

DWS STRATEGIC MUNICIPAL INCOME TRUST
Form N-Q
October 28, 2009
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

(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: 8/31/09

ITEM 1. SCHEDULE OF INVESTMENTS

Investment Portfolio

as of August 31, 2009 (Unaudited)

DWS Strategic Municipal Income Trust

| | Principal Amount (\$) | Value (\$) |
|---|--------------------------|-------------------|
| Municipal Bonds and Notes 151.9% | | |
| Alabama 0.6% | | |
| Sylacauga, AL, Health Care Authority Revenue, Coosa Valley Medical Center, Series A, 6.0%, 8/1/2035 | 1,000,000 | 700,990 |
| Arizona 2.6% | | |
| Arizona, Project Revenue, Health Facilities Authority, The New Foundation Project, 8.25%, 3/1/2019 | 1,625,000 | 1,621,311 |
| Maricopa County, AZ, Pollution Control Corp. Revenue, El Paso Electric Co. Project, Series B, 7.25%, 4/1/2040 | 1,570,000 | 1,697,092 |
| | | 3,318,403 |
| California 14.3% | | |
| California, Health Facilities Financing Authority Revenue, Catholic Healthcare West, Series A, 6.0%, 7/1/2034 | 1,000,000 | 1,011,000 |
| California, Infrastructure & Economic Development Bank Revenue, Orange County Performing Arts Center, Series A, 0.1% **, 7/1/2034, Bank of America NA (a) | 400,000 | 400,000 |
| California, M-S-R Energy Authority, Series B, 7.0%, 11/1/2034 (b) | 1,310,000 | 1,373,928 |
| California, Morongo Band of Mission Indians, Enterprise Casino Revenue, Series B, 144A, 6.5%, 3/1/2028 | 1,000,000 | 825,840 |
| California, South Bayside Waste Management Authority, Solid Waste Enterprise, Shoreway Environmental, Series A, 6.25%, 9/1/2029 (b) | 1,425,000 | 1,499,656 |
| California, Special Assessment Revenue, Golden State Tobacco Securitization Corp., Series 2003-A-1, Prerefunded, 6.75%, 6/1/2039 | 4,000,000 | 4,713,480 |
| California, State General Obligation: | | |
| 5.75%, 4/1/2031 | 1,000,000 | 1,047,970 |
| 6.0%, 4/1/2038 | 1,000,000 | 1,058,180 |
| 6.5%, 4/1/2033 | 1,950,000 | 2,162,628 |
| California, State Public Works Board Lease Revenue, Riverside Campus Project, Series B, 6.125%, 4/1/2028 | 2,000,000 | 2,073,940 |
| Sacramento County, CA, Sales & Special Tax Revenue, Bradshaw Road Project, 7.2%, 9/2/2015 | 765,000 | 767,540 |
| Southern California, Metropolitan Water District, Waterworks Revenue, Series C-1, 0.08% **, 7/1/2036 | 1,000,000 | 1,000,000 |
| | | 17,934,162 |
| Colorado 1.1% | | |
| Colorado, Health Facilities Authority Revenue, Christian Living Communities Project, Series A, 5.75%, 1/1/2037 | 1,000,000 | 742,430 |
| Colorado, Public Energy Authority, Natural Gas Purchased Revenue, 6.25%, 11/15/2028 | 635,000 | 647,789 |
| | | 1,390,219 |
| Connecticut 2.6% | | |
| Greenwich, CT, Multi-Family Housing Revenue, 6.35%, 9/1/2027 | 2,000,000 | 2,040,560 |
| Mashantucket, CT, Mashantucket Western Pequot Tribe, Special Revenue, Series A, 144A, 6.5%, 9/1/2031 | 705,000 | 336,729 |
| Mashantucket, CT, Sports, Expo & Entertainment Revenue, Mashantucket Western Pequot Tribe: | | |
| Series B, 144A, Zero Coupon, 9/1/2017 | 2,000,000 | 573,160 |
| Series B, 144A, Zero Coupon, 9/1/2018 | 1,000,000 | 270,690 |
| | | 3,221,139 |
| Florida 8.2% | | |
| Florida, Capital Region Community Development District Revenue, Capital Improvement, Series A, 7.0%, 5/1/2039 | 500,000 | 375,750 |

