

MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST

Form N-Q

October 30, 2009

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

**Investment Company Act file number: 811-05597**

**Morgan Stanley Municipal Income Opportunities Trust**

(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York  
(Address of principal executive offices)

10036  
(Zip code)

Randy Takian

522 Fifth Avenue, New York, New York 10036  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6963

Date of fiscal year end: May 31, 2010

Date of reporting period: August 31, 2009

**Item 1. Schedule of Investments.**

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

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Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited)**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS     |  | COUPON<br>RATE | MATURITY<br>DATE | VALUE      |
|--|--|----------------|------------------|------------|
| <b>Tax-Exempt Municipal Bonds (103.7%)</b> |  |                |                  |            |
| <i>Alabama (1.1%)</i>                      |  |                |                  |            |
| \$ 1,000                                   | Colbert County-Northwest Alabama Health Care Authority, Helen Keller Hospital Ser 2003                 | 5.75%          | 06/01/27         | \$ 884,140 |
| 400  | Cullman Medical Clinic Board, Cullman Medical Park South, Regional Medical Center, Inc. Ser 1993-A     | 6.50           | 02/15/23         | 390,888    |
|  |  |                |                  | 1,275,028  |
| <i>Arizona (2.9%)</i>                      |  |                |                  |            |
| 1,550                                      | Navajo County Pollution Control Corp., Ser B   | 5.50           | 06/01/34         | 1,575,931  |
| 1,225                                      | Pima County Industrial Development Authority, Constellation Schools Ser 2008                           | 7.00           | 01/01/38         | 982,842    |
| 800  | Pima County Industrial Development Authority, Water & Wastewater Global Water Resources Ser 2007 (AMT) | 6.55           | 12/01/37         | 594,136    |
| 400  | Pinal County Electric District No 4, Ser 2008  | 6.00           | 12/01/38         | 371,464    |
|  |  |                |                  | 3,524,373  |
| <i>California (4.8%)</i>                   |  |                |                  |            |
| 1,760                                      | California County Tobacco Securitization Agency, Gold County Settlement Funding Corp. Ser 2006 (a)     | 0.00           | 06/01/33         | 222,006    |
| 335  | California Municipal Finance Authority, High Tech High-Media Arts Ser 2008 (144A) (b)                  | 5.875          | 07/01/28         | 260,483    |
| 1,000                                      | California Statewide Communities Development Authority, California Baptist University Ser 2007 A       | 5.50           | 11/01/38         | 669,180    |
| 400  | California Statewide Communities Development Authority, Thomas Jefferson School of Law Ser 2008 A (b)  | 7.25           | 10/01/38         | 363,800    |
| 995  | Daly City Housing Development Finance Agency, Franciscan Mobile Home Park Third Tier Refg Ser 2007 C   | 6.50           | 12/15/47         | 749,036    |
| 3,000                                      | Golden State Tobacco Securitization Corp., Asset Backed Ser 2007 A-1                                   | 5.125          | 06/01/47         | 2,105,850  |
| 800  | Quechan Indian Tribe of Fort Yuma, Indian Reservation Ser 2008   | 7.00           | 12/01/27         | 567,648    |
| 1,000                                      |  | 5.10           | 09/01/35         | 663,690    |

