Healthcare Revenue, Economic Development Financing Authority, UPMC Health System, Series A, 6.0%, 1/15/2031 | 750,000 | 797,295 |
| Pennsylvania, St. Mary Hospital Authority, Health Systems Revenue, Catholic Health East, Series B, 5.5%, 11/15/2024 | 1,465,000 | 1,609,464 |
| Philadelphia, Redevelopment Authority Revenue, First Lien Mortgage, Series A, 6.5%, 1/1/2029 | 622,900 | 631,664 |
| Westmoreland County, PA, Senior Care Revenue, Industrial Development Authority, Health Care Facilities-Redstone, Series B, 8.125%, 11/15/2030 | 1,000,000 | 1,128,470 |
| | | 6,944,963 |
| Rhode Island 1.6% | | |
| Rhode Island, Special Assessment Revenue, Series A, 6.125%, 6/1/2032 | 2,000,000 | 2,043,480 |
| South Carolina 7.1% | | |
| South Carolina, Hospital & Healthcare Revenue, Jobs Economic Development Authority, Bon Secours Health Systems, Inc., Series A, 5.625%, 11/15/2030 | 2,000,000 | 2,034,060 |
| South Carolina, Jobs Economic Development Authority, Hospital Facilities Revenue, Palmetto Health Alliance: | | |
| Series C, Prerefunded, 7.0%, 8/1/2030 | 1,375,000 | 1,599,400 |
| Series C, 7.0%, 8/1/2030 | 170,000 | 197,305 |
| Series A, Prerefunded, 7.375%, 12/15/2021 | 1,000,000 | 1,129,370 |
| South Carolina, Transportation Infrastructure Bank Revenue, Series A, Prerefunded, 5.375%, 10/1/2024 (a) | 4,150,000 | 4,329,446 |
| | | 9,289,581 |
| South Dakota 1.6% | | |
| South Dakota, Hospital & Healthcare Revenue, Sioux Valley Hospital, Series E, 5.375%, 11/1/2024 | 2,000,000 | 2,061,140 |
| | | |
| Tennessee 2.5% | | |
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue: | | |
| 5.0%, 12/15/2017 | 500,000 | 511,065 |
| 5.0%, 12/15/2018 | 540,000 | 551,891 |
| Johnson City, TN, Hospital & Healthcare Revenue, Health & Educational Facilities Board Hospital, Series A, 7.5%, 7/1/2033 | 2,000,000 | 2,269,140 |
| | | 3,332,096 |
| Texas 22.7% | | |
| Abilene, TX, Senior Care Revenue, Health Facilities Development, Sears Methodist Retirement Facilities, Series A, 5.9%, 11/15/2025 | 2,500,000 | 2,487,325 |
| Austin, TX, Project Revenue, Bergstrom Landhost Enterprises, Inc. Airport Hotel Project, Series A, 4.388%, 4/1/2027 ** | 1,985,000 | 1,549,650 |
| Crowley, TX, School District General Obligation, 5.125%, 8/1/2025 | 4,000,000 | 4,051,800 |
| Hidalgo County, TX, Health Services, Mission Hospital: | | |
| Prerefunded, 6.75%, 8/15/2016 | 915,000 | 940,382 |
| 6.75%, 8/15/2016 | 1,085,000 | 1,108,317 |
| Houston, TX, General Obligation: | | |
| Series A, Prerefunded, 5.0%, 3/1/2016 | 1,365,000 | 1,373,900 |
| 5.0%, 3/1/2016 | 1,635,000 | 1,643,338 |
| Houston, TX, School District General Obligation, Series A, 5.0%, 2/15/2024 | 2,000,000 | 2,037,760 |
| Houston, TX, Transportation/Tolls Revenue, Special Facilities, Continental Airlines, Inc., AMT, Series E, 6.75%, 7/1/2029 | 2,000,000 | 2,063,340 |
| Tarrant County, TX, Hospital & Healthcare Revenue, Health Facilities Development Corp., 6.7%, 11/15/2030 | 1,000,000 | 1,097,920 |
| Texas, Industrial Development Revenue, Waste Disposal Authority, AMT, Series A, 6.1%, 8/1/2024 | 1,000,000 | 1,030,910 |
| Texas, Lower Colorado River Authority Revenue, Series B, 6.0%, 5/15/2013 (a) | 5,000,000 | 5,226,550 |
| | 1,250,000 | 1,195,463 |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