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| | | |
|---|-----------|-------------------|
| Florida, Middle Village Community Development District, Special Assessment, Series A, 6.0%, 5/1/2035 | 1,000,000 | 717,730 |
| Florida, Tolomato Community Development District, Special Assessment: 5.4%, 5/1/2037 | 1,955,000 | 1,159,022 |
| 6.55%, 5/1/2027 | 850,000 | 637,415 |
| Hillsborough County, FL, Industrial Development Authority Revenue, Health Facilities, University Community Hospital, Series A, 5.625%, 8/15/2029 | 1,875,000 | 1,503,356 |
| Miami Beach, FL, Health Facilities Authority Hospital Revenue, Mount Sinai Medical Center, 144A, 6.75%, 11/15/2029 | 1,600,000 | 1,251,904 |
| Miami-Dade County, FL, Aviation Revenue, Series A, 5.5%, 10/1/2041 | 3,000,000 | 3,039,480 |
| Orlando, FL, Greater Aviation Authority, Airport Facilities Revenue, Jet Blue Airways Corp., AMT, 6.5%, 11/15/2036 | 1,000,000 | 689,750 |
| Orlando, FL, Special Assessment Revenue, Conroy Road Interchange Project, Series A, 5.8%, 5/1/2026 | 1,000,000 | 892,390 |
| | | 10,266,797 |
| Georgia 5.1% | | |
| Americus-Sumter County, GA, Hospital & Healthcare Revenue, Hospital Authority, South Georgia Methodist, Series A, 6.375%, 5/15/2029 | 1,250,000 | 996,388 |
| Atlanta, GA, Water & Wastewater Revenue, Series A, 6.25%, 11/1/2034 | 2,000,000 | 2,094,800 |
| Gainesville & Hall County, GA, Development Authority Retirement Community Revenue, ACTS Retirement, Life Community, Series A-2, 6.625%, 11/15/2039 | 1,000,000 | 1,027,860 |
| Georgia, Main Street Natural Gas, Inc., Gas Project Revenue, Series A, 5.5%, 9/15/2024 | 1,220,000 | 1,154,315 |
| Georgia, Medical Center Hospital Authority Revenue, Anticipation Certificates, Columbus Regional Healthcare Systems, 6.5%, 8/1/2038 (c) | 1,000,000 | 1,102,260 |
| | | 6,375,623 |
| Guam 1.5% | | |
| Guam, Government General Obligation, Series A, 7.0%, 11/15/2039 | 1,000,000 | 1,008,190 |
