

Invesco Quality Municipal Income Trust
Form N-CSRS
July 08, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES
Investment Company Act file number 811-06591
Invesco Quality Municipal Income Trust**

(Exact name of registrant as specified in charter)
11 Greenway Plaza, Suite 2500 Houston, Texas 77046

(Address of principal executive offices) (Zip code)
Philip A. Taylor 11 Greenway Plaza, Suite 2500 Houston, Texas 77046

(Name and address of agent for service)

Registrant's telephone number, including area code: (713) 626-1919

Date of fiscal year end: 10/31

Date of reporting period: 4/30/10

Item 1. Reports to Stockholders.

INVESTMENT MANAGEMENT

Welcome, Shareholder:

In this report, you will learn about how your investment in Morgan Stanley Quality Municipal Income Trust performed during the semiannual period. We will provide an overview of the market conditions, and discuss some of the factors that affected performance during the reporting period. In addition, this report includes the Trust's financial statements and a list of Trust investments.

Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the Trust will achieve its investment objective. The Trust is subject to market risk, which is the possibility that market values of securities owned by the Trust will decline and, therefore, the value of the Trust's shares may be less than what you paid for them. Accordingly, you can lose money investing in this Trust.

Income earned by certain securities in the portfolio may be subject to the federal alternative minimum tax (AMT).

Trust Report

For the six months ended April 30, 2010

Market Conditions

Economic data released during the six-month reporting period indicated that the economy was expanding, although some investors continued to question whether the recession was really behind us. The housing market continued to lag and unemployment remained high, but hints of improvement began to appear late in the period when the April labor report showed that employment in the U.S. rose by its largest monthly increase in four years. The Federal Reserve maintained their accommodative monetary policy, leaving the federal funds target rate unchanged at near zero percent, but hiked the discount rate by 25 basis points to 0.75 percent in mid-February perhaps an indication of monetary tightening ahead.

Municipal bond market performance slowed substantially during the reporting period from the historically large returns seen in previous months. The lower rated segment of the market continued to outperform as investor demand for lower quality, higher yielding bonds grew over the course of the period. For the six months ended April 30, 2010, the Barclays Capital High Yield Municipal Bond Index gained 6.70 percent while the Barclays Capital Municipal Bond Index (the benchmark for the investment grade segment) gained 3.68 percent. Overall, longer maturity issues outperformed those with shorter maturities. For the six months ended April 30, 2010, long bonds (those with maturities of 22 years or more) returned 5.09 percent while five-year bonds returned 3.22 percent, as measured by the respective Barclays Capital municipal bond indexes.

With regard to sectors, hospital bonds and tobacco bonds were among the top performers, outpacing the broad municipal market as rising demand for these lower quality issues helped boost returns. Revenue bonds outperformed general obligation bonds amid media reports of municipalities' general financial weakness and ongoing weakness in tax collections.

Demand for municipal bonds overall remained steady, with approximately \$24 billion flowing into municipal bond funds during the period. New issue supply remained relatively stable as well, totaling roughly \$205 billion. However, 25 percent of that total issuance was in taxable Build America Bonds, thereby limiting the supply of traditional tax-exempt bonds. This has helped buoy tax-exempt bond prices and the relative value of municipal bonds overall versus other fixed income sectors.

Performance Analysis

For the six-month period ended April 30, 2010, the net asset value (NAV) of Morgan Stanley Quality Municipal Income Trust (IQI) increased from \$12.61 to \$13.00 per share. Based on this change plus reinvestment of tax-free dividends totaling \$0.4275 per share, the Trust's total NAV return was 6.70 percent. IQI's value on the New York Stock Exchange (NYSE) moved from \$11.80 to \$12.63 per share during the same period. Based on this change plus reinvestment of dividends, the Trust's total market return was 10.78 percent. IQI's NYSE market price was at a 2.85 percent discount to its NAV. *Past performance is no guarantee of future results.*

Monthly dividends for May 2010 were unchanged at \$0.07125 per share. The dividend reflects the current level of the Trust's net investment income. IQI's level of undistributed net investment income was \$0.206 per share on April 30, 2010 versus \$0.179 per share six months earlier.¹

The primary contributors to the Trust's performance for the reporting period included exposure to A and BBB rated bonds. Spreads on these issues tightened during the period, helping them to outperform higher quality issues. Holdings in the health care, industrial development revenue/pollution control revenue (IDR/PCR), and tobacco sectors were additive to returns as these sectors outperformed the broad municipal bond market for the period. The portfolio's exposure on the long end of the municipal yield curve was also advantageous as longer maturities issues outperformed shorter maturity issues.

Other positions, however, were less advantageous. Exposure to zero coupon bonds hindered performance as spreads in this sector widened over the course of the period. The portfolio's exposure to local general obligation bonds also detracted given the sector's underperformance of essential service bonds.

The Trust's procedure for reinvesting all dividends and distributions in common shares is through purchases in the open market. This method helps support the market value of the Trust's shares. In addition, we would like to remind you that the Trustees have approved a share repurchase program whereby the Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may also take action to reduce or eliminate the amount of Auction Rate Preferred Shares (ARPS) outstanding.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost.

There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the Trust in the future.

¹ *Income earned by certain securities in the portfolio may be subject to the federal alternative minimum tax (AMT).*

TOP FIVE SECTORS as of 04/30/10

General Obligation	13.9%
Hospital	13.4
Water/Sewer	10.5
Transportation	9.8
Airport	8.3

LONG-TERM CREDIT ANALYSIS as of 04/30/10

Aaa/AAA	27.7%
Aa/AA	33.2
A/A	22.5
Baa/BBB	13.7
Ba/BB or Less	1.1
Non-Rated	1.8

SUMMARY OF INVESTMENTS BY STATE CLASSIFICATION as of 04/30/10

California	27.0 %
New York	21.7
Texas	20.1
Illinois	9.5
New Jersey	9.1
Florida	8.6
Washington	8.4
Ohio	6.2
Indiana	5.9
Arizona	5.8
South Carolina	5.4
Nevada	4.5
Hawaii	4.1
Georgia	3.8
Michigan	3.3
Colorado	3.1
Maryland	2.0
District of Columbia	1.8
Puerto Rico	1.8
Connecticut	1.7
North Carolina	1.5
Montana	1.3
Iowa	1.3
Idaho	1.2
Massachusetts	1.0
Alaska	0.9
North Dakota	0.8
Vermont	0.7
Minnesota	0.7

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Virginia	0.6
Pennsylvania	0.5
Louisiana	0.5
Oklahoma	0.4
Missouri	0.4
Kentucky	0.3
Delaware	0.3
Oregon	0.3
Kansas	0.2
New Hampshire	0.2
Total Long-Term Investments	166.9
Short-Term Investments	0.5
Other Assets in Excess of Liabilities	1.2
Floating Rate Note and Dealer Trusts Obligations	(23.5)
Preferred Shares of Beneficial Interest	(45.1)
Net Assets Applicable to Common Shareholders	100.0 %

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. Top five sectors are as a percentage of total investments. Long-term credit analysis is as a percentage of long-term investments. Summary of investments by state classification are as a percentage of net assets applicable to common shareholders. Securities are classified by sectors that represent broad groupings of related industries. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Rating allocations based upon ratings as issued by Moody's and Standard and Poor's, respectively.

For More Information About Portfolio Holdings

Each Morgan Stanley trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust's second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Morgan Stanley also delivers the semiannual and annual reports to trust shareholders and makes these reports available on its public web site. Each Morgan Stanley trust also files a complete schedule of portfolio holdings with the SEC for the trust's first and third fiscal quarters on Form N-Q. Morgan Stanley does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Morgan Stanley public web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's web site, <http://www.sec.gov>. You may also review and copy them at the SEC's public reference room in Washington, DC. Information on the operation of the SEC's public reference room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov) or by writing the public reference section of the SEC, Washington, DC 20549-1520.

