

DWS MUNICIPAL INCOME TRUST
Form N-CSR
February 07, 2013

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

FORM N-CSR

Investment Company Act file number: 811-05655

DWS 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)

Registrant's Telephone Number, including Area Code: (212) 250-3220

Paul Schubert
60 Wall Street
New York, NY 10005
(Name and Address of Agent for Service)

Date of fiscal year end: 11/30

Date of reporting period: 11/30/2012

ITEM 1. REPORT TO STOCKHOLDERS

NOVEMBER 30, 2012
Annual Report
to Shareholders

DWS Municipal Income Trust
Ticker Symbol: KTF

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The fund's investment objective is to provide a high level of current income exempt from federal income tax.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the fund's shares is determined by a number of factors, several of which are beyond the control of the fund. Therefore, the fund cannot predict whether its shares will trade at, below or above net asset value.

Bond investments are subject to interest-rate and credit risks. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Leverage results in additional risks and can magnify the effect of any gains or losses. Although the fund seeks income that is federally tax-free, a portion of the fund's distributions may be subject to federal, state and local taxes, including the alternative minimum tax.

DWS Investments is part of the Asset & Wealth Management division of Deutsche Bank AG.

NOT FDIC/NCUA INSURED NO BANK GUARANTEE MAY LOSE VALUE NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Portfolio Management Review (Unaudited)

Market Overview and Fund Performance

All performance information below is historical and does not guarantee future results. Investment return and principal fluctuate, so your shares may be worth more or less when redeemed. Current performance may differ from performance data shown. Please visit www.dws-investments.com for the fund's most recent month-end performance. Fund performance includes reinvestment of all distributions. Please refer to pages 10 through 11 for more complete performance information.

Investment Objective

The fund's investment objective is to provide a high level of current income exempt from federal income tax. Under normal circumstances, at least 80% of the fund's net assets, plus the amount of any borrowings for investment purposes, will be invested in municipal securities. The fund will invest substantially all of its net assets in tax-exempt municipal securities valued at the time of purchase within the four highest grades (Baa or BBB or better) by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P"), or unrated municipal securities which in the opinion of the fund's investment advisor have credit characteristics equivalent to, and will be of comparable quality to, municipal securities rated within the four highest grades by Moody's or S&P.

DWS Municipal Income Trust returned 24.85% based on net asset value, while the fund's return based on market value was 24.22% for the annual period ended November 30, 2012. For the same period, the trust's benchmark, the unmanaged, unleveraged Barclays Municipal Bond Index, returned 10.17%. This outperformed the broad taxable

bond market, as measured by the Barclays U.S. Aggregate Bond Index, which returned 5.51% for the same period. Lastly, over the period, the fund's traded shares went from a premium of 4.94% to a premium of 4.41%. The fund maintained its dividend of 7 cents per share through the fiscal period.

During the reporting period, the fund issued 37,773 floating rate municipal term preferred shares ("MTPS") in a private offering. The fund used the proceeds of the MTPS issuance to repurchase approximately 95% of its outstanding remarketed preferred shares ("Remarketed Preferred Shares") tendered at a price equal to 96% of the Remarketed Preferred Shares' per share liquidation preference plus any unpaid accrued dividends. The Remarketed Preferred Shares tender offer and corresponding MTPS issuance did not result in a change in the amount of the fund's overall leverage. (For more information regarding these transactions, see "Note A. Organization and Significant Accounting Policies — Preferred Shares" in the Notes to Financial Statements.)

The municipal market was supported throughout most of the annual period ended November 30, 2012 by strong investor demand coupled with manageable new issue supply. Demand was driven in part by extraordinarily low yields available on U.S. Treasury issues. Banks seeking high-quality liquid assets participated in a significant way over the past 12 months. While issuance was above that of the prior 12 months, a significant portion was attributable to refunding of existing issues, resulting in relatively low net new issuance.

Given continued moderate inflation and concerns over growth and employment, the U.S. Federal Reserve Board (the Fed) kept the target for its benchmark short-term interest rate between 0% and 0.25% for the entire period. In addition, the Fed committed to keeping the benchmark rate near zero until mid-2015, or as long as necessary to attain more historically normal levels of employment absent inflationary pressures. Municipal yields opened the period at very low levels by historical standards and declined across all maturities for the 12 months ended November 30, 2012. With short rates anchored by the Fed, the municipal yield curve flattened over the period. (When the yield curve is steep, it means that longer-term bonds provide a greater yield advantage vs. short-term bonds.) For the full 12 months ended November 30, 2012, yields on 2-year municipal issues fell by 12 basis points, from 0.42% to 0.30%, while bonds with 30-year maturities experienced a yield decline of 137 basis points, from 3.84% to 2.47%, resulting in a flattening of 125 basis points between 2 and 30 years. (100 basis points equals one percentage point. See the graph on the following page for municipal bond yield changes from the beginning to the end of the period.)