| Guam, Government Waterworks Authority, Water & Wastewater System Revenue, 6.0%, 7/1/2025 | 1,000,000 | 937,310 |
| | | 1,945,500 |
| Hawaii 0.4% | | |
| Hawaii, State Department of Budget & Finance, Special Purpose Revenue, Hawaiian Electric Co., 6.5%, 7/1/2039 | 500,000 | 524,370 |
| Idaho 0.3% | | |
| Idaho, Health Facilities Authority Revenue, St. Luke's Regional Medical Center, 6.75%, 11/1/2037 | 305,000 | 327,588 |
| Illinois 5.2% | | |
| Illinois, Finance Authority Revenue, Friendship Village of Schaumburg, Series A, 5.625%, 2/15/2037 | 2,000,000 | 1,399,380 |
| Illinois, Finance Authority Revenue, Monarch Landing, Inc. Facility, Series A, 7.0%, 12/1/2027 | 1,000,000 | 591,600 |
| Illinois, Finance Authority Revenue, Three Crowns Park Plaza, Series A, 5.875%, 2/15/2038 | 1,000,000 | 771,440 |
| Illinois, Hospital & Healthcare Revenue, ETM, 6.75%, 2/15/2016 | 2,180,000 | 2,259,941 |
| Illinois, Upper River Valley Development Authority, Solid Waste Disposal Revenue, Waste Recovery Project, AMT, 5.9%, 2/1/2014 | 995,000 | 911,360 |
| University Park, IL, Sales & Special Tax Revenue, Governors Gateway Industrial Park, 8.5%, 12/1/2011 | 620,000 | 621,637 |
| | | 6,555,358 |
| Indiana 1.0% | | |
| Indiana, Finance Authority Hospital Revenue, Deaconess Hospital Obligation, Series A, 6.75%, 3/1/2039 | 525,000 | 543,974 |
| Vigo County, IN, Hospital Authority Revenue, Union Hospital, Inc., 144A, 5.7%, 9/1/2037 | 1,000,000 | 737,070 |
| | | 1,281,044 |
| Iowa 1.9% | | |
| Cedar Rapids, IA, First Mortgage Revenue, Cottage Grove Place, Series A, 5.875%, 7/1/2028 | 1,670,000 | 1,212,737 |
| Iowa, Finance Authority Retirement Community Revenue, Edgewater LLC Project, 6.5%, 11/15/2027 | 1,000,000 | 849,270 |
| Lake City, IA, Senior Care Revenue, Health Care Facility, Opportunity Living Project, 144A, 6.45%, 5/1/2011 | 350,000 | 350,126 |