Approval of Investment Advisory and Sub-Advisory Agreements

The Board of Trustees (the Board) of Invesco Quality Municipal Income Trust (the Trust) is required under the Investment Company Act of 1940 to approve the Trust's investment advisory agreements. At various meetings of the Board held during the third and fourth quarters of 2009 and early 2010, the Board as a whole and the disinterested or independent Trustees, voting separately, approved (i) a new investment advisory agreement with Invesco Advisers, Inc. (Invesco Advisers), (ii) a new Master Intergroup Sub-Advisory Contract for Mutual Funds (the sub-advisory contracts and together with the investment advisory agreement with Invesco Advisers, the new advisory agreements) with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Trimark Ltd. (collectively, the Affiliated Sub-Advisers), and (iii) the appointment of Invesco Advisers as investment adviser and the Affiliated Sub-Advisers as investment sub-advisers to the Trust. In doing so, the Board determined that the new advisory agreements will enable shareholders of the Trust to obtain high quality services at a cost that is appropriate, reasonable and in the best interests of the Trust and its shareholders and that the compensation to Invesco Advisers and the Affiliated Sub-Advisers under the Trust's new advisory agreements is fair and reasonable. The new advisory agreements were approved to become effective upon approval by the shareholders of the Trust and closing of a transaction between Morgan Stanley and Invesco Ltd. (Invesco) under which Invesco acquired the retail mutual fund assets of Morgan Stanley (the Acquisition).

The Board's Trust Evaluation Process

In reaching their decision, the Board requested and obtained information from Morgan Stanley, Invesco Advisers and Invesco, including information obtained during various meetings with Senior Management at Invesco, as they deemed reasonably necessary to evaluate the new advisory agreements for the Trust. In considering the Trust's new advisory agreements, the Board evaluated a number of factors and considerations listed below that they believed, in light of their own business judgment, to be relevant to their determination.

1. The Board considered the reputation, financial strength and resources of Invesco, one of the world's leading independent global investment management firms, the strength of Invesco's resources and investment capabilities and the client-focused shareholder services offered by Invesco.
2. The Board discussed the challenges of positioning the Trust on a common operating platform with Invesco, with particular emphasis on ensuring portfolio management operations properly migrate to Invesco as part of the Acquisition, to ensure uninterrupted services for shareholders and the opportunity for the portfolio management of the Trust to recognize savings from economies of scale when such savings occur.

3. The Board noted the continuity of key investment management personnel that would manage the Trust upon consummation of the Acquisition, specifically noting that, with respect to the Trust, the persons responsible for the portfolio management of the Trust are expected to remain the same except that Neil Stone will not continue as a portfolio manager of the Trust. The Board discussed at length the effect of this change on the Trust.
4. The Board noted that entering into the sub-advisory contracts would provide Invesco Advisers with increased flexibility in assigning portfolio managers to the Trust and would give the Trust access to portfolio managers and investment personnel located in other offices, including those outside the United States, who may have more specialized expertise on local companies, markets and economies or on various types of investments and investment techniques.
5. The Board noted that, pursuant to the sub-advisory contracts, Invesco Advisers would pay all of the sub-advisory fees of the Affiliated Sub-Advisers out of its management fees.
6. The Board noted the undertaking by Invesco and Morgan Stanley or their respective affiliates to assume all of the costs of the Acquisition, including the cost of obtaining the shareholder approvals discussed above. The Board noted that Invesco Advisers would provide a two-year contractual guaranty to limit the total expense ratio of the Trust to the Trust's total expense ratio prior to the Acquisition. In determining the obligation to waive advisory fees and/or reimburse expenses, the following is not taken into account: (i) interest, (ii) taxes, (iii) dividend expense on short sales, (iv) extraordinary or non-routine items, and (v) expenses that the Trust has incurred but did not actually pay because of an offset arrangement. During the Board's extensive review process, the Board, including the independent Trustees, considered, among other things, the following factors: the terms and conditions of the new advisory agreements, including the differences from the advisory agreement with Morgan Stanley affiliates; and the nature, scope and quality of services that Invesco Advisers and its affiliates are expected to provide to the Trust, including sub-advisory services and compliance services. The Board evaluated all information available to them on a trust-by-trust basis, and their determinations were made separately in respect of the Trust. The Board also based their decisions on the following considerations, among others, although they did not identify any consideration that was all important or controlling of their discussions, and each Trustee attributed different weights to the various factors.
 - A. Nature, Extent and Quality of Services. The Board reviewed and considered the nature and extent of the investment advisory services to be provided by Invesco Advisers and the Affiliated Sub-Advisers under the new advisory agreements, including portfolio management, investment

research and fixed income securities trading. The Board also reviewed and considered the nature and extent of the non-advisory, administrative services to be provided by Invesco Advisers under the Trust's administration agreement, including accounting services and the provision of supplies, office space and utilities at Invesco Advisers' expense. The Board was advised that there was no expected diminution in the nature, quality and extent of services provided to the Trust's shareholders.

The Board reviewed and considered the qualifications of the portfolio managers who are expected to continue as portfolio managers, noting the one portfolio manager who would not continue to manage the Trust as a result of the new advisory agreements, and the senior administrative managers and other key personnel of Invesco Advisers or its affiliates who will provide the advisory and administrative services to the Trust.

B. Performance, Fees and Expenses of the Trust. The Board noted that Invesco Advisers and the Affiliated Sub-Advisers had not yet begun providing services to the Trust and, therefore, concluded that performance was not a factor they needed to address with respect to the approval of the new advisory agreements. They also considered that management fees would not increase under the new advisory agreements and that Invesco Advisers would pay the fee under the sub-advisory contract out of its management fees. Furthermore, the Board considered that Invesco Advisers would provide a two-year contractual guaranty to limit the total expense ratio of the Trust to the Trust's total expense ratio prior to the Acquisition.

C. Economies of Scale. The Board considered the benefits that the shareholders of the Trust would be afforded as a result of anticipated economies of scale.

D. Other Benefits of the Relationship. The Board considered other benefits to Invesco Advisers and its affiliates that may be derived from their relationship with the Trust and other funds advised by Invesco Advisers.

E. Resources of the Adviser. The Board considered whether Invesco Advisers and the Affiliated Sub-Advisers were financially sound and had the resources necessary to perform their obligations under the new advisory agreements, noting assurances that Invesco Advisers and the Affiliated Sub-Advisers had the financial resources necessary to fulfill their obligations under the new advisory agreements and the benefits to the Trust of such a relationship.

F. General Conclusion. After considering and weighing all of the above factors, the Board, including the independent Trustees, unanimously concluded that it would be in the best interest of the Trust and its shareholders to approve the new advisory agreements with respect to the Trust. In reaching this conclusion, the Board did not give particular weight to any single factor referenced above. The Board considered these factors over the course of numerous meetings, some of which were in executive session with only the independent Trustees and their counsel present.