For the 12 months ended November 30, 2012, most municipal market credit spreads — the incremental yield offered by lower-quality issues vs. AAA-rated issues — narrowed substantially, reflecting the search for yield on the part of investors.

Positive and Negative Contributors to Performance

The fund has the ability to leverage returns to shareholders through the issuance of preferred shares whose dividend rate is tied to short-term interest rates. With the Fed anchoring short-term rates near zero, the fund's cost of leverage remained low for the 12 months, helping performance. In addition, the fund has achieved leverage through tender-option bond programs under which high-quality municipal bonds are placed into a trust and serve as backing for the trust to issue short-term variable rate notes. The proceeds from these variable rate notes are then used to purchase additional bonds, increasing the fund's market exposure and income generation. This approach has also benefited from prevailing near-zero short-term rates.

AAA Municipal Bond Yield Curve (as of 11/30/11 and 11/30/12)

Source: Thompson Reuters

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This chart is for illustrative purposes only and is not intended to represent the yield of any DWS fund. Performance is historical and does not guarantee future results.

Given a steep yield curve and Fed policy oriented toward keeping interest rates low, the fund maintained significant exposure to bonds with remaining maturities in the 20-to-30-year range. This helped performance, as longer-term issues benefited the most from falling interest rates and rising bond prices. The fund also had a position in 20-year bonds subject to being called after five years. These holdings performed well, as investors were attracted to their combination of attractive yield and relatively low duration and corresponding interest rate risk.

The fund had significant exposure to bonds in the A quality range. This positioning helped performance as credit spreads narrowed overall during the period. In particular, the fund's overweighting of hospital-related bonds added to relative return. By contrast, the fund had relatively low exposure to bonds in the lease, transport and special tax sectors, all of which outperformed over the period ending November 30, 2012, constraining returns to a degree.

"Demand for municipals was driven in part by extraordinarily low yields available on U.S. Treasury issues."

Outlook and Positioning

Municipal yields on an absolute basis are very low by historical standards. At the end of November 2012, the 10-year municipal yield of 1.47% was 90.7% of the 1.62% yield on comparable maturity U.S. Treasuries, as compared to a ratio of 105.7% twelve months earlier. While the municipal yield curve has flattened considerably, we continue to see value in the 20-to-30-year maturity range.

Many state and local governments have continued to show progress in stabilizing their finances. Nonetheless, there remain troubled pockets. For new purchases, we continue to take a cautious approach with respect to general obligation bonds issued by localities, given uncertain levels of state support going forward. There are also significant uncertainties with respect to the national economic backdrop, including a looming showdown on the budget. We will closely monitor the implications of developments in Washington for the national economy and tax policy.

Portfolio Management Team

Philip G. Condon, Managing Director

Co-Lead Portfolio Manager of the fund. Joined the fund in 1998.

- Head of U.S. Retail Fixed Income Funds.
- Joined Deutsche Asset Management in 1983.
- BA and MBA, University of Massachusetts at Amherst.

Michael J. Generazo, Director

Co-Lead Portfolio Manager of the fund. Joined the fund in 2010.

- Joined Deutsche Asset Management in 1999.
- BS, Bryant College; MBA, Suffolk University.

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The views expressed reflect those of the portfolio management team only through the end of the period of the report as stated on the cover. The management team's views are subject to change at any time based on market and other conditions and should not be construed as a recommendation. Past performance is no guarantee of future results. Current and future portfolio holdings are subject to risk.

Terms to Know

The Barclays Municipal Bond Index is an unmanaged, unleveraged, market-value-weighted measure of municipal bonds issued across the United States. Index issues have a credit rating of at least Baa and a maturity of at least two years.

The Barclays U.S. Aggregate Bond Index is an unmanaged, unleveraged index representing domestic taxable investment-grade bonds, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with an average maturity of one year or more.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

The yield curve is a graphical representation of how yields on bonds of different maturities compare. Normally, yield curves slant up, as bonds with longer maturities typically offer higher yields than short-term bonds.

Leverage is the use of various financial instruments or borrowed capital, such as margin, to increase an investment's potential return.

Credit quality measures a bond issuer's ability to repay interest and principal in a timely manner. Rating agencies assign letter designations, such as AAA, AA and so forth. The lower the rating, the higher the probability of default. Credit quality does not remove market risk and is subject to change.

Performance Summary November 30, 2012 (Unaudited)

Performance is historical, assumes reinvestment of all dividend and capital gain distributions, and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when sold, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit www.dws-investments.com for the Fund's most recent month-end performance.