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|        |  |        |          |           |
|--------|--|--------|----------|-----------|
|        | Santa Ana Unified School District, Unified School District Community Facilities, District # 2004-1, Central Park Ser 2005    |        |          |           |
| 13,000 | Silicon Valley Tobacco Securitization Authority, Santa Clara Tobacco Securitization Corp. Ser 2007 C (a)                     | 0.00   | 06/01/56 | 116,740   |
|        |  |        |          | 5,718,433 |
|        | <i>Colorado (4.1%)</i>   |        |          |           |
| 500    | Colorado Health Facilities Authority, Christian Living Communities Ser 2006 A  | 9.00   | 01/01/34 | 520,065   |
| 1,000  | Colorado Health Facilities Authority, Christian Living Communities Ser 2006 A  | 5.75   | 01/01/37 | 742,430   |
| 280    | Colorado Housing & Finance Authority, 1998 Ser B-3   | 6.35   | 11/01/29 | 288,649   |
| 1,000  | Copperleaf Metropolitan District No 2, Ser 2006  | 5.95   | 12/01/36 | 571,670   |
| 2,000  | Elk Valley Public Improvement, Ser 2001 A  | 7.35   | 09/01/31 | 1,649,240 |
| 2,000  | Northwest Metropolitan District No 3, Ser 2005   | 6.25   | 12/01/35 | 1,078,260 |
|        |  |        |          | 4,850,314 |
|        | <i>Connecticut (0.8%)</i>  |        |          |           |
| 1,970  | Georgetown Special Taxing District, Ser 2006 A   | 5.125  | 10/01/36 | 915,301   |
|        | <i>District of Columbia (0.7%)</i>   |        |          |           |
| 540    | District of Columbia, Refg, Ser 2009 B (c)   | 5.00   | 12/01/25 | 594,128   |
| 220    | Metropolitan Washington Airports Authority, District of Columbia & Virginia, CaterAir International Corp. Ser 1991 (AMT) (d) | 10.125 | 09/01/11 | 215,670   |
|        |  |        |          | 809,798   |

*See Notes to Financial Statements*

Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |   | COUPON MATURITY |          | VALUE        |
|--|---|-----------------|----------|--------------|
|  |   | RATE            | DATE     |              |
|  | <i>Florida (16.4%)</i>  |                 |          |              |
| \$ 1,855                               | Beacon Lakes Community Development District, Ser 2003 A   | 6.90%           | 05/01/35 | \$ 1,521,304 |
| 935                                    | Bellalago Educational Facilities Benefit District, Bellalago Charter School Ser 2004 B                | 5.80            | 05/01/34 | 729,347      |
| 645                                    | Brevard County Health Facilities Authority, Buena Vida Estates, Inc. Ser 2007                         | 6.75            | 01/01/37 | 518,064      |
| 2,960                                  | Broward County Professional Sports Facilities, Civic Arena Refg. Ser 2006 A (CR) (FSA AMBAC Insd) (c) | 5.00            | 09/01/23 | 3,065,698    |
| 500                                    | County of Alachua, North Florida Retirement Village   | 5.25            | 11/15/17 | 436,935      |
| 800                                    | County of Alachua, North Florida Retirement Village   | 5.875           | 11/15/36 | 583,064      |
| 1,930                                  | County of Escambia, Pensacola Care Development Centers Ser 1989 (b)                                   | 10.25           | 07/01/11 | 1,941,734    |
| 450                                    | County of Escambia, Pensacola Care Development Centers Ser 1989 A (b)                                 | 10.25           | 07/01/11 | 452,736      |
| 980                                    | Fiddlers Creek Community Development District No 1, Ser 2005 (b)                                      | 6.00            | 05/01/38 | 655,346      |
| 500                                    | Fountainbleau Lakes Community Development District, Ser 2007 B  | 6.00            | 05/01/15 | 268,575      |
| 750                                    | Grand Bay at Doral Community Development District, Ser 2007 A   | 6.00            | 05/01/39 | 390,847      |
| 1,000                                  | Lee County Industrial Development Authority, Ser 2007 A   | 5.375           | 06/15/37 | 624,690      |
| 500                                    | Miami Beach Health Facilities Authority, Refg Ser 2004  | 6.75            | 11/15/21 | 430,675      |
| 1,000                                  | Midtown Miami Community Development District, Parking Garage Ser 2004 A                               | 6.25            | 05/01/37 | 746,160      |
| 2,000                                  | Orange County Health Facilities Authority, Orlando Lutheran Towers Inc, Ser 2007                      | 5.50            | 07/01/32 | 1,358,340    |
| 500                                    | Orange County Health Facilities Authority, Orlando Lutheran Towers, Inc. Ser 2005                     | 5.70            | 07/01/26 | 383,710      |
| 1,000                                  | Orange County Health Facilities Authority, Westminster Community Care Services, Inc. Ser 1999         | 6.75            | 04/01/34 | 826,350      |
| 600                                    | Pinellas County Health Facility Authority, Oaks of Clearwater Ser 2004                                | 6.25            | 06/01/34 | 595,446      |
| 950                                    | Renaissance Commons Community Development District, 2005 Ser A  | 5.60            | 05/01/36 | 604,409      |
| 2,860                                  | South Miami Health Facilities Authority, Baptist Health South Florida Obligated Group Ser 2007 (c)    | 5.00            | 08/15/32 | 2,724,994    |
| 500                                    | Split Pine Community Development District, Ser 2007 A   | 5.25            | 05/01/39 | 283,905      |
| 600                                    | Tolomato Community Development District, Special Assessment Ser 2007                                  | 6.55            | 05/01/27 | 449,940      |
|  |   |                 |          | 19,592,269   |
|  | <i>Georgia (1.4%)</i>   |                 |          |              |
| 2,000                                  | City of Atlanta, Eastside Ser 2005 B  | 5.60            | 01/01/30 | 1,621,620    |
|  | <i>Hawaii (2.0%)</i>  |                 |          |              |
| 1,000                                  | Hawaii State Department of Budget & Finance, Kahala Nui Ser 2003 A                                    | 8.00            | 11/15/33 | 1,002,470    |
| 1,220                                  | Hawaii State Ser 2008 DK (c)  | 5.00            | 05/01/23 | 1,339,809    |
|  |   |                 |          | 2,342,279    |