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited)

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (166.9%)			
	<i>Alaska (0.9%)</i>			
\$ 4,000	Northern Tobacco Securitization Corp., Asset Backed Ser 2006 A	5.00 %	06/01/46	\$ 2,688,920
	<i>Arizona (5.8%)</i>			
2,000	Arizona State Transportation Board, Highway Refg Ser 2002 A	5.25	07/01/19	2,186,400
650	Maricopa County Pollution Control Corp., Ser 2009 A	6.00	05/01/29	684,963
3,000	Phoenix Civic Improvement Corp., Airport Ser 2002 B (AMT) (NATL-RE & FGIC Insd)	5.25	07/01/32	3,000,990
3,800	Phoenix Civic Improvement Corp., Jr Lien Water Ser 2002 (NATL-RE & FGIC Insd)	5.00	07/01/26	3,861,256
6,000	Salt River Project Agricultural Improvement & Power District, 2002 Ser B (a)	5.00	01/01/31	6,227,039
2,000	Surprise Municipal Property Corp., Ser 2007	4.90	04/01/32	1,680,840
				17,641,488
	<i>California (27.0%)</i>			
1,575	Alhambra Unified School District, Ser 2009 B (AGC Insd) (b)	0.00	08/01/35	348,768
2,545	Alhambra Unified School District, Ser 2009 B (AGC Insd) (b)	0.00	08/01/36	528,215
2,000	California Health Facilities Financing Authority, Cedars-Sinai Medical Center Ser 2005	5.00	11/15/34	1,958,420
2,000	California Health Facilities Financing Authority, Kaiser Permanente Ser 2006 A	5.25	04/01/39	1,991,060
5,000	California Infrastructure & Economic Development Bank, Bay Area Toll Bridges 1st Lien Ser 2003 (AMBAC Insd) (a)	5.00	01/01/28 (c)	5,847,705
3,000	California Infrastructure & Economic Development Bank, The Scripps Research Institute Ser 2005 A	5.00	07/01/29	3,089,220
6,000	California Pollution Control Financing Authority, Keller Canyon Landfill Co./Browning-Ferris Industries Inc.	6.875	11/01/27	6,006,300

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	Ser 1992 (AMT)			
4,000	California Statewide Communities Development Authority, Baptist University			
	Ser 2007 A	5.40	11/01/27	3,479,920
5,000	California Statewide Communities Development Authority, John Muir Health			
	Ser 2006 A	5.00	08/15/32	4,842,900
960	City & County of San Francisco, Laguna Honda Hospital Refg Ser 2008-R3 (AGC Insd) (a)	5.00	06/15/28	990,758
4,000	City of Los Angeles, Ser 2004 A (NATL-RE Insd)	5.00	09/01/24	4,262,320
1,000	County of San Diego, Burnham Institute for Medical Research Ser 2006 (COPs)	5.00	09/01/34	859,110
4,685	Dry Creek Joint Elementary School District, Election 2008 Ser 2009 (b)	0.00	08/01/40	645,546
4,535	Dry Creek Joint Elementary School District, Election 2008 Ser 2009 (b)	0.00	08/01/41	583,473
6,000	Golden State Tobacco Securitization Corp., Enhanced Asset Backed Ser 2005 A (AMBAC Insd)	5.00	06/01/29	5,898,360
5,100	Golden State Tobacco Securitization Corp., Enhanced Asset Backed Ser 2007 A-1	5.125	06/01/47	3,561,789

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 1,150	Golden State Tobacco Securitization Corp., Enhanced Asset Backed Ser 2007 A-1	5.75 %	06/01/47	\$ 886,454
1,745	Moreland School District, Ser 2014 C (AMBAC Insd) (b)	0.00	08/01/29	547,529
1,270	Oak Grove School District, Election 2008 Ser A (b)	0.00	08/01/28	445,694
445	Port of Oakland, Ser 2002 L (AMT) (NATL-RE & FGIC Insd)	5.00	11/01/12 (c)	486,630
110	Port of Oakland, Ser 2002 L (AMT) (NATL-RE & FGIC Insd)	5.00	11/01/12 (c)	120,291
890	Port of Oakland, Ser 2002 L (AMT) (NATL-RE & FGIC Insd)	5.00	11/01/21	890,000
3,555	Port of Oakland, Ser 2002 L (AMT) (NATL-RE & FGIC Insd)	5.00	11/01/32	3,200,069
3,720	San Diego County Water Authority, Ser 2002 A (COPs) (NATL-RE Insd)	5.00	05/01/27	3,847,447
2,500	San Francisco City & County Public Utilities Commission, Ser 2009 A	5.00	11/01/27	2,683,750
720	San Rafael City High School District, Election Ser 2002 B (NATL-RE & FGIC Insd) (b)	0.00	08/01/25	310,082
16,000	Silicon Valley Tobacco Securitization Authority Tobacco Settlement, Santa Clara Tobacco Securitization Corp. Ser 2007 (b)	0.00	06/01/36	1,642,240
4,000	State of California, Ser 2004 A	5.00	07/01/16	4,139,080
5,000	State of California, Various Purpose Dtd 05/01/03	5.25	02/01/19	5,272,850
5,000	Tobacco Securitization Authority of Northern California, Sacramento County Tobacco Securitization Corp. Ser 2006 A-1	5.00	06/01/37	3,918,100
1,350	Twin Rivers Unified School District, Ser 2009 (BANs) (b)	0.00	04/01/14	1,195,276
2,760	University of California, Ser 2007-J (AGM Insd) (a)	4.50	05/15/31	2,772,273
2,240	University of California, Ser 2007-J (AGM Insd) (a)	4.50	05/15/35	2,202,419
500	University of California, Ser 2009 O	5.25	05/15/39	536,230
10,100	William S. Hart Union High School District, Ser 2009 A (b)	0.00	08/01/32	2,496,720

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				82,486,998
	<i>Colorado (3.1%)</i>			
2,000	Colorado Educational & Cultural Facilities Authority, Peak to Peak Charter School Refg & Impr Ser 2004 (XLCA Insd)	5.25	08/15/34	1,986,260
2,000	Colorado Health Facilities Authority, Adventist/Sunbelt Ser 2006 D	5.00	07/01/39	2,027,780
1,750	County of Boulder, University Corp. for Atmospheric Research Ser 2002 (NATL-RE Insd)	5.375	09/01/18	1,890,350
1,750	County of Boulder, University Corp. for Atmospheric Research Ser 2002 (NATL-RE Insd)	5.375	09/01/21	1,890,350
1,590	Denver Convention Center Hotel Authority, Refg Ser 2006 (XLCA Insd)	5.00	12/01/30	1,410,250
265	Public Authority for Colorado Energy, Natural Gas Ser 2008	6.25	11/15/28	284,385
				9,489,375
	<i>Connecticut (1.7%)</i>			
5,000	Connecticut Housing Finance Authority, SubSer A-2 (AMT)	5.15	05/15/38	5,071,600
	<i>Delaware (0.3%)</i>			
1,000	County of New Castle, Newark Charter School Inc. Ser 2006	5.00	09/01/36	840,590
	<i>District of Columbia (1.8%)</i>			
6,000	District of Columbia Ballpark, Ser 2006 B-1 (NATL-RE & FGIC Insd)	5.00	02/01/31	5,652,180
	<i>Florida (8.6%)</i>			
2,000	Broward County School Board, Ser 2001 A (COPs) (AGM Insd)	5.00	07/01/26	2,019,920