Fund specific data and performance are provided for informational purposes only and are not intended for trading purposes.

Average Annual Total Returns as of 11/30/12

DWS Municipal Income Trust	1-Year	3-Year	5-Year	10-Year
Based on Net Asset Value(a)	24.85%	14.72%	11.86%	8.71%
Based on Market Price(a)	24.22%	18.33%	15.63%	10.24%
Barclays Municipal Bond Index(b)	10.17%	7.13%	6.23%	5.45%
Morningstar Closed-End Municipal National Intermediate Funds Category(c)	16.34%	9.66%	7.04%	5.97%

(a) Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market price reflects changes in market price. Each figure assumes that dividend and capital gain distributions, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares traded during the period.

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(b) The Barclays Municipal Bond Index is an unmanaged, unleveraged, market-value-weighted measure of municipal bonds issued across the United States. Index issues have a credit rating of at least Baa and a maturity of at least two years. Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

(c) Morningstar's Closed-End Municipal National Intermediate Funds category represents muni national intermediate portfolios that invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of 4.5 to 7.0 years (or, if duration is unavailable, average maturities of five to 12 years). Morningstar figures represent the average of the total returns based on net asset value reported by all of the closed-end funds designated by Morningstar, Inc. as falling into the Closed-End Municipal National Intermediate Funds category. Category returns assume reinvestment of all distributions. It is not possible to invest directly in a Morningstar category.

Net Asset Value and Market Price

	As of 11/30/12	As of 11/30/11
Net Asset Value	\$ 14.74	\$ 12.56
Market Price	\$ 15.39	\$ 13.18

Prices and net asset value fluctuate and are not guaranteed.

Distribution Information

Twelve Months as of 11/30/12:

Income Dividends (common shareholders)	\$.84	
Capital Gain Distributions	\$.01	
November Income Dividend (common shareholders)	\$.0700	
Current Annualized Distribution Rate (based on Net Asset Value) as of 11/30/12†	5.70	%
Current Annualized Distribution Rate (based on Market Price) as of 11/30/12†	5.46	%
Tax Equivalent Distribution Rate (based on Net Asset Value) as of 11/30/12†	8.77	%
Tax Equivalent Distribution Rate (based on Market Price) as of 11/30/12†	8.40	%

† Current annualized distribution rate is the latest monthly dividend shown as an annualized percentage of net asset value/market price on November 30, 2012. Distribution rate simply measures the level of dividends and is not a complete measure of performance. Tax equivalent distribution rate is based on the Fund's distribution rate and a marginal income tax rate of 35%. Distribution rates are historical, not guaranteed and will fluctuate.

Morningstar Rankings — Closed-End Municipal National Intermediate Funds Category as of 11/30/12

Period	Rank		Number of Funds Tracked	Percentile Ranking (%)
1-Year	1	of	11	1
3-Year	1	of	11	1
5-Year	1	of	9	1
10-Year	1	of	8	1

Source: Morningstar, Inc. Rankings are historical and do not guarantee future results. Rankings are based on net asset value total return with distributions reinvested.