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|---|-----------|------------------|
| | | 2,412,133 |
| Kansas 2.2% | | |
| Lenexa, KS, Health Care Facility Revenue, 5.5%, 5/15/2039 | 2,000,000 | 1,392,640 |
| Wyandotte County, KS, Unified Government Special Obligation Revenue, Sales Tax, Series B, 5.0%, 12/1/2020 | 1,400,000 | 1,396,318 |
| | | 2,788,958 |
| Kentucky 3.6% | | |
| Kentucky, Economic Development Finance Authority, Health System Revenue, Norton Healthcare: | | |
| Series A, 6.625%, 10/1/2028 | 215,000 | 218,210 |
| Series A, Prerefunded, 6.625%, 10/1/2028 | 785,000 | 841,599 |
| Kentucky, Economic Development Finance Authority, Louisville Arena Project Revenue, Series A-1, 6.0%, 12/1/2033 (c) | 365,000 | 386,338 |
| Louisville & Jefferson County, KY, Metropolitan Government Health Systems Revenue, Norton Healthcare, Inc., 5.0%, 10/1/2030 | 3,425,000 | 3,132,813 |
| | | 4,578,960 |
| Louisiana 4.2% | | |
| Louisiana, Local Government Environmental Facilities, Community Development Authority Revenue, 6.75%, 11/1/2032 | 1,000,000 | 902,780 |
| Louisiana, St. John Baptist Parish Revenue, Marathon Oil Corp., Series A, 5.125%, 6/1/2037 | 1,500,000 | 1,371,600 |
| Morehouse Parish, LA, Pollution Control Revenue, International Paper Co. Project, Series A, 5.25%, 11/15/2013 | 3,000,000 | 2,983,560 |
| | | 5,257,940 |
| Maryland 4.9% | | |
| Maryland, Economic Development Corp., Pollution Control Revenue, Potomac Electric Power Co., 6.2%, 9/1/2022 | 1,500,000 | 1,656,300 |
| Maryland, State Economic Development Corp. Revenue, Senior Lien Project, Chesapeake Bay: | | |
| Series A, 5.0%, 12/1/2031 | 1,000,000 | 530,080 |
| Series B, 5.25%, 12/1/2031 | 2,000,000 | 1,090,360 |
| Maryland, State Health & Higher Educational Facilities Authority Revenue, Anne Arundel Health Systems, Series A, 6.75%, 7/1/2039 | 500,000 | 561,895 |
| Maryland, State Health & Higher Educational Facilities Authority Revenue, Washington County Hospital: | | |
| 5.75%, 1/1/2033 | 1,000,000 | 951,880 |
| 6.0%, 1/1/2028 | 1,385,000 | 1,392,978 |
| | | 6,183,493 |
| Massachusetts 5.8% | | |
| Massachusetts, Hospital & Healthcare Revenue, Health & Educational Facilities Authority, Civic Investments, Series A, Prerefunded, 9.0%, 12/15/2015 | 1,600,000 | 1,928,768 |
| Massachusetts, Industrial Development Revenue, Development Finance Agency, Series A, 7.1%, 7/1/2032 | 1,845,000 | 1,434,561 |
| Massachusetts, Project Revenue, Health & Educational Facilities Authority, Jordan Hospital, Series E, 6.75%, 10/1/2033 | 1,790,000 | 1,417,107 |
| Massachusetts, State Development Finance Agency Revenue, Linden Ponds, Inc. Facility, Series A, 5.75%, 11/15/2035 | 2,700,000 | 1,793,475 |
| Massachusetts, State Health & Educational Facilities Authority Revenue, Milford Regional Medical Center, Series E, 5.0%, 7/15/2037 | 950,000 | 706,392 |
| Massachusetts, State Health & Educational Facilities Authority Revenue, Partners Healthcare Systems, Series C, 5.75%, 7/1/2032 | 35,000 | 35,988 |
| | | 7,316,291 |
| Michigan 3.5% | | |
| Kalamazoo, MI, Economic Development Corp. Revenue, Heritage Community, 5.375%, 5/15/2027 | 1,000,000 | 717,500 |
| Royal Oak, MI, Hospital Finance Authority Revenue, William Beaumont Hospital, 8.25%, 9/1/2039 | 1,000,000 | 1,147,230 |
| Saginaw, MI, Hospital & Healthcare Revenue, Hospital Finance Authority, Covenant Medical Center, Series F, 6.5%, 7/1/2030 | 1,000,000 | 1,005,780 |
| Tawas City, MI, Hospital Finance Authority, St. Joseph Health Services: | | |
| Series A, ETM, 5.6%, 2/15/2013 | 190,000 | 201,645 |