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 2,000	County of Miami-Dade, Building Better Communities Program Ser 2009 B-1	6.00 %	07/01/38	\$ 2,226,180
1,250	County of Miami-Dade, Miami Int 1 Airport Ser 2009 A (AGC Insd)	5.00	10/01/25	1,304,337
75	Highlands County Health Facilities Authority, Adventist Health/Sunbelt Ser 2006 C	5.25	11/15/16 (c)	87,844
2,925	Highlands County Health Facilities Authority, Adventist Health/Sunbelt Ser 2006 C	5.25	11/15/36	2,945,826
3,300	Jacksonville Electric Authority, St Johns Power Park Refg Issue 2 Ser 17	5.00	10/01/18	3,467,640
1,500	Lee County Industrial Development Authority, Shell Point Village/The Alliance Community for Retirement Living Inc., Ser 2006	5.125	11/15/36	1,224,540
1,200	Palm Beach County Solid Waste Authority, Ser 2009 (BHAC Insd)	5.50	10/01/23	1,362,972
12,000	South Miami Health Facilities Authority, Baptist Health South Florida Ser 2007	5.00	08/15/42	11,791,440
				26,430,699
	<i>Georgia (3.8%)</i>			
2,000	City of Atlanta, Airport Ser 2004 J (AGM Insd)	5.00	01/01/34	2,022,260
6,000	Georgia State Road & Tollway Authority, Ser 2003	5.00	10/01/22	6,363,000
3,000	Georgia State Road & Tollway Authority, Ser 2003	5.00	10/01/23	3,172,530
				11,557,790
	<i>Hawaii (4.1%)</i>			
10,000	City & County of Honolulu, Ser 2003 A (NATL-RE Insd) (a)	5.25	03/01/26	10,545,550
1,925	State of Hawaii, Airports Refg Ser A	5.00	07/01/39	1,925,635
				12,471,185
	<i>Idaho (1.2%)</i>			
2,600		.25		

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	Idaho Housing & Finance Association, Federal Highway Trust, Ser 2008 A (RANs) (AGC Insd)	5	07/15/23	2,882,698
20	Idaho Housing & Finance Association, Ser 1992 E (AMT)	6.75	07/01/12	20,051
655	Idaho Housing & Finance Association, Ser 2000 E (AMT)	6.00	01/01/32	685,006
				3,587,755
	<i>Illinois (9.5%)</i>			
4,000	City of Chicago, O Hare Int 1 Airport Third Lien Ser 2003 B-2 (AMT) (AGM Insd)	5.75	01/01/23	4,158,880
7,250	City of Chicago, Project & Refg Ser 2007 A (CR) (AGM & FGIC Insd) (a)(d)	5.00	01/01/37	7,368,601
2,200	City of Granite City, Waste Management, Inc. Project	3.50	05/01/27	2,200,836
1,650	Illinois Finance Authority, Resurrection Health Center, Refg Ser 2009	6.125	05/15/25	1,682,967
645	Illinois Finance Authority, Rush University Medical Center Obligated Group Ser 2009 A	7.25	11/01/38	727,379
830	Illinois Finance Authority, Ser 2009 B	5.00	08/15/16	909,539
2,360	Illinois Finance Authority, Swedish Covenant Hospital Ser 2010 A	5.75	08/15/29	2,365,027
1,235	Illinois Finance Authority, Swedish Covenant Hospital Ser 2010 A	6.00	08/15/38	1,241,224
6,000	State of Illinois, First Ser 2002 (NATL-RE Insd)	5.375	07/01/20	6,389,400

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 2,000	Village of Schaumburg, Ser 2004 B (NATL-RE & FGIC Insd)	5.25 %	12/01/34	\$ 2,098,940
				29,142,793
	<i>Indiana (5.9%)</i>			
10,000	Indiana Bond Bank, Revolving Fund Ser 2001 A	5.00	02/01/23	10,440,000
5,400	Indiana Health & Educational Facilities Financing Authority, Clarian Health Ser 2006 A	5.25	02/15/40	5,225,850
1,400	Marion County Convention & Recreational Facilities Authority, Refg Ser 2003 A (AMBAC Insd)	5.00	06/01/21	1,430,506
820	Rockport, Indian Michigan Power Company Project Refg Ser 2009 B	6.25	06/01/25	910,167
				18,006,523
	<i>Iowa (1.3%)</i>			
2,120	State of Iowa, LJOBS Program Ser 2009 A (a)(d)	5.00	06/01/25	2,301,909
1,590	State of Iowa, LJOBS Program Ser 2009 A (a)(d)	5.00	06/01/26	1,714,802
				4,016,711
	<i>Kansas (0.2%)</i>			
730	Kansas Development Finance Authority Hospital Revenue, Adventist Health System Sunbelt Obligated Group Ser 2009 C	5.50	11/15/29	774,472
	<i>Kentucky (0.3%)</i>			
1,000	Kentucky Economic Development Finance Authority, Owensboro Medical Health System Ser 2010 A	6.50	03/01/45	1,036,590
	<i>Louisiana (0.5%)</i>			
1,500	Louisiana Offshore Terminal Authority, Deepwater Port Ser 2007 B-2	4.30	10/01/37	1,530,960
	<i>Maryland (2.0%)</i>			

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1,105	County of Baltimore, Oak Crest Village Ser 2007 A	5.00	01/01/37	985,671
1,080	Maryland Economic Development Corp., Ser B	5.75	06/01/35	1,107,356
2,385	Maryland Health & Higher Educational Facilities Authority, King Farm Presbyterian Community 2006 Ser B	5.00	01/01/17	2,193,652
1,700	Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Ser 2006 A	5.00	07/01/41	1,683,969
				5,970,648
	<i>Massachusetts (1.0%)</i>			
1,100	Massachusetts Health & Educational Facilities Authority, Berklee College Music Ser A	5.00	10/01/32	1,116,302
1,600	Massachusetts Health & Educational Facilities Authority, Boston College Ser M-2	5.50	06/01/30	1,892,336
				3,008,638
	<i>Michigan (3.3%)</i>			
3,000	County of Wayne, Detroit Metropolitan Wayne County Airport Refg Ser 2002 D (AMT) (NATL-RE & FGIC Insd)	5.50	12/01/17	3,042,930

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 5,000	Michigan Strategic Fund, Detroit Edison Co. Ser 2001 C (AMT)	5.65 %	09/01/29	\$ 5,001,450
1,855	Wayne State University, Refg Ser 2008 (AGM Insd)	5.00	11/15/25	1,959,195
				10,003,575
	<i>Minnesota (0.7%)</i>			
2,000	Western Minnesota Municipal Power Agency, Ser 2003 A (NATL-RE Insd)	5.00	01/01/30	2,023,260
	<i>Missouri (0.4%)</i>			
120	Missouri Housing Development Commission, Homeownership Ser 2000 B-1 (AMT)	6.25	03/01/31	123,707
1,125	Missouri State Health & Educational Facilities Authority, Lutheran Senior Services Ser 2005 A	5.375	02/01/35	1,047,139
				1,170,846
	<i>Montana (1.3%)</i>			
1,600	City of Forsyth, Pollution Control Revenue Ser A	5.00	05/01/33	1,630,048
2,410	Montana Board of Housing, 2000 Ser B (AMT)	6.00	12/01/29	2,478,396
				4,108,444
	<i>Nevada (4.5%)</i>			
2,000	County of Clark, Airport Sub Lien Ser 2004 A-1 (AMT) (NATL-RE & FGIC Insd)	5.50	07/01/20	2,058,280
1,000	County of Clark, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/19	1,022,250
1,100	County of Clark, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/20	1,120,900
2,000	County of Clark, Jet Aviation Fuel Tax Ser 2003 C (AMT) (AMBAC Insd)	5.375	07/01/22	2,020,120
1,000	County of Clark, McCarran International Airport Ser 2010 A	5.125	07/01/34	1,001,060