Investment Portfolio as of November 30, 2012

Principal Amount (\$)	Value (\$)
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Municipal Bonds and Notes 113.7%		
Alabama 0.1%		
Camden, AL, Industrial Development Board Revenue, Series B, AMT, Prerefunded, 6.375%, 12/1/2024	1,000,000	1,061,010
Alaska 0.9%		
Valdez, AK, Marine Terminal Revenue, Exxon Pipeline Co. Project, Series C, 0.17%*, 12/1/2033	5,400,000	5,400,000
Arizona 1.1%		
Arizona, Salt Verde Financial Corp., Gas Revenue:		
5.0%, 12/1/2037	1,050,000	1,267,182
5.5%, 12/1/2029	1,400,000	1,752,450
Phoenix, AZ, Civic Improvement Corp., Airport Revenue, Series A, 5.0%, 7/1/2040	3,000,000	3,416,310
		6,435,942
California 21.9%		
California, Bay Area Toll Authority, Toll Bridge Revenue, San Francisco Bay Area, Series F-1, 5.125%, 4/1/2039	5,000,000	5,889,550
California, Health Facilities Financing Authority Revenue, Catholic Healthcare West, Series A, 6.0%, 7/1/2039	3,500,000	4,219,495
California, M-S-R Energy Authority, Series A, 7.0%, 11/1/2034	3,180,000	4,701,407
California, San Gorgonio Memorial Healthcare, Election of 2006, Series C, 7.2%, 8/1/2039	5,000,000	5,955,200
California, South Bayside Waste Management Authority, Solid Waste Enterprise Revenue, Shoreway Environmental Center, Series A, 6.25%, 9/1/2029	5,345,000	6,311,643
California, Special Assessment Revenue, Golden State Tobacco Securitization Corp., Series 2003-A-1, Prerefunded, 6.75%, 6/1/2039	11,730,000	12,116,034
California, State General Obligation:		
5.0%, 2/1/2033	5,000,000	5,921,700
5.25%, 4/1/2035	4,295,000	5,175,604
5.5%, 3/1/2040	1,370,000	1,654,659
6.0%, 4/1/2038	10,000,000	12,426,200
California, State Infrastructure & Economic Development Bank Revenue, Pacific Gas & Electric Co., Series D, 0.13%*, 12/1/2016, LOC: Sumitomo Mitsui Banking	3,500,000	3,500,000
California, State Public Works Board, Lease Revenue, Capital Projects, Series I-1, 6.375%, 11/1/2034	2,000,000	2,468,840
California, State Public Works Board, Lease Revenue, Department of Corrections, Series C, Prerefunded, 5.5%, 6/1/2021	2,500,000	2,631,425
California, State Public Works Board, Lease Revenue, Department of General Services, Buildings 8 & 9, Series A, 6.25%, 4/1/2034	6,640,000	8,014,812
California, Statewide Communities Development Authority Revenue, American Baptist Homes of the West, 6.25%, 10/1/2039, GTY:		
American Baptist Homes of the Midwest	1,250,000	1,391,013
California, Statewide Communities Development Authority Revenue, Los Angeles County Museum of Art, Series B, 0.16%*, 12/1/2037, LOC: Union Bank NA	185,000	185,000
Corona-Norco, CA, Unified School District, Election of 2006, Series A, 5.0%, 8/1/2031, INS: AGMC	5,130,000	5,692,915
Irvine, CA, Unified School District, Special Tax, Community Facilities District, Series 1-B, 0.18%*, 9/1/2051, LOC: Bank of America NA	1,000,000	1,000,000

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Kern, CA, High School District, Election of 2004, Series B, 5.0%, 8/1/2030, INS: AGMC	13,270,000	14,046,428
Los Angeles, CA, Community College District, Election of 2008, Series C, 5.25%, 8/1/2039	3,000,000	3,754,590
Los Angeles, CA, Department of Airports Revenue, Los Angeles International Airport, Series B, 5.0%, 5/15/2035	8,500,000	9,735,390
Port Oakland, CA, Series A, AMT, 5.0%, 11/1/2027, INS: NATL	5,850,000	6,428,448
San Diego, CA, Community College District, Election of 2006, 5.0%, 8/1/2036	2,850,000	3,378,960
		126,599,313
Colorado 1.3%		
Colorado, E-470 Public Highway Authority Revenue, Series A-1, 5.5%, 9/1/2024, INS: NATL	2,500,000	2,736,800
Colorado, Health Facilities Authority Revenue, Covenant Retirement Communities, Inc., 5.0%, 12/1/2035	2,500,000	2,598,400
University of Colorado, Hospital Authority Revenue, Series A, 5.0%, 11/15/2042	1,785,000	2,038,309
		7,373,509
Florida 11.8%		
Broward County, FL, Airport Systems Revenue, Series Q-1, 5.0%, 10/1/2037	8,510,000	9,875,344
Miami-Dade County, FL, Aviation Revenue, Series A, 5.5%, 10/1/2041	10,000,000	11,665,500
Miami-Dade County, FL, Aviation Revenue, Miami International Airport:		
Series A, AMT, 5.25%, 10/1/2033, INS: AGC	8,500,000	9,384,850
Series A-1, 5.375%, 10/1/2035	2,000,000	2,341,600
Miami-Dade County, FL, Educational Facilities Authority Revenue, University of Miami, Series A, 5.75%, 4/1/2028	3,000,000	3,382,470
Miami-Dade County, FL, Expressway Authority, Toll Systems Revenue, Series A, 5.0%, 7/1/2035, INS: AGMC	3,000,000	3,436,050
North Brevard County, FL, Hospital District Revenue, Parrish Medical Center Project:		
5.5%, 10/1/2028	5,290,000	5,958,286
5.75%, 10/1/2038	5,000,000	5,657,950
Orlando & Orange County, FL, Expressway Authority Revenue:		
Series C, 5.0%, 7/1/2035	2,705,000	3,098,172
Series A, 5.0%, 7/1/2040	11,895,000	13,511,055
		68,311,277
Georgia 7.6%		
Atlanta, GA, Airport Revenue:		
Series A, 5.0%, 1/1/2035	1,030,000	1,170,801
Series C, AMT, 5.0%, 1/1/2037	1,690,000	1,910,376
Atlanta, GA, Water & Wastewater Revenue, Series A, 6.25%, 11/1/2039	5,815,000	7,138,610
Gainesville & Hall County, GA, Hospital Authority Revenue, Anticipation Certificates, Northeast Georgia Healthcare, Series A, 5.5%, 2/15/2045	2,135,000	2,443,593
Georgia, Main Street Natural Gas, Inc., Gas Project Revenue:		
Series A, 5.0%, 3/15/2020	7,250,000	8,397,313
Series A, 5.5%, 9/15/2024	5,000,000	6,196,650
Series A, 5.5%, 9/15/2028	10,000,000	12,452,700
	3,300,000	3,906,375