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| Series A, ETM, 5.75%, 2/15/2023 | 1,300,000 | 1,317,758 |
| | | 4,389,913 |
| Minnesota 0.9% | | |
| Minneapolis, MN, Health Care Systems Revenue, Fairview Health Services, Series A, 6.75%, 11/15/2032 | 1,000,000 | 1,096,810 |
| Mississippi 1.3% | | |
| Lowndes County, MS, Solid Waste Disposal & Pollution Control Revenue, Weyerhaeuser Co. Project, Series A, 6.8%, 4/1/2022 | 250,000 | 243,887 |
| Mississippi, Business Finance Corp., Pollution Control Revenue, Systems Energy Resources, Inc. Project, 5.875%, 4/1/2022 | 1,000,000 | 936,660 |
| Warren County, MS, Gulf Opportunity Zone, International Paper Co., Series A, 6.5%, 9/1/2032 | 435,000 | 430,650 |
| | | 1,611,197 |
| Missouri 1.9% | | |
| Branson, MO, Regional Airport Transportation Development District, Airport Revenue, Series B, AMT, 6.0%, 7/1/2037 | 250,000 | 163,495 |
| Missouri, State Health & Educational Facilities Authority Revenue, Lutheran Senior Services, Series C, 5.0%, 2/1/2042 | 2,000,000 | 1,473,900 |
| St. Louis, MO, Lambert-St. Louis International Airport Revenue, Series A-1, 6.625%, 7/1/2034 | 415,000 | 427,794 |
| St. Louis, MO, Special Assessment Revenue, Scullin Redevelopment Area, Series A, 10.0%, 8/1/2010 | 275,000 | 283,638 |
| | | 2,348,827 |
| Nevada 8.7% | | |
| Clark County, NV, Industrial Development Revenue, Nevada Power Co. Project, Series B, AMT, 5.9%, 10/1/2030 | 1,665,000 | 1,504,344 |
| Clark County, NV, School District, Series A, 5.0%, 6/15/2022 (c) | 7,140,000 | 7,540,197 |
| Henderson, NV, Health Care Facility Revenue, Catholic Healthcare West, Series B, 5.25%, 7/1/2031 | 2,000,000 | 1,866,960 |
| Nevada, Director State Department of Business & Industry, Las Vegas Monorail Project, Second Tier, 7.375%, 1/1/2030 * | 2,000,000 | 20,000 |
| | | 10,931,501 |
| New Hampshire 2.2% | | |
| New Hampshire, Hospital & Healthcare Revenue, Rivermead at Peterborough Retirement Community, 5.75%, 7/1/2028 | 1,500,000 | 1,202,025 |
| New Hampshire, State Business Finance Authority, Solid Waste Disposal Revenue, Waste Management, Inc. Project, AMT, 5.2%, 5/1/2027 | 1,750,000 | 1,603,087 |
| | | 2,805,112 |
| New Jersey 1.2% | | |
| New Jersey, Economic Development Authority Revenue, Cigarette Tax, 5.75%, 6/15/2034 | 290,000 | 265,686 |
| New Jersey, Health Care Facilities Financing Authority Revenue, St. Joseph's Health Care System, 6.625%, 7/1/2038 | 1,430,000 | 1,307,149 |
| | | 1,572,835 |
| New Mexico 2.0% | | |
| Farmington, NM, Pollution Control Revenue, 5.8%, 4/1/2022 | 2,750,000 | 2,535,912 |
| New York 13.9% | | |
| Long Island, NY, Power Authority, Electric System Revenue, Series E, 5.0%, 12/1/2021 (c) | 2,900,000 | 3,050,191 |
| Nassau County, NY, Project Revenue, North Shore Healthcare Systems Project, Series B, 5.875%, 11/1/2011 | 365,000 | 377,115 |
| New York, Core City General Obligation, Series C, 7.0%, 2/1/2010 | 315,000 | 322,960 |
| New York, Sales & Special Tax Revenue, Metropolitan Transportation Authority, Series A, Prerefunded, 5.125%, 4/1/2019 (c) | 1,450,000 | 1,682,029 |
| New York, State General Obligation Lease, Higher Education Revenue, Dormitory Authority, State University, 5.125%, 5/15/2021 (c) | 140,000 | 140,088 |
| New York & New Jersey Port Authority, One Hundred Forty-Seventh, AMT, 5.0%, 10/15/2023 (c) | 8,260,000 | 8,412,562 |
| New York City, NY, Industrial Development Agency Revenue, Liberty-7, World Trade Center, Series A, 6.25%, 3/1/2015 | 2,000,000 | 1,791,060 |
| New York City, NY, Industrial Development Agency, Special Facility Revenue, American Airlines, JFK International Airport, AMT, 8.0%, 8/1/2028 | 2,000,000 | 1,769,460 |
| | | 17,545,465 |
| North Carolina 2.7% | | |
| North Carolina, Electric Revenue, Municipal Power Agency, Series C, 5.375%, 1/1/2017 | 1,000,000 | 1,039,600 |