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640	Las Vegas Redevelopment Agency, Tax Increment Ser 2009 A	6.25	06/15/16	718,247
5,345	Las Vegas Valley Water District, Water Impr Refg Ser 2003 A (NATL-RE & FGIC Insd)	5.25	06/01/20	5,751,968
				13,692,825
	<i>New Hampshire (0.2%)</i>			
655	New Hampshire Business Finance Authority, Ser 2009 (AMT)	7.125	07/01/27	692,990
	<i>New Jersey (9.1%)</i>			
2,000	New Jersey Economic Development Authority, School Facilities Construction Ser N-1 (AMBAC Insd)	5.50	09/01/24	2,257,020
1,295	New Jersey St Housing & Mortgage Finance Agency, Home Buyer Ser 2000 CC (AMT) (NATL-RE Insd)	5.875	10/01/31	1,299,688
1,500	New Jersey State Turnpike Authority, Ser 2003 A (NATL-RE & FGIC Insd)	5.00	01/01/27	1,545,060
5,000	New Jersey Transportation Trust Fund Authority, 1999 Ser A	5.75	06/15/20	5,760,650
10,000	Passaic Valley Sewage Commissioners, Ser F (NATL-RE & FGIC Insd)	5.00	12/01/20	10,115,300
5,000	Tobacco Settlement Financing Corp., Ser 2007-1 A	4.625	06/01/26	4,273,550
6,000	Tobacco Settlement Financing Corp., Ser 2007-1 B (b)	0.00	06/01/41	393,360

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 2,000	University of Medicine & Dentistry of New Jersey, Ser 2004 (COPs) (NATL-RE Insd)	5.25 %	06/15/23	\$ 2,037,020
				27,681,648
	<i>New York (21.7%)</i>			
820	Brooklyn Arena Local Development Corp., Ser 2009	6.25	07/15/40	844,559
340	Brooklyn Arena Local Development Corp., Ser 2009	6.375	07/15/43	349,744
2,380	City of New York, 2009 Subser A-1 (a)	5.25	08/15/27	2,585,849
2,380	City of New York, 2009 Subser A-1 (a)	5.25	08/15/28	2,585,849
10,000	Metropolitan Transportation Authority, Transportation Refg Ser 2002 A (NATL-RE & FGIC Insd)	5.00	11/15/25	10,273,300
3,500	New York City Municipal Water Finance Authority, Ser 2002 A	5.375	06/15/19	3,771,845
18,000	New York City Municipal Water Finance Authority, Ser 2002 B (a)	5.00	06/15/26	18,445,080
3,000	New York City Municipal Water Finance Authority, Ser 2003 A	5.00	06/15/35	3,071,220
2,040	New York City Transitional Finance Authority, 2010 Subser A-1 (a)	5.00	05/01/28	2,203,377
1,635	New York City Transitional Finance Authority, 2010 Subser A-1 (a)	5.00	05/01/29	1,765,942
1,635	New York City Transitional Finance Authority, 2010 Subser A-1 (a)	5.00	05/01/30	1,765,942
1,935	New York City Trust for Cultural Resources, Museum of Modern Art Refg Ser 2008 1A (a)	5.00	04/01/26	2,113,281
2,815	New York City Trust for Cultural Resources, Museum of Modern Art Refg Ser 2008 1A (a)	5.00	04/01/27	3,074,359
1,100	New York State Dormitory Authority, New York University (AMBAC Insd)	5.50	05/15/29	1,212,838
2,000	Seneca Nation Indians, Ser 2007 A (144A) (e)	5.00	12/01/23	1,667,800
5,000	Tobacco Settlement Financing Corp., Ser 2003 B-1C	5.50	06/01/17	5,214,900
5,000	Triborough Bridge & Tunnel Authority, Refg 2002 E (NATL-RE Insd) (a)	5.25	11/15/22	5,345,239

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				66,291,124
	<i>North Carolina (1.5%)</i>			
4,500	City of Charlotte, Water/Sewer Ser 2001	5.125	06/01/26	4,673,430
	<i>North Dakota (0.8%)</i>			
2,750	County of Ward, Trinity Ser 2006	5.125	07/01/29	2,463,423
	<i>Ohio (6.2%)</i>			
5,100	American Municipal Power-Ohio Inc., Prairie State Energy Campus Ser 2008 A (AGC Insd) (a)	5.25	02/15/33	5,339,177
5,370	County of Cuyahoga, Cleveland Clinic Ser 2003 A	6.00	01/01/32	5,712,069
3,000	County of Lorain, Catholic Healthcare Partners Ser 2001 A	5.625	10/01/17	3,112,170
2,270	Ohio State Higher Educational Facilities, Summa Health Systems Ser 2010 (f)	5.75	11/15/40	2,240,967
2,000	Ohio State University, General Receipts Ser 2002 A	5.125	12/01/31	2,079,980
410	Ohio State Water Development Authority, Ser 2009 A	5.875	06/01/33	448,208
				18,932,571
	<i>Oklahoma (0.4%)</i>			
1,500	Oklahoma Development Finance Authority, Great Plains Regional Medical Center Ser 2007	5.125	12/01/36	1,280,775

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	<i>Oregon (0.3%)</i>			
\$ 685	Oregon State Department of Administrative Services, Ser 2009 A	5.25 %	04/01/24	\$ 777,263
	<i>Pennsylvania (0.5%)</i>			
2,000	Allegheny County Hospital Development Authority, West Penn Allegheny Health Ser 2007 A	5.375	11/15/40	1,617,860
	<i>Puerto Rico (1.8%)</i>			
1,300	Puerto Rico Electric Power Authority, Ser XX	5.25	07/01/40	1,319,357
1,375	Puerto Rico Sales Tax Financing Corp., Ser 2009 A	5.00	08/01/39	1,435,885
1,225	Puerto Rico Sales Tax Financing Corp., Ser 2010 A	5.375	08/01/39	1,267,667
1,400	Puerto Rico Sales Tax Financing Corp., Ser 2010 A	5.50	08/01/42	1,462,188
				5,485,097
	<i>South Carolina (5.4%)</i>			
3,000	Charleston Educational Excellence Finance Corp., Charleston County School District Ser 2005	5.25	12/01/29	3,106,920
345	County of Richland, Environmental Improvement, Paper Co. Ser 2007 A	4.60	09/01/12	364,796
70	Lexington County Health Services District, Inc., Ser 2007 A	5.00	11/01/16	76,255
5,000	South Carolina State Public Service Authority, Refg Ser 2002 D (AGM Insd)	5.00	01/01/20	5,428,700
7,000	South Carolina State Public Service Authority, Santee Cooper Ser 2003 A (AMBAC Insd) (a)	5.00	01/01/22	7,437,224
				16,413,895
	<i>Texas (20.1%)</i>			
2,000	Alliance Airport Authority, Federal Express Corp. Refg Ser 2006 (AMT)	4.85	04/01/21	1,984,860
1,045		6.20	07/01/45	1,059,045

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Bexar County Health Facilities Development Corp.				
2,500	City of Arlington, Special Tax Ser 2009	5.00	08/15/28	2,551,525
10,000	City of Austin, Water & Wastewater Refg Ser 2001 A & B (AGM Insd) (a)	5.125	05/15/27	10,277,984
6,000	City of Houston, Airport Sub Lien Ser 2000 A (AMT) (AGM Insd)	5.875	07/01/17	6,036,180
5,120	City of Houston, Combined Utility First Lien Refg 2004 Ser A (NATL-RE & FGIC Insd)	5.25	05/15/23	5,501,645
2,000	City of Houston, Ser 2009 A	5.00	03/01/27	2,168,440
5,000	City of Houston, Ser A 2001 (AMT) (AGM Insd)	5.625	07/01/30	5,002,500
8,960	City of San Antonio, (NATL-RE & FGIC Insd)	5.00	05/15/26	9,184,179
2,500	County of Bexar, Ser 2009 A	5.00	06/15/35	2,614,475
2,380	County of Harris, Ser 2007 C (AGM Insd)	5.25	08/15/31	2,736,595
600	Harris County Industrial Development Corp., Deer Park Refinancing Project	5.00	02/01/23	609,936
8,600	North Texas Tollway Authority, Refg Ser 2008 D (AGC Insd) (b)	0.00	01/01/28	3,252,090
1,650	North Texas Tollway Authority, Refg Ser 2008 D (AGC Insd) (b)	0.00	01/01/31	519,503
2,000	Tarrant County Cultural Education Facilities Finance Corp., Air Force Village II Inc. Ser 2007	5.125	05/15/37	1,696,620