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Georgia, Medical Center Hospital Authority Revenue, Anticipation Certificates, Columbus Regional Healthcare Systems, 6.5%, 8/1/2038, INS: AGC		43,616,418
Hawaii 2.1%		
Hawaii, State Airports Systems Revenue, Series A, 5.0%, 7/1/2039	4,200,000	4,764,522
Hawaii, State Department of Budget & Finance, Special Purpose Revenue, Hawaiian Electric Co., Inc., 6.5%, 7/1/2039, GTY: Hawaiian Electric Co., Inc.	1,000,000	1,184,750
Honolulu City & County, HI, Wastewater Systems Revenue, Series A, 5.25%, 7/1/2036	5,215,000	6,346,134
		12,295,406
Idaho 0.9%		
Idaho, Health Facilities Authority Revenue, St. Luke's Regional Medical Center: 5.0%, 7/1/2035, INS: AGMC	2,500,000	2,836,025
6.75%, 11/1/2037	2,135,000	2,573,273
		5,409,298
Illinois 8.3%		
Chicago, IL, Airport Revenue, O'Hare International Airport: Series A, 5.75%, 1/1/2039	5,000,000	6,042,500
Series B, 6.0%, 1/1/2041	9,000,000	11,378,880
Chicago, IL, General Obligation, Series A, 5.25%, 1/1/2035	2,025,000	2,338,146
Chicago, IL, Water Revenue, 5.0%, 11/1/2032	3,000,000	3,592,530
Illinois, Finance Authority Revenue, Advocate Health Care Network: Series B, 5.375%, 4/1/2044	2,500,000	2,811,775
Series D, 6.5%, 11/1/2038	1,000,000	1,232,730
Illinois, Finance Authority Revenue, Memorial Health Systems, 5.5%, 4/1/2039	4,200,000	4,733,148
Illinois, Finance Authority Revenue, Northwest Community Hospital, Series A, 5.5%, 7/1/2038	5,750,000	6,404,292
Illinois, Metropolitan Pier & Exposition Authority, Dedicated State Tax Revenue, McCormick Place, Series B, 5.0%, 6/15/2050, INS: AGMC	3,000,000	3,348,600
Illinois, Railsplitter Tobacco Settlement Authority, 6.0%, 6/1/2028	915,000	1,127,783
Illinois, State Finance Authority Revenue, Ascension Health Credit Group: Series A, 5.0%, 11/15/2032	730,000	856,772
Series A, 5.0%, 11/15/2037	520,000	598,733
Illinois, State Finance Authority Revenue, OSF Healthcare System, Series A, 5.0%, 5/15/2041	1,580,000	1,759,314
University of Illinois, Auxiliary Facilities Systems, Series A, 5.25%, 4/1/2041	1,250,000	1,442,563
		47,667,766
Indiana 0.4%		
Indiana, Finance Authority Hospital Revenue, Deaconess Hospital Obligation, Series A, 6.75%, 3/1/2039	1,745,000	2,097,263
Kentucky 1.7%		
Kentucky, Economic Development Finance Authority, Louisville Arena Project Revenue, Series A-1, 6.0%, 12/1/2042, INS: AGC	4,000,000	4,480,680
Louisville & Jefferson County, KY, Metropolitan Government Health Systems Revenue, Norton Healthcare, Inc., 5.0%, 10/1/2030	5,000,000	5,364,300