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| North Carolina, Medical Care Commission, Health Care Facilities Revenue, University Health Systems, Series D, 6.25%, 12/1/2033 | 1,000,000 | 1,077,750 |
| North Carolina, Municipal Power Agency No. 1, Catawba Electric Revenue, Series B, 6.375%, 1/1/2013 | 1,300,000 | 1,328,847 |
| | | 3,446,197 |
| Ohio 5.0% | | |
| Buckeye, OH, Tobacco Settlement Financing Authority, Series A-2, 5.875%, 6/1/2030 | 7,350,000 | 6,231,403 |
| Pennsylvania 4.0% | | |
| Butler County, PA, Hospital Authority Revenue, Butler Health Systems Project, 7.25%, 7/1/2039 | 2,000,000 | 2,145,040 |
| Montgomery County, PA, Industrial Development Authority Revenue, Whitemarsh Continuing Care, 6.25%, 2/1/2035 | 600,000 | 401,088 |
| Pennsylvania, Hospital & Healthcare Revenue, Economic Development Financing Authority, UPMC Health System, Series A, 6.0%, 1/15/2031 | 750,000 | 767,588 |
| Philadelphia, Redevelopment Authority Revenue, First Lien Mortgage, Series A, 6.5%, 1/1/2029 | 589,200 | 589,677 |
| Westmoreland County, PA, Senior Care Revenue, Industrial Development Authority, Health Care Facilities-Redstone, Series B, Prerefunded, 8.125%, 11/15/2030 | 1,000,000 | 1,094,080 |
| | | 4,997,473 |
| Puerto Rico 7.0% | | |
| Commonwealth of Puerto Rico, Aqueduct & Sewer Authority Revenue, Series A, 6.0%, 7/1/2038 | 4,000,000 | 4,029,600 |
| Commonwealth of Puerto Rico, Highway & Transportation Authority Revenue, Series L, 5.25%, 7/1/2038 (c) | 1,300,000 | 1,193,530 |
| Puerto Rico, Sales Tax Financing Corp., Sales Tax Revenue, Series A, 6.5%, 8/1/2044 | 2,000,000 | 2,167,100 |
| Puerto Rico, Sales Tax Financing Corp., Sales Tax Revenue, Convertible Capital Appreciation, Series A, Zero Coupon, 8/1/2032 | 2,000,000 | 1,400,000 |
| | | 8,790,230 |
| South Carolina 4.1% | | |
| Hardeeville, SC, Assessment Revenue, Anderson Tract Municipal Improvement District, Series A, 7.75%, 11/1/2039 | 983,000 | 767,271 |
| South Carolina, Jobs Economic Development Authority, Hospital Facilities Revenue, Palmetto Health Alliance: | | |
| Series C, Prerefunded, 7.0%, 8/1/2030 | 1,545,000 | 1,844,375 |
| Series A, Prerefunded, 7.375%, 12/15/2021 | 1,000,000 | 1,091,410 |
| South Carolina, Jobs Economic Development Authority Revenue, Bon Secours Health System, Series B, 5.625%, 11/15/2030 | 1,585,000 | 1,519,555 |
| | | 5,222,611 |
| South Dakota 1.6% | | |
| South Dakota, Hospital & Healthcare Revenue, Sioux Valley Hospital, Series E, 5.375%, 11/1/2024 | 2,000,000 | 2,021,760 |
| Tennessee 3.5% | | |
| Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue: | | |
| 5.0%, 12/15/2017 | 500,000 | 471,160 |
| 5.0%, 12/15/2018 | 540,000 | 505,208 |
| Johnson City, TN, Health & Educational Facilities Board Hospital Revenue, Mountain States Health Alliance, Series A, 7.75%, 7/1/2038 | 1,000,000 | 1,114,470 |
| Johnson City, TN, Hospital & Healthcare Revenue, Health & Educational Facilities Board Hospital, Series A, Prerefunded, 7.5%, 7/1/2033 | 2,000,000 | 2,289,080 |
| | | 4,379,918 |
| Texas 13.2% | | |
| Abilene, TX, Senior Care Revenue, Health Facilities Development, Sears Methodist Retirement Facilities, Series A, 5.9%, 11/15/2025 | 2,500,000 | 1,963,725 |
| | | |
| Austin, TX, Austin-Bergstrom Landhost Enterprises, Inc., Airport Hotel Project, Series A, 4.388%, 4/1/2027 (d) | 1,960,000 | 1,340,954 |
| Brazos River, TX, Harbor Navigation District, Brazoria County Environmental Health, Dow Chemical Co. Project: | | |
| Series B-2, 4.95%, 5/15/2033 | 1,000,000 | 817,110 |