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*Idaho (0.6%)*

|     |   |       |          |         |
|-----|---|-------|----------|---------|
| 975 | Idaho Health Facilities Authority, Valley Vista Care Corp Refg Ser 2007 (b) | 6.125 | 11/15/27 | 743,506 |
|-----|---|-------|----------|---------|

*Illinois (7.8%)*

|       |  |      |          |           |
|-------|--|------|----------|-----------|
| 750   | Bolingbrook Special Service Area No. 1, Ser 2005                                       | 5.90 | 03/01/27 | 537,532   |
| 2,000 | City of Chicago Lake Shore East Ser 2002   | 6.75 | 12/01/32 | 1,592,520 |
| 500   | Hampshire Special Service Area No. 18, Crown Development Projects<br>-Tamms Farm-Ser A | 6.00 | 03/01/44 | 255,920   |

*See Notes to Financial Statements*

Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |  | COUPON<br>RATE | MATURITY<br>DATE | VALUE      |
|--|--|----------------|------------------|------------|
| \$ 1,000                               | Illinois Finance Authority, Elmhurst Memorial<br>Healthcare Ser 2008 A                           | 5.625%         | 01/01/37         | \$ 852,700 |
| 1,000                                  | Illinois Finance Authority, Landing at Plymouth<br>Ser 2005 A                                    | 6.00           | 05/15/37         | 734,620    |
| 1,000                                  | Illinois Finance Authority, Luther Oaks Ser 2006 A   | 6.00           | 08/15/39         | 700,810    |
| 1,650                                  | Illinois Finance Authority, Montgomery Place Ser<br>2006 A                                       | 5.75           | 05/15/38         | 1,161,567  |
| 1,200                                  | Illinois Toll Highway Authority, Ser 2008 B (c)  | 5.50           | 01/01/33         | 1,278,260  |
| 725                                    | Lincolnshire Special Service Area No. 1,<br>Sedgebrook Ser 2004                                  | 6.25           | 03/01/34         | 503,774    |
| 1,000                                  | United City of Yorkville, Cannonball/Beecher<br>Road Ser 2007                                    | 5.75           | 03/01/28         | 750,720    |
| 1,000                                  | Village of Bolingbrook, Bolingbrook Sales Tax Ser<br>2005  | 6.25           | 01/01/24         | 445,000    |
| 650                                    | Will-Kankakee Regional Development Authority,<br>Senior Estates Supportive Living Ser 2007 (AMT) | 7.00           | 12/01/42         | 507,383    |
|  |  |                |                  | 9,320,806  |
|  | <i>Iowa (1.4%)</i>   |                |                  |            |
| 785                                    | County of Jefferson, Jefferson County Hospital<br>Project Ser C                                  | 5.95           | 08/01/37         | 552,750    |
| 1,000                                  | Iowa Finance Authority, Bethany Life<br>Communities Refg Ser 2006 A                              | 5.55           | 11/01/41         | 655,550    |
| 750                                    | Iowa Finance Authority Health Care Facilities,<br>Madrid Homes Ser 2007                          | 5.90           | 11/15/37         | 520,185    |
|  |  |                |                  | 1,728,485  |
|  | <i>Kansas (0.6%)</i>   |                |                  |            |
| 900                                    | City of Olathe, Catholic Care Ser 2006 A   | 6.00           | 11/15/38         | 664,839    |
|  | <i>Louisiana (1.3%)</i>  |                |                  |            |
| 794                                    | Lakeshore Villages Master Community<br>Development District, Special Assessment Ser<br>2007      | 5.25           | 07/01/17         | 626,982    |
| 600                                    | Louisiana Public Facilities Authority, Lake Charles<br>Memorial Hospital Refg Ser 2007 (b)       | 6.375          | 12/01/34         | 452,142    |
| 500                                    | Parish of St. John the Baptist, Marathon Oil Corp.<br>Project Ser 2007 A                         | 5.125          | 06/01/37         | 457,200    |