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		9,844,980
Louisiana 1.0%		
Louisiana, Public Facilities Authority, Hospital Revenue, Lafayette General Medical Center, 5.5%, 11/1/2040	3,000,000	3,390,030
Louisiana, St. John Baptist Parish Revenue, Marathon Oil Corp., Series A, 5.125%, 6/1/2037	2,315,000	2,498,487 5,888,517
Maryland 0.5%		
Maryland, State Health & Higher Educational Facilities Authority Revenue, Anne Arundel Health Systems, Series A, 6.75%, 7/1/2039	1,100,000	1,357,037
Maryland, State Health & Higher Educational Facilities Authority Revenue, Washington County Hospital, 5.75%, 1/1/2033	1,500,000	1,655,580 3,012,617
Massachusetts 1.6%		
Massachusetts, Airport Revenue, U.S. Airways, Inc. Project, Series A, AMT, 5.875%, 9/1/2023, INS: NATL	5,000,000	5,005,800
Massachusetts, State Health & Educational Facilities Authority Revenue, Suffolk University, Series A, 5.75%, 7/1/2039	3,570,000	4,066,837 9,072,637
Michigan 4.9%		
Detroit, MI, Water & Sewerage Department, Sewerage Disposal System Revenue, Series A, 5.25%, 7/1/2039	1,120,000	1,249,898
Michigan, State Building Authority Revenue, Series I-A, 5.375%, 10/15/2041	7,500,000	9,004,800
Michigan, State Building Authority Revenue, Facilities Program: Series H, 5.125%, 10/15/2033	2,495,000	2,846,196
Michigan, State Building Authority Revenue, Facilities Program: Series I, 6.0%, 10/15/2038	1,000,000	1,216,630
Michigan, State Hospital Finance Authority Revenue, Henry Ford Health Hospital, 5.75%, 11/15/2039	5,000,000	5,862,800
Michigan, State Hospital Finance Authority, Trinity Health Credit Group, Series C, 5.0%, 12/1/2034	4,950,000	5,725,615
Royal Oak, MI, Hospital Finance Authority Revenue, William Beaumont Hospital, 8.25%, 9/1/2039	1,800,000	2,348,460 28,254,399
Minnesota 0.2%		
Minneapolis, MN, Health Care Systems Revenue, Fairview Health Services, Series A, 6.75%, 11/15/2032	1,140,000	1,392,875
Mississippi 0.4%		
Mississippi, State Business Finance Commission, Gulf Opportunity Zone, Chevron U.S.A., Inc. Project, Series A, 0.17%*, 12/1/2030, GTY: Chevron Corp.	300,000	300,000
Warren County, MS, Gulf Opportunity Zone, International Paper Co., Series A, 6.5%, 9/1/2032	1,525,000	1,773,499 2,073,499
Nevada 3.1%		
Clark County, NV, Airport Revenue, Series B, 5.125%, 7/1/2036	4,305,000	4,912,995
Henderson, NV, Health Care Facility Revenue, Catholic Healthcare West, Series B, 5.25%, 7/1/2031	10,000,000	10,772,600
Las Vegas Valley, NV, Water District, Series B, 5.0%, 6/1/2037	1,830,000	2,161,358 17,846,953
New Jersey 4.4%		

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New Jersey, Economic Development Authority Revenue, Cigarette Tax, Prerefunded, 5.75%, 6/15/2034	1,090,000	1,181,233
New Jersey, Hospital & Healthcare Revenue, General Hospital Center at Passaic, ETM, 6.75%, 7/1/2019, INS: AGMC	5,000,000	6,222,750
New Jersey, Industrial Development Revenue, Economic Development Authority, Harrogate, Inc., Series A, 5.875%, 12/1/2026	1,400,000	1,401,204
New Jersey, State Transportation Trust Fund Authority, Transportation Systems:		
Series B, 5.5%, 6/15/2031	1,200,000	1,481,040
Series A, 5.5%, 6/15/2041	5,460,000	6,602,997
Series A, 6.0%, 12/15/2038	1,955,000	2,391,082
Series A, Prerefunded, 6.0%, 12/15/2038	1,045,000	1,370,559
New Jersey, State Turnpike Authority Revenue:		
Series A, 5.0%, 1/1/2035	1,065,000	1,265,422
Series E, 5.25%, 1/1/2040	1,750,000	2,006,795
New Jersey, Tobacco Settlement Financing Corp., Series 1-A, 5.0%, 6/1/2041	1,700,000	1,537,718
		25,460,800
New York 8.5%		
New York, Metropolitan Transportation Authority Revenue:		
Series D, 5.0%, 11/15/2032	2,565,000	3,056,095
Series E, 5.0%, 11/15/2042	765,000	894,782
New York, State Agency General Obligation Lease, Higher Education Revenue, Dormitory Authority, City University, Series A, 5.625%, 7/1/2016	1,490,000	1,676,652
New York, State Environmental Facilities Corp., State Clean Water & Drinking Revolving Funds, New York City Municipal Water Finance Authority Projects, 5.0%, 6/15/2036	2,000,000	2,417,440
New York, State Liberty Development Corp. Revenue, World Trade Center Port Authority Construction:		
5.0%, 12/15/2041	4,255,000	4,988,860
5.25%, 12/15/2043	5,000,000	5,952,700
New York, State Thruway Authority Revenue, Series I, 5.0%, 1/1/2037	1,340,000	1,581,508
New York, Tobacco Settlement Financing Corp., Series B-1C, 5.5%, 6/1/2019	15,500,000	15,900,210
New York City, NY, Municipal Water Finance Authority, Water & Sewer Revenue, Second General Resolution, Series EE, 5.375%, 6/15/2043	3,750,000	4,624,050
Niagara Falls, NY, School District General Obligation, 5.6%, 6/15/2014, INS: AGMC	1,180,000	1,276,619
Port Authority of New York & New Jersey, AMT, 5.0%, 10/1/2034	6,000,000	6,989,160
		49,358,076
North Carolina 0.8%		
North Carolina, Electric Revenue, Municipal Power Agency, Series C, Prerefunded, 5.375%, 1/1/2017	1,000,000	1,004,390
North Carolina, Medical Care Commission, Health Care Facilities Revenue, University Health System, Series D, 6.25%, 12/1/2033	3,000,000	3,682,590
		4,686,980
North Dakota 0.7%		
Fargo, ND, Sanford Health Systems Revenue, 6.25%, 11/1/2031	3,240,000	4,109,454
Ohio 2.6%		