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| Series A-3, AMT, 5.125%, 5/15/2033 | 1,000,000 | 795,640 |
| Dallas, TX, Performing Arts Cultural Facilities Corp., Dallas Arts Center Foundation Project, Series A, 0.13% **, 9/1/2041, Bank of America NA (a) | 2,500,000 | 2,500,000 |
| Houston, TX, Transportation/Tolls Revenue, Special Facilities, Continental Airlines, Inc., Series E, AMT, 6.75%, 7/1/2029 | 2,000,000 | 1,710,100 |
| Matagorda County, TX, Navigation District No. 1, Pollution Control Revenue, AEP Texas Central Co. Project, Series A, 4.4%, 5/1/2030 (c) | 2,250,000 | 1,746,562 |
| North Texas, Tollway Authority Revenue, Toll Second Tier, Series F, 5.75%, 1/1/2033 | 2,000,000 | 1,984,600 |
| San Antonio, TX, Convention Center Hotel Finance Corp., Contract Revenue, Empowerment Zone, Series A, AMT, 5.0%, 7/15/2039 (c) | 1,000,000 | 806,630 |
| Texas, Industrial Development Revenue, Waste Disposal Authority, Series A, AMT, 6.1%, 8/1/2024 | 1,000,000 | 958,870 |
| Texas, SA Energy Acquisition Public Facility Corp., Gas Supply Revenue, 5.5%, 8/1/2020 | 2,000,000 | 2,036,880 |
| | | 16,661,071 |
| Virgin Islands 2.4% | | |
| Virgin Islands, Sales & Special Tax Revenue, Public Finance Authority, Series A, 6.375%, 10/1/2019 | 3,000,000 | 3,062,820 |
| Virginia 1.2% | | |
| Washington County, VA, Industrial Development Authority, Hospital Facility Revenue, Mountain States Health Alliance, Series C, 7.75%, 7/1/2038 | 1,370,000 | 1,527,865 |
| Washington 1.9% | | |
| Washington, State Health Care Facilities Authority Revenue, Series C, 5.375%, 8/15/2028 (c) | 595,000 | 516,793 |
| Washington, State Health Care Facilities Authority Revenue, Virginia Mason Medical Center, Series A, 6.125%, 8/15/2037 | 2,000,000 | 1,820,440 |
| | | 2,337,233 |
| West Virginia 0.3% | | |
| West Virginia, Hospital Finance Authority Revenue, Charleston Medical Center, Prerefunded, 6.75%, 9/1/2022 | 390,000 | 417,788 |
| Wisconsin 3.9% | | |
| Wisconsin, Hospital & Healthcare Revenue, Health & Educational Facilities Authority, Aurora Health Care, Inc., 6.875%, 4/15/2030 | 1,000,000 | 1,021,500 |
| Wisconsin, State Health & Educational Facilities Authority Revenue, Aurora Health Care, Inc., Series A, 5.6%, 2/15/2029 | 1,040,000 | 955,708 |
| Wisconsin, State Health & Educational Facilities Authority Revenue, Prohealth Care, Inc. Obligation Group, 6.625%, 2/15/2039 | 1,110,000 | 1,161,093 |
| Wisconsin, State Health & Educational Facilities Authority Revenue, Thedacare, Inc., Series A, 5.5%, 12/15/2038 | 1,765,000 | 1,724,670 |
| | | 4,862,971 |
| Total Municipal Bonds and Notes (Cost \$190,952,458) | | 191,175,880 |
| Municipal Inverse Floating Rate Notes (e) 13.2% | | |
| California 3.3% | | |
| San Diego County, CA, Water Authority Revenue, Certificates of Participation, Series 2008-A, 5.0%, 5/1/2027 (c) (f) | 2,121,349 | 2,200,888 |
| San Diego County, CA, Water Authority Revenue, Certificates of Participation, Series 2008-A, 5.0%, 5/1/2028 (c) (f) | 1,930,312 | 2,002,688 |
| <i>Trust: San Diego County, CA, Water Utility Improvements, Certificates of Participation, Series 2008-1104, 144A, 8.953%, 5/1/2027, Leverage Factor at purchase date: 2 to 1</i> | | 4,203,576 |
| New York 4.8% | | |
| New York, State Dormitory Authority, State Personal Income Tax Revenue, Series A, 5.0%, 3/15/2023 (f) | 5,535,000 | 5,979,794 |
| <i>Trust: New York, State Dormitory Authority Revenue, Secondary Issues, Series 1955-2, 144A, 17.494%, 3/15/2023, Leverage Factor at purchase date: 4 to 1</i> | | |
| Tennessee 5.1% | | |
| Nashville & Davidson County, TN, Metropolitan Government, 5.0%, 1/1/2024 (f) | 5,918,585 | 6,434,898 |
| <i>Trust: Nashville & Davidson County, TN, Metropolitan Government, Series 2631-1, 144A, 17.446%, 1/1/2024, Leverage Factor at purchase date: 4 to 1</i> | | |