| | | |
|---|-----------|--------------------|
| Travis County, TX, Health Facilities Development Corp., Retirement Facility Revenue, Querencia Barton Creek Project, 5.65%, 11/15/2035 | 3,860,000 | 4,058,288 |
| Travis County, TX, Hospital & Healthcare Revenue, Ascension Health Credit, Series A, 6.0%, 11/15/2012 (a) | | 29,864,943 |
| Virgin Islands 2.5% | | |
| Virgin Islands, Sales & Special Tax Revenue, Public Finance Authority, Series A, 6.375%, 10/1/2019 | 3,000,000 | 3,229,830 |
| Virginia 1.6% | | |
| Fairfax County, VA, Hospital & Healthcare Revenue, Economic Development Authority, Greenspring Retirement Community, Series A, 7.25%, 10/1/2019 | 2,000,000 | 2,169,000 |
| West Virginia 1.7% | | |
| West Virginia, Hospital & Healthcare Revenue, Hospital Finance Authority, Charleston Medical Center, Series A, 6.75%, 9/1/2022 | 390,000 | 419,659 |
| West Virginia, Hospital Finance Authority, Charleston Medical Center, Prerefunded, 6.75%, 9/1/2022 | 1,610,000 | 1,762,419 |
| | | 2,182,078 |
| Wisconsin 0.8% | | |
| Wisconsin, Hospital & Healthcare Revenue, Health & Education Facilities Authority, Aurora Health Care, Inc., 6.875%, 4/15/2030 | 1,000,000 | 1,070,870 |
| Total Municipal Bonds and Notes (Cost \$174,132,151) | | 186,299,092 |
| Municipal Inverse Floating Rate Notes 32.6% | | |
| Illinois 2.4% | | |
| Aurora, IL, Single Family Mortgage Revenue, Series C, 5.5%, 6/1/2045 (b) | 3,000,000 | 3,152,850 |
| <i>Trust: Illinois, Puttable Floating Option Tax Exempt Receipts, RITES-PA-1499, AMT,</i> | | |
| <i>144A, 9.1%, 6/1/2045, Leverage Factor at purchase date: 4 to 1</i> | | |
| Nevada 7.4% | | |
| Clark County, NV, School District, Series A, 5.0%, 6/15/2022 (a) (b) | 7,327,500 | 7,720,071 |
| <i>Trust: Clark County, NV, School District, Series 1976, 144A, 7.373%, 6/15/2015</i> | | |
| <i>Leverage Factor at purchase date: 4 to 1</i> | | |
| Henderson, NV, Health Care Facility Revenue, Catholic Healthcare West, Series B, 5.25%, 7/1/2031 (b) | 2,000,000 | 1,999,440 |
| <i>Trust: Nevada, Puttable Floating Option Tax Exempt Receipts, RITES-PA-1494, 144A,</i> | | |
| <i>8.19%, 7/1/2031, Leverage Factor at purchase date: 4 to 1</i> | | |
| | | 9,719,511 |
| New York 22.8% | | |
| California, State General Obligation, 5.0%, 6/1/2022 (a) (b) | 7,000,000 | 7,348,075 |
| <i>Trust: New York, Municipal Securities Trust Certificates, Series 7066, Class B,</i> | | |
| <i>144A, 7.535%, 6/1/2022, Leverage Factor at purchase date: 4 to 1</i> | | |
| New York, Long Island Power Authority, Electric System Revenue, Series E, 5.0%, 12/1/2021(a) (b) | 8,000,000 | 8,370,280 |
| <i>Trust: New York, Long Island Power Authority, Electric Systems Revenue, Series 1917,</i> | | |
| <i>144A, 7.43%, 12/1/2014, Leverage Factor at purchase date: 4 to 1</i> | | |
| New York, State Dormitory Authority, State Personal Income Tax Revenue, Series A, 5.0%, 3/15/2023 (b) | 5,535,000 | 5,780,381 |
| <i>Trust: New York, State Dormitory Authority Revenues, Secondary Issues, Series 1955-2,</i> | | |
| <i>144A, 7.427%, 3/15/2015, Leverage Factor at purchase date: 4 to 1</i> | | |

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

| | | |
|--|-----------|-----------|
| New York & New Jersey, Port Authority, Series 147, 5.0%, 10/15/2023 (a) (b) <i>Trust: New York & New Jersey, Port Authority, Series 1969, AMT, 144A, 7.31%,</i> | 8,260,000 | 8,462,453 |
|--|-----------|-----------|

4/15/2015, Leverage Factor at purchase date: 4 to 1

| | | |
|--|--|-------------------|
| | | 29,961,189 |
| Total Municipal Inverse Floating Rate Notes (Cost \$42,925,787) | | 42,833,550 |

| | % of | |
|--|-------------------|---------------------|
| | Net Assets | Value (\$) |
| Total Investment Portfolio (Cost \$217,057,938) | 174.5 | 229,132,642 |
| Other Assets and Liabilities, Net | (21.2) | (27,809,292) |
| Preferred Shares, at Redemption Value | (53.3) | (70,000,000) |
| Net Assets Applicable to Common Shareholders | 100.0 | 131,323,350 |

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.

* *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, 2007.*

** *Partial interest paying security. The rate shown represents 65% of the original coupon rate.*

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

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

Insurance Coverage

*As a % of Total
Investment Portfolio*

MBIA Corp.

5.0

(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 are 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.

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 half-year (the registrant's second fiscal half-year in the case of the annual report) 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: October 17, 2007

Edgar Filing: DWS STRATEGIC MUNICIPAL INCOME TRUST - Form N-Q

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: October 17, 2007

By: /s/Paul Schubert
Paul Schubert

Chief Financial Officer and Treasurer

Date: October 17, 2007