1,536,324

|       |   |       |          |           |
|-------|---|-------|----------|-----------|
|       | <i>Maryland (1.5%)</i>  |       |          |           |
| 1,000 | Maryland Economic Development Corp.,<br>Chesapeake Bay Conference Center Ser 2006 A                             | 5.00  | 12/01/31 | 530,080   |
| 750   | Maryland Health & Higher Educational Facilities<br>Authority, King Farm Presbyterian Community<br>2007 Ser A    | 5.30  | 01/01/37 | 453,960   |
| 800   | Maryland Health & Higher Educational Facilities<br>Authority, Washington Christian Academy Ser<br>2006          | 5.50  | 07/01/38 | 404,816   |
| 500   | Maryland Industrial Development Financing<br>Authority, Our Lady of Good Counsel High School<br>Ser 2005 A      | 6.00  | 05/01/35 | 423,260   |
|       |   |       |          | 1,812,116 |
|       | <i>Massachusetts (3.1%)</i>   |       |          |           |
| 425   | Massachusetts Development Finance Agency,<br>Linden Ponds, Inc. Facility Ser 2007 A                             | 5.75  | 11/15/42 | 264,159   |
| 1,500 | Massachusetts Development Finance Agency,<br>Loomis Communities Ser 1999 A                                      | 5.75  | 07/01/23 | 1,344,570 |
| 1,570 | Massachusetts Development Finance Agency, New<br>England Center for Children Ser 1998                           | 5.875 | 11/01/18 | 1,359,447 |
| 1,000 | Massachusetts Health & Educational Facilities<br>Authority, The Learning Center for Deaf Children<br>Ser 1999 C | 6.125 | 07/01/29 | 761,990   |
|       |   |       |          | 3,730,166 |