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| Total Municipal Inverse Floating Rate Notes (Cost \$15,889,320) | | 16,618,268 |
| | % of | |
| | Net Assets | Value (\$) |
| Total Investment Portfolio (Cost \$206,841,778) † | 165.1 | 207,794,148 |
| Other Assets and Liabilities, Net | (9.5) | (11,965,936) |
| Preferred Shares, at Redemption Value | (55.6) | (70,000,000) |
| Net Assets Applicable to Common Shareholders | 100.0 | 125,828,212 |

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

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

| Security | Maturity | | Principal Amount (\$) | Acquisition | Value (\$) |
|------------------------------|----------|------|-----------------------|-------------|------------|
| | Coupon | Date | | Cost (\$) | |
| Nevada, Director State | | | | | |
| Department of Business & | | | | | |
| Industry, Las Vegas Monorail | | | | | |

| | | | | | |
|----------------------|--------|----------|-----------|-----------|---------------|
| Project, Second Tier | 7.375% | 1/1/2030 | 2,000,000 | 1,933,273 | 20,000 |
|----------------------|--------|----------|-----------|-----------|---------------|

** 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, 2009.

† The cost for federal income tax purposes was \$206,337,403. At August 31, 2009, net unrealized appreciation for all securities based on tax cost was \$1,456,745. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost of \$13,468,903 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$12,012,158.

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

(b) When-issued security.

(c) Bond is insured by one of these companies:

| | As a % of Total |
|------------------------------------|-----------------------------|
| Insurance Coverage | Investment Portfolio |
| Ambac Financial Group, Inc. | 1.8 |
| Assured Guaranty Corp. | 0.7 |
| Financial Guaranty Insurance Co. | 9.2 |
| Financial Security Assurance, Inc. | 2.8 |
| Radian | 0.3 |

Many insurers who have traditionally guaranteed payment of municipal issues have been downgraded by the major rating agencies.

(d) Partial interest paying security. The rate shown represents 65% of the original coupon rate.

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

(f) Security forms part of the below tender option bond trust. 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.

Fair Value Measurements

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements", as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.

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

The following is a summary of the inputs used as of August 31, 2009 in valuing the Fund's investments:

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|-----------------------|---------|-----------------------|
| Assets | | | | |
| Municipal Bonds and Notes ^(g) | \$ — | \$ 207,794,148 | \$ — | \$ 207,794,148 |
| Total | \$ — | \$ 207,794,148 | \$ — | \$ 207,794,148 |

^(g) See Investment Portfolio for additional detailed categorizations.

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.

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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 21, 2009

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 21, 2009

By: /s/Paul Schubert

Paul Schubert

Chief Financial Officer and Treasurer

Date: October 21, 2009