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Kent, OH, State University Revenues, General Receipts, Series A, 5.0%, 5/1/2037	1,500,000	1,746,555
Lucas County, OH, Hospital Revenue, Promedica Healthcare, Series A, 6.5%, 11/15/2037	1,500,000	1,923,990
Ohio, American Municipal Power, Inc. Revenue, Fremont Energy Center Project, Series B, 5.0%, 2/15/2037	1,445,000	1,655,305
Ohio, State Hospital Facility Revenue, Cleveland Clinic Health: Series A, 5.5%, 1/1/2039	5,000,000	5,745,950
Series B, 5.5%, 1/1/2039	3,500,000	4,022,165
		15,093,965
Oregon 0.2%		
Port of Portland, OR, Special Obligation Revenue, Horizon Air Industries, Inc. Project, AMT, 0.18%*, 6/15/2027, LOC: Bank of America NA	1,000,000	1,000,000
Pennsylvania 2.2%		
Allegheny County, PA, Hospital Development Authority Revenue, University of Pittsburgh Medical, 5.625%, 8/15/2039	1,700,000	1,953,113
Franklin County, PA, Industrial Development Authority Revenue, Chambersburg Hospital Project, 5.375%, 7/1/2042	7,000,000	7,835,450
Philadelphia, PA, Airport Revenue, Series A, 5.0%, 6/15/2035	2,835,000	3,159,409
		12,947,972
Puerto Rico 3.7%		
Puerto Rico, Sales Tax Financing Corp., Sales Tax Revenue: Series A, 5.375%, 8/1/2039	3,200,000	3,474,848
Series A, 6.5%, 8/1/2044	15,000,000	17,689,350
		21,164,198
Rhode Island 0.4%		
Rhode Island, Health & Educational Building Corp., Higher Education Facility Revenue, University of Rhode Island, Series A, 6.25%, 9/15/2034	2,000,000	2,396,600
South Carolina 1.7%		
Greenwood County, SC, Hospital Revenue, Self Regional Healthcare, Series B, 5.0%, 10/1/2031	1,000,000	1,170,200
South Carolina, Jobs Economic Development Authority, Hospital Facilities Revenue, Palmetto Health Alliance: Series C, Prerefunded, 7.0%, 8/1/2030	5,420,000	5,662,157
South Carolina, State Ports Authority Revenue, 5.25%, 7/1/2040	2,550,000	2,946,933
		9,779,290
Tennessee 1.6%		
Clarksville, TN, Natural Gas Acquisition Corp., Gas Revenue, 5.0%, 12/15/2021	2,000,000	2,269,240
Jackson, TN, Hospital Revenue, Jackson-Madison Project, 5.625%, 4/1/2038	4,000,000	4,600,160
Sullivan County, TN, Health, Educational & Housing Facilities Board, Hospital Revenue, Wellmont Health Systems Project, Series C, 5.25%, 9/1/2036	2,050,000	2,190,282
		9,059,682
Texas 13.2%		
Harris County, TX, Health Facilities Development Corp., Hospital Revenue, Memorial Hermann Healthcare System, Series B, 7.25%, 12/1/2035	1,000,000	1,269,950