*See Notes to Financial Statements*

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Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |  | COUPON<br>RATE | MATURITY<br>DATE | VALUE      |
|--|--|----------------|------------------|------------|
|  | <i>Michigan (2.0%)</i>   |                |                  |            |
| \$ 500                                 | Dearborn Economic Development Corp., Henry Ford Village, Inc. Refg Ser 2008                | 7.00%          | 11/15/28         | \$ 433,100 |
| 400                                    | Michigan Strategic Fund, Limited Obligation Revenue Ser 2003 A-1 (AMT)                     | 6.75           | 12/01/28         | 414,584    |
| 2,000                                  | Michigan Tobacco Settlement Finance Authority, Ser 2007 A                                  | 6.00           | 06/01/48         | 1,540,680  |
|  |  |                |                  | 2,388,364  |
|  | <i>Minnesota (1.5%)</i>  |                |                  |            |
| 450                                    | City of Brooklyn Park, Prairie Seeds Academy Project Ser 2009 A                            | 9.25           | 03/01/39         | 476,055    |
| 600                                    | City of Minneapolis, Health Care System Revenue Bonds, Fairview Health Services            | 6.75           | 11/15/32         | 658,086    |
| 750                                    | City of North Oaks, Presbyterian Homes Ser 2007  | 6.125          | 10/01/39         | 637,215    |
|  |  |                |                  | 1,771,356  |
|  | <i>Mississippi (0.3%)</i>  |                |                  |            |
| 400                                    | Mississippi Business Finance Corp., System Energy Resources, Inc. Ser 1998                 | 5.875          | 04/01/22         | 374,664    |
|  | <i>Missouri (6.5%)</i>   |                |                  |            |
| 750                                    | Branson Hills Infrastructure Facilities Community Improvement District, Ser 2007 A         | 5.50           | 04/01/27         | 560,557    |
| 500                                    | Branson Regional Airport Transportation Development District, Ser 2007 B (AMT)             | 6.00           | 07/01/37         | 326,990    |
| 2,000                                  | City of Des Peres, West County Center Ser 2002   | 5.75           | 04/15/20         | 1,732,740  |
| 3,850                                  | City of Fenton, Gravois Bluffs Redevelopment Ser 2001 A                                    | 7.00           | 10/01/11(e)      | 4,339,181  |
| 250                                    | St Louis County Industrial Development Authority, Health Facilities, Ranken Jordan Project | 5.00           | 11/15/22         | 198,068    |
| 750                                    | St Louis Industrial Development Authority, St Andrews Resources for Seniors Ser 2007 A     | 6.375          | 12/01/41         | 558,225    |
|  |  |                |                  | 7,715,761  |
|  | <i>Nevada (1.6%)</i>   |                |                  |            |
| 450                                    |  | 5.30           | 09/01/35         | 162,765    |



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|       |   |       |          |           |
|-------|---|-------|----------|-----------|
|       | City of Henderson, Local Improvement District #T-18, Ser 2006 (b)   |       |          |           |
| 1,000 | Director of the State of Nevada Department of Business & Industry, Las Vegas Monorail 2nd Tier Ser 2000 (b) | 7.375 | 01/01/40 | 10,000    |
| 500   | Las Vegas Redevelopment Agency, Tax Increment Revenue Ser 2009 A  | 8.00  | 06/15/30 | 544,540   |
| 1,050 | Mesquite Special Improvement District No 07-01, Local Improvement-Anthem at Mesquite Ser 2007               | 6.00  | 08/01/23 | 750,593   |
| 600   | Sparks Local Improvement District #3, Ser 2008  | 6.50  | 09/01/20 | 505,674   |
|       |   |       |          | 1,973,572 |
|       | <i>New Hampshire (2.6%)</i>   |       |          |           |
| 5,485 | New Hampshire Housing Finance Authority, Single Family Residential 1983 Ser B (a)                           | 0.00  | 01/01/15 | 3,166,655 |
|       | <i>New Jersey (5.1%)</i>  |       |          |           |
| 1,000 | New Jersey Economic Development Authority, Franciscan Oaks Ser 1997   | 5.70  | 10/01/17 | 921,110   |
| 730   | New Jersey Economic Development Authority, Lions Gate Ser 2005 A  | 5.875 | 01/01/37 | 558,070   |
| 700   | New Jersey Economic Development Authority, Seashore Gardens Living Center Ser 2006                          | 5.375 | 11/01/36 | 472,451   |
| 1,000 | New Jersey Economic Development Authority, The Presbyterian Home at Montgomery Ser 2001 A                   | 6.375 | 11/01/31 | 783,180   |
| 2,000 | New Jersey Economic Development Authority, United Methodist Homes of New Jersey Ser 1998                    | 5.125 | 07/01/25 | 1,416,160 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Raritan Bay Medical Center Ser 1994 (b)              | 7.25  | 07/01/27 | 1,709,700 |
| 275   | Tobacco Settlement Financing Corp., Ser 2007-1 A  | 4.625 | 06/01/26 | 222,577   |
|       |   |       |          | 6,083,248 |