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 915	Texas Private Activity Bond Surface Transportation Corp., Senior Lien Ser 2009	6.875 %	12/31/39	\$ 959,981
5,100	University of Houston, Ser 2008 (AGM Insd) (a)	5.00	02/15/33	5,320,201
				61,475,759
	<i>Vermont (0.7%)</i>			
2,500	Vermont Economic Development Authority, Wake Robin Corp Ser 2006 A	5.375	05/01/36	2,097,375
	<i>Virginia (0.6%)</i>			
2,000	Fairfax County Economic Development Authority, Goodwin House, Inc. Ser 2007	5.125	10/01/42	1,925,040
	<i>Washington (8.4%)</i>			
5,000	Energy Northwest, Ser 2002 A (NATL-RE Insd)	5.75	07/01/18	5,430,500
5,000	Grant County Public Utility District No. 2, Electric Refg Ser 2001 H (AGM Insd)	5.375	01/01/18	5,305,350
2,510	Port of Seattle, Passenger Facility Ser 1998 A (NATL-RE Insd)	5.00	12/01/23	2,515,522
2,500	Spokane County School District No. 81, Ser 2005 (NATL-RE Insd)	5.125	06/01/23	2,673,525
3,725	State of Washington, Various Purpose Ser 2010 A (a)	5.00	08/01/29	4,005,971
3,915	State of Washington, Various Purpose Ser 2010 A (a)	5.00	08/01/30	4,210,303
1,500	Washington Health Care Facilities Authority, Providence Health Ser 2006 C (AGM Insd)	5.25	10/01/33	1,557,540
				25,698,711
	Total Tax-Exempt Municipal Bonds (Cost \$503,828,748)			509,911,826

**NUMBER
OF
SHARES
(000)**

Short-Term Investment (0.5%)

Investment Company

1,453	Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class (See Note 5) (<i>Cost \$1,453,043</i>)	1,453,043
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Total Investments (<i>Cost \$505,281,791</i>) (g)(h)	167.4%	511,364,869
Other Assets in Excess of Liabilities	1.2	3,411,290

Floating Rate Note and Dealer Trusts Obligations Related to Securities Held

Notes with interest rates ranging from 0.28% to 0.32% at 04/30/10 and contractual maturities of collateral ranging from 01/01/22 to 01/01/37 (See Note 1D) (i)	(23.5)	(71,659,000)
Preferred Shares of Beneficial Interest	(45.1)	(137,650,000)

Net Assets Applicable to Common Shareholders	100.0%	\$ 305,467,159
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See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Portfolio of Investments - April 30, 2010 (unaudited) continued

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

- AMT* *Alternative Minimum Tax.*
- BANs* *Bond Anticipation Notes.*
- COPs* *Certificates of Participation.*
- CR* *Custodial Receipts.*
- RANs* *Revenue Anticipation Notes.*
- (a) *Underlying security related to inverse floater entered into by the Trust (see Note 1D).*
- (b) *Capital appreciation bond.*
- (c) *Prefunded to call date shown.*
- (d) *Security is subject to a shortfall agreement which may require the Trust to pay amounts to a counterparty in the event of a significant decline in the market value of the security underlying the inverse floater. In case of a shortfall, the maximum potential amount of payments the Trust could ultimately be required to make under the agreement is \$7,335,000. However, such shortfall payment would be reduced by the proceeds from the sale of the security underlying the inverse floater.*
- (e) *Resale is restricted to qualified institutional investors.*
- (f) *Security purchased on a when-issued basis.*
- (g) *Securities have been designated as collateral in connection with securities purchased on a when-issued basis and inverse floating rate municipal obligations.*
- (h) *The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is \$18,045,880 and the aggregate gross unrealized depreciation is \$11,962,802 resulting in net unrealized appreciation of \$6,083,078.*
- (i) *Floating rate note obligations related to securities held. The interest rates shown reflect the rates in effect at April 30, 2010.*

Bond Insurance:

- AGC* *Assured Guaranty Corporation.*
- AGM* *Assured Guaranty Municipal Corporation.*
- AMBAC* *AMBAC Assurance Corporation.*
- BHAC* *Berkshire Hathaway Assurance Corporation.*
- FGIC* *Financial Guaranty Insurance Company.*
- NATL-RE* *National Public Finance Guarantee Corporation.*
- XLCA* *XL Capital Assurance Inc.*

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Financial Statements

Statement of Assets and Liabilities

April 30, 2010 (unaudited)

Assets:

Investments in securities, at value (cost \$503,828,748)	\$509,911,826
Investment in affiliate, at value (cost \$1,453,043)	1,453,043
Receivable for:	
Interest	8,058,775
Dividends from affiliate	341
Prepaid expenses and other assets	66,600

Total Assets 519,490,585

Liabilities:

Floating rate note and dealer trusts obligations	71,659,000
Payable for:	
Investments purchased	4,415,770
Investment advisory fee	131,027
Administration fee	39,100
Transfer agent fee	253
Accrued expenses and other payables	128,276

Total Liabilities 76,373,426

Preferred shares of beneficial interest, (at liquidation value) *(1,000,000 shares authorized of non-participating \$.01 par value, 2,753 shares outstanding)* 137,650,000

Net Assets Applicable to Common Shareholders \$305,467,159

Composition of Net Assets Applicable to Common Shareholders:

Common shares of beneficial interest <i>(unlimited shares authorized of \$.01 par value, 23,505,265 shares outstanding)</i>	\$329,512,210
Net unrealized appreciation	6,083,078
Accumulated undistributed net investment income	4,840,724
Accumulated net realized loss	(34,968,853)

Net Assets Applicable to Common Shareholders \$305,467,159

Net Asset Value Per Common Share

(\$305,467,159 divided by 23,505,265 common shares outstanding) \$13.00

Statement of Operations

For the six months ended April 30, 2010 (unaudited)

Net Investment Income:	
Income	
Interest	\$ 12,419,423
Dividends from affiliate	4,155
Total Income	12,423,578
Expenses	
Investment advisory fee	680,126
Interest and residual trust expenses	311,400
Administration fee	201,519
Auction commission fees	102,227
Professional fees	35,506
Shareholder reports and notices	24,476
Auction agent fees	21,998
Trustees fees and expenses	16,319
Listing fees	9,563
Transfer agent fees and expenses	6,056
Custodian fees	5,741
Other	69,550
Total Expenses	1,484,481
Less: rebate from Morgan Stanley affiliated cash sweep (Note 5)	(5,347)
Net Expenses	1,479,134
Net Investment Income	10,944,444
Realized and Unrealized Gain:	
Realized Gain on:	
Investments	396,747
Futures contracts	354,697
Net Realized Gain	751,444
Change in Unrealized Appreciation/Depreciation on:	
Investments	7,917,356
Futures contracts	(334,318)
Net Change in Unrealized Appreciation/Depreciation	7,583,038
Net Gain	8,334,482
Dividends to preferred shareholders from net investment income	(262,168)
Net Increase	\$ 19,016,758