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Harris County, TX, Houston Port Authority, Series A, AMT, 6.25%, 10/1/2029	3,000,000	3,748,620
Harris County, TX, Cultural Education Facilities Finance Corp. Revenue, YMCA of Greater Houston Area, Series A, 0.18%*, 6/1/2038, LOC: JPMorgan Chase Bank NA	200,000	200,000
Houston, TX, Airport Revenue, People Mover Project, Series A, AMT, 5.5%, 7/15/2017, INS: AGMC	3,300,000	3,311,682
North Texas, Tollway Authority Revenue: First Tier, Series A, 5.625%, 1/1/2033	3,500,000	4,082,015
Second Tier, Series F, 5.75%, 1/1/2038	6,500,000	7,335,575
First Tier, 6.0%, 1/1/2043	5,000,000	6,020,000
North Texas, Tollway Authority Revenue, Special Project Systems, Series D, 5.0%, 9/1/2032	2,000,000	2,386,480
Texas, Dallas/Fort Worth International Airport Revenue: Series F, AMT, 5.0%, 11/1/2035	2,000,000	2,234,460
Series A, 5.25%, 11/1/2038	4,000,000	4,643,880
Texas, Industrial Development Revenue, Waste Disposal Authority, Series A, AMT, 6.1%, 8/1/2024	2,000,000	2,007,420
Texas, Municipal Gas Acquisition & Supply Corp. I, Gas Supply Revenue: Series B, 0.81%***, 12/15/2017	6,925,000	6,748,343
Series B, 0.96%***, 12/15/2026	1,500,000	1,239,420
Series D, 6.25%, 12/15/2026	5,000,000	6,635,000
Texas, SA Energy Acquisition Public Facility Corp., Gas Supply Revenue: 5.5%, 8/1/2021	1,155,000	1,378,885
5.5%, 8/1/2025	7,250,000	8,753,142
Texas, Southwest Higher Education Authority, Inc., Southern Methodist University Project, 5.0%, 10/1/2035	1,600,000	1,903,680
Texas, Municipal Gas Acquisition & Supply Corp., III Gas Supply Revenue: 5.0%, 12/15/2030(a)	250,000	278,938
5.0%, 12/15/2031(a)	500,000	555,650
5.0%, 12/15/2032(a)	500,000	554,325
Texas, State Transportation Commission, Turnpike Systems Revenue, Series A, 5.0%, 8/15/2041	3,200,000	3,632,928
West Harris County, TX, Regional Water Authority, Water Systems Revenue, 5.0%, 12/15/2035	6,500,000	7,572,825
		76,493,218
Virginia 0.3%		
Washington County, VA, Industrial Development Authority, Hospital Facility Revenue, Mountain States Health Alliance, Series C, 7.75%, 7/1/2038	1,370,000	1,728,186
Washington 2.7%		
Washington, State Health Care Facilities Authority Revenue, Virginia Mason Medical Center, Series A, 6.125%, 8/15/2037	6,000,000	6,704,100
Washington, State Health Care Facilities Authority, Swedish Health Services, Series A, Prerefunded, 6.75%, 11/15/2041	1,825,000	2,620,846
Washington, State Motor Vehicle Tax-Senior 520 Corridor Program, Series C, 5.0%, 6/1/2031	5,000,000	6,130,250
		15,455,196

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Wisconsin 0.9%		
Wisconsin, State Health & Educational Facilities Authority Revenue, Froedtert Health System, Inc., Series A, 5.0%, 4/1/2042	2,650,000	3,058,152
Wisconsin, State Health & Educational Facilities Authority Revenue, Prohealth Care, Inc. Obligation Group, 6.625%, 2/15/2039	1,555,000	1,864,740
		4,922,892
Total Municipal Bonds and Notes (Cost \$557,795,881)		657,310,188
Municipal Inverse Floating Rate Notes (b) 40.4%		
California 2.0%		
California, San Francisco Bay Area Toll Authority, Toll Bridge Revenue, Series F, 5.0%, 4/1/2031 (c)	10,000,000	11,670,568
Trust: California, San Francisco Bay Area Toll Authority, Toll Bridge Revenue, Series 1962-5, 144A, 13.594%, 4/1/2014, Leverage Factor at purchase date: 3 to 1		
Florida 6.6%		
Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2023, INS: AGMC (c)	3,740,000	4,369,944
Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2024, INS: AGMC (c)	3,915,000	4,574,420
Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2025, INS: AGMC (c)	4,122,500	4,816,870
Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2026, INS: AGMC (c)	4,317,500	5,044,714
Miami-Dade County, FL, Transit Sales Surtax Revenue, 5.0%, 7/1/2032, INS: AGMC (c)	16,470,000	19,244,110
Trust: Miami-Dade County, FL, Transit Improvements, Series 2008-1160, 144A, 9.251%, 7/1/2016, Leverage Factor at purchase date: 2 to 1		
		38,050,058
Massachusetts 4.6%		
Massachusetts, State Water Pollution Abatement Trust, Series 13, 5.0%, 8/1/2032 (c)	18,250,000	21,018,790
Massachusetts, State Water Pollution Abatement Trust, Series 13, 5.0%, 8/1/2037 (c)		