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Financial Statements *continued*

Statements of Changes in Net Assets

	FOR THE SIX MONTHS ENDED APRIL 30, 2010 <i>(unaudited)</i>	FOR THE YEAR ENDED OCTOBER 31, 2009
Increase in Net Assets:		
Operations:		
Net investment income	\$ 10,944,444	\$ 22,458,037
Net realized gain (loss)	751,444	(28,621,279)
Net change in unrealized appreciation/depreciation	7,583,038	60,818,051
Dividends to preferred shareholders from net investment income	(262,168)	(1,258,408)
Net Increase	19,016,758	53,396,401
Dividends to Common Shareholders from Net Investment Income	(10,048,502)	(18,245,963)
Net Increase	8,968,256	35,150,438
Net Assets Applicable to Common Shareholders:		
Beginning of period	296,498,903	261,348,465
End of Period		
<i>(Including accumulated undistributed net investment income of \$4,840,724 and \$4,206,950, respectively)</i>	\$ 305,467,159	\$ 296,498,903

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Financial Statements *continued*

Statement of Cash Flows

For the six months ended April 30, 2010 (unaudited)

Increase (Decrease) in cash:

Cash Flows Provided by Operating Activities:

Net increase in net assets from operations (including preferred shares dividends) \$ 19,016,758

Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:

Net realized gain on investments	(396,747)
Net change in unrealized appreciation/depreciation on investments	(7,917,356)
Amortization of premium	575,365
Accretion of discount	(541,130)
Cost of purchases of investments	(22,168,205)
Proceeds from sales of investments	19,258,062
Net sale of short-term investments	2,504,689
Increase in interest receivables and other assets	(210,780)
Decrease in accrued expenses and other payables	(72,154)

Total Adjustments (8,968,256)

Net Cash Provided by Operating Activities 10,048,502

Cash Flows Used for Financing Activities:

Dividends paid to common shareholders (10,048,502)

Net Cash Used for Financing Activities (10,048,502)

Net Increase in Cash

Cash at Beginning of Period

Cash at End of Period \$

Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for interest \$ 311,400

See Notes to Financial Statements

Morgan Stanley Quality Municipal Income Trust
Notes to Financial Statements - April 30, 2010 (unaudited)

1. Organization and Accounting Policies

Morgan Stanley Quality Municipal Income Trust (the Trust) is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Trust's investment objective is to provide current income which is exempt from federal income tax. The Trust was organized as a Massachusetts business trust on March 12, 1992 and commenced operations on September 29, 1992.

On June 1, 2010, Invesco Ltd., a leading independent global investment management company, completed its purchase of substantially all of the retail asset management business of Morgan Stanley (the Transaction). In contemplation of the Transaction, at a Special Meeting of Shareholders held on April 16, 2010, shareholders of the Trust approved a new Board of Trustees, a new investment advisory agreement with Invesco Advisers, Inc., a subsidiary of Invesco Ltd., and a new master investment sub-advisory agreement with several of Invesco Ltd.'s wholly-owned affiliates. At that Special Meeting of Shareholders, the Trust's shareholders approved all proposals. Thus, effective June 1, 2010, the Trust's investment adviser, investment sub-advisers and certain other service providers are affiliates of Invesco Ltd. In addition, effective June 17, 2010, the Audit Committee of the Board of Trustees appointed, and the Board of Trustees ratified thereafter and approved, PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Trust.

The following is a summary of significant accounting policies:

A. Valuation of Investments (1) Portfolio securities are valued by an outside independent pricing service approved by the Trustees. The pricing service uses both a computerized grid matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the mean between the last reported bid and ask price. The portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. The Trustees believe that timely and reliable market quotations are generally not readily available for purposes of valuing tax-exempt securities and that the valuations supplied by the pricing service are more likely to represent the fair value of such securities; (2) futures are valued at the latest sale price on the commodities exchange on which they trade unless it is determined that such price does not reflect their market value, in which case they will be valued at their fair value as determined in good faith under procedures established by and under the supervision of the Trustees; (3) investments in open-end mutual funds, including the Morgan Stanley Institutional Liquidity Funds, are valued at the net asset value as of the close of each business day; and (4) short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements - April 30, 2010 (unaudited) *continued*

debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost, which approximates market value.

B. Accounting for Investments Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined by the identified cost method. Discounts are accreted and premiums are amortized over the life of the respective securities and are included in interest income. Interest income is accrued daily as earned.

C. Futures A futures contract is an agreement between two parties to buy and sell financial instruments or contracts based on financial indices at a set price on a future date. Upon entering into such a contract, the Trust is required to pledge to the broker: cash, U.S. Government securities or other liquid portfolio securities equal to the minimum initial margin requirements of the applicable futures exchange. Pursuant to the contract, the Trust agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments known as variation margin are recorded by the Trust as unrealized gains and losses. Upon closing of the contract, the Trust realizes a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

D. Floating Rate Note and Dealer Trusts 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 under the caption floating rate note and dealer trusts obligations on the Statement of Assets and Liabilities. The Trust records the interest income from the fixed rate bonds under the caption interest and records the expenses related to floating rate note and dealer trusts obligations and any administrative expenses of the Dealer Trusts under the caption interest and residual trust expenses on the Statement of Operations. The floating rate notes issued by the Dealer Trusts have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the Dealer Trusts for

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements - April 30, 2010 (unaudited) *continued*

redemption at par at each reset date. At April 30, 2010, the Trust's investments with a value of \$116,446,834 are held by the Dealer Trusts and serve as collateral for the \$71,659,000 in floating rate note and dealer trusts obligations outstanding at that date. The range of contractual maturities of the floating rate note and dealer trusts obligations and interest rates in effect at April 30, 2010 are presented in the Portfolio of Investments.

E. Federal Income Tax Policy It is the Trust's policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable and non-taxable income to its shareholders. Therefore, no federal income tax provision is required. The Trust files tax returns with the U.S. Internal Revenue Service, New York State and New York City. The Trust recognizes the tax effects of a tax position taken or expected to be taken in a tax return only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date. The more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of the benefit. The difference between the tax benefit recognized in the financial statements for a tax position taken and the tax benefit claimed in the income tax return is referred to as an unrecognized tax benefit. There are no unrecognized tax benefits in the accompanying financial statements. If applicable, the Trust recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in other expenses in the Statement of Operations. Each of the tax years filed in the four-year period ended October 31, 2009 remains subject to examination by taxing authorities.

The Trust purchases municipal securities whose interest, in the opinion of the issuer, is free from federal income tax. There is no assurance that the Internal Revenue Service (IRS) will agree with this opinion. In the event the IRS determines that the issuer does not comply with relevant tax requirements, interest payments from a security could become federally taxable.

F. Dividends and Distributions to Shareholders Dividends and distributions to shareholders are recorded on the ex-dividend date.

G. Use of Estimates The preparation of financial statements in accordance with generally accepted accounting principles in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

H. Subsequent Events The Trust considers events or transactions that occur after the date of the Statement of Assets and Liabilities but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through the date of issuance of these financial statements.

Morgan Stanley Quality Municipal Income Trust**Notes to Financial Statements - April 30, 2010 (unaudited) continued****2. Fair Valuation Measurements**

Fair value is defined as the price that the Trust would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. GAAP utilizes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Trust's investments. The inputs are summarized in the three broad levels listed below.

Level 1 unadjusted quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Trust'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 and the determination of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each security.

The following is the summary of the inputs used as of April 30, 2010 in valuing the Trust's investments carried at fair value:

INVESTMENT TYPE	TOTAL	FAIR VALUE MEASUREMENTS AT APRIL 30, 2010 USING		
		UNADJUSTED QUOTED PRICES IN ACTIVE MARKET FOR IDENTICAL INVESTMENTS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Tax-Exempt Municipal Bonds	\$ 509,911,826		\$ 509,911,826	
Short-Term Investment Company	1,453,043	\$ 1,453,043		
Total	\$ 511,364,869	\$ 1,453,043	\$ 509,911,826	

3. Derivative Financial Instruments

A derivative financial instrument in very general terms refers to a security whose value is derived from the value of an underlying asset, reference rate or index.

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements - April 30, 2010 (unaudited) *continued*

The Trust may use derivative instruments for a variety of reasons, such as to attempt to protect the Trust against possible changes in the market value of its portfolio or to generate potential gain. All of the Trust's portfolio holdings, including derivative instruments, are marked-to-market each day with the change in value reflected in unrealized appreciation/depreciation. Upon disposition, a realized gain or loss is recognized accordingly, except when taking delivery of a security underlying a contract. In these instances, the recognition of gain or loss is postponed until the disposal of the security underlying the contract. Risk may arise as a result of the potential inability of the counterparties to meet the terms of their contracts.

Summarized below are specific types of derivative financial instruments used by the Trust.

Futures To hedge against adverse interest rate changes, the Trust may invest in financial futures contracts or municipal bond index futures contracts (futures contracts). These futures contracts involve elements of market risk in excess of the amount reflected in the Statement of Assets and Liabilities. The Trust bears the risk of an unfavorable change in the value of the underlying securities. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

Transactions in futures contracts for the six months ended April 30, 2010, were as follows:

	NUMBER OF CONTRACTS
Futures, outstanding at beginning of the period	488
Futures opened	507
Futures closed	(995)
Futures, outstanding at end of the period	

The following tables set forth by primary risk exposure the Trust's realized gains (losses) and change in unrealized gains (losses) by type of derivative contract for the six months ended April 30, 2010.

AMOUNT OF REALIZED GAIN ON DERIVATIVE CONTRACTS	
PRIMARY RISK EXPOSURE	FUTURES
Interest Rate Risk	\$ 354,697

CHANGE IN UNREALIZED APPRECIATION/DEPRECIATION ON DERIVATIVE CONTRACTS	
PRIMARY RISK EXPOSURE	FUTURES
Interest Rate Risk	\$ (334,318)

4. Investment Advisory/Administration Agreements

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Pursuant to an Investment Advisory Agreement with Morgan Stanley Investment Advisors Inc. (the "Investment Adviser"), the Trust pays an advisory fee, calculated weekly and payable monthly, by applying the annual rate of 0.27% to the Trust's average weekly net assets including current preferred shares and a portion of

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements - April 30, 2010 (unaudited) *continued*

floating rate note and dealer trusts obligations that the Trust entered into to retire outstanding preferred shares of the Trust.

Pursuant to an Administration Agreement with Morgan Stanley Services Company Inc. (the Administrator), an affiliate of the Investment Adviser, the Trust pays an administration fee, calculated weekly and payable monthly, by applying the annual rate of 0.08% to the Trust's average weekly net assets including current preferred shares and a portion of floating rate note and dealer trusts obligations that the Trust entered into to retire outstanding preferred shares of the Trust.

Under an agreement between the Administrator and State Street Bank and Trust Company (State Street), State Street provides certain administrative services to the Trust. For such services, the Administrator pays State Street a portion of the fee the Administrator receives from the Trust.

5. Security Transactions and Transactions with Affiliates

The Trust invests in Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class, an open-end management investment company managed by an affiliate of the Investment Adviser. Investment advisory fees paid by the Trust are reduced by an amount equal to the advisory and administrative service fees paid by Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class with respect to assets invested by the Trust in Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class. For the six months ended April 30, 2010, advisory fees paid were reduced by \$5,347 relating to the Trust's investment in Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class. Income distributions earned by the Trust are recorded as dividends from affiliate in the Statement of Operations and totaled \$4,155 for the six months ended April 30, 2010. During the six months ended April 30, 2010, the cost of purchases and sales of investments in Morgan Stanley Institutional Liquidity Funds Tax-Exempt Portfolio Institutional Class aggregated \$28,103,268 and \$30,607,957, respectively.

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the six months ended April 30, 2010 aggregated \$24,681,915 and \$17,267,720, respectively.

The Trust has an unfunded noncontributory defined benefit pension plan covering certain independent Trustees of the Trust who will have served as independent Trustees for at least five years at the time of retirement. Benefits under this plan are based on factors which include years of service and compensation. The Trustees voted to close the plan to new participants and eliminate the future benefits growth due to increases to compensation after July 31, 2003. Aggregate pension costs for the six months ended April 30, 2010, included in trustees' fees and expenses in the Statement of Operations amounted to \$10,302. At April 30, 2010, the Trust had an accrued pension liability of \$60,846, which is included in accrued expenses and other payables in the Statement of Assets and Liabilities.

Morgan Stanley Quality Municipal Income Trust**Notes to Financial Statements - April 30, 2010 (unaudited) continued**

The Trust has an unfunded Deferred Compensation Plan (the Compensation Plan) which allows each independent Trustee to defer payment of all, or a portion, of the fees he or she receives for serving on the Board of Trustees. Each eligible Trustee generally may elect to have the deferred amounts credited with a return equal to the total return on one or more of the Morgan Stanley funds that are offered as investment options under the Compensation Plan. Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the net asset value of the Trust.

6. Preferred Shares of Beneficial Interest

The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of \$.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. The Trust has issued Series 1 through 5 Auction Rate Preferred Shares (preferred shares) which have a liquidation value of \$50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends, whether or not declared, thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of \$50,000 per share plus accumulated but unpaid dividends, whether or not declared, thereon to the date of redemption.

Dividends, which are cumulative, are reset through auction procedures.

SERIES	SHARES+	AMOUNT IN THOUSANDS+	RATE+	RESET DATE	RANGE OF DIVIDEND RATES++
1	741	\$ 37,050	0.472 %	05/05/2010	0.259% 0.503%
2	265	13,250	0.472	05/06/2010	0.259 0.503
3	741	37,050	0.472	05/06/2010	0.259 0.503
4	741	37,050	0.472	05/06/2010	0.259 0.503
5	265	13,250	0.472	05/07/2010	0.244 0.503

+ As of April 30, 2010.

++ For the six months ended April 30, 2010.

Subsequent to April 30, 2010 and up through June 4, 2010, the Trust paid dividends to each of the Series 1 through 5 at rates ranging from 0.396% to 0.472% in the aggregate amount of \$59,504.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

The preferred shares, which are entitled to one vote per share, generally vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

Morgan Stanley Quality Municipal Income Trust

Notes to Financial Statements - April 30, 2010 (unaudited) *continued*

The Trust entered into additional floating rate note and dealer trusts obligations as an alternative form of leverage in order to redeem and to retire a portion of its preferred shares. Transactions in preferred shares were as follows:

	SHARES	VALUE
Outstanding at October 31, 2008	3,090	\$ 154,500,000
Shares retired	(337)	(16,850,000)
Outstanding at October 31, 2009	2,753	137,650,000
Shares retired		
Outstanding at April 30, 2010	2,753	\$ 137,650,000

7. Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	SHARES	PAR VALUE OF SHARES	CAPITAL PAID IN EXCESS OF PAR VALUE
Balance, October 31, 2008	23,505,265	\$ 235,052	\$ 329,166,091
Shares repurchased			