*See Notes to Financial Statements*

Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |  | COUPON<br>RATE | MATURITY<br>DATE | VALUE        |
|--|--|----------------|------------------|--------------|
|  | <i>New York (4.7%)</i>   |                |                  |              |
| \$ 3,000                               | Brookhaven Industrial Development Agency,<br>Woodcrest Estates Ser 1998 A (AMT)  | 6.375%         | 12/01/37         | \$ 2,272,560 |
| 625                                    | Nassau County Industrial Development Agency,<br>Continuing Care Retirement Community<br>Revenue, Amsterdam at Harborside Project Ser<br>2007 A | 6.50           | 01/01/27         | 506,069      |
| 1,800                                  | New York City Industrial Development Agency, 7<br>World Trade Center LLC Ser 2005 A  | 6.50           | 03/01/35         | 1,368,162    |
| 500                                    | New York City Industrial Development Agency,<br>Polytechnic University Refg Ser 2007 (ACA Insd)  | 5.25           | 11/01/37         | 404,635      |
| 1,000                                  | New York Liberty Development Corp., National<br>Sports Museum, Ser 2006 A (b)(f)   | 6.125          | 02/15/19         | 1,000        |
| 1,500                                  | Suffolk County Industrial Development Agency,<br>Medford Hamlet Ser 2006   | 6.375          | 01/01/39         | 1,054,635    |
|  |  |                |                  | 5,607,061    |
|  | <i>North Carolina (0.2%)</i>   |                |                  |              |
| 400                                    | North Carolina Medical Care Commission,<br>Pensburg Ser 2005 A   | 6.125          | 10/01/35         | 274,288      |
|  | <i>North Dakota (1.2%)</i>   |                |                  |              |
| 1,500                                  | City of Grand Forks, Valley Square Ser 2006  | 5.30           | 12/01/34         | 1,015,890    |
| 500                                    | County of Ward, Trinity Ser 2006   | 5.125          | 07/01/29         | 410,900      |
|  |  |                |                  | 1,426,790    |
|  | <i>Ohio (2.9%)</i>   |                |                  |              |
| 1,900                                  | Buckeye Tobacco Settlement Financing<br>Authority, Asset-Backed Ser 2007 A-2   | 5.875          | 06/01/30         | 1,610,839    |
| 600                                    | City of Centerville, Bethany Lutheran Village Ser<br>2007 A  | 6.00           | 11/01/38         | 492,432      |
| 850                                    | County of Cuyahoga, Eliza Jennings Senior Care<br>Ser 2007 A   | 5.75           | 05/15/27         | 625,464      |
| 450                                    | County of Tuscarawas, Twin City Hospital Ser<br>2007   | 6.35           | 11/01/37         | 372,690      |
| 400                                    | Ohio Air Quality Development Authority,<br>Pollution Control First Energy Rev Ser C  | 5.625          | 06/01/18         | 414,752      |
|  |  |                |                  | 3,516,177    |

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|       |  |       |             |           |
|-------|--|-------|-------------|-----------|
|       | <i>Oklahoma (0.9%)</i>   |       |             |           |
| 650   | Chickasawa Nation Health Systems Ser 2007  | 6.25  | 12/01/32    | 563,875   |
| 500   | Citizen Potawatomi Nation Senior Obligation Tax Revenue Ser 2004 A   | 6.50  | 09/01/16    | 481,255   |
|       |  |       |             | 1,045,130 |
|       | <i>Pennsylvania (6.7%)</i>   |       |             |           |
| 2,000 | Allegheny County Hospital Development Authority, West Penn Ser 2007 A                                      | 5.375 | 11/15/40    | 1,287,180 |
| 1,500 | Bucks County Industrial Development Authority, Ann s Choice Ser 2005 A                                     | 6.125 | 01/01/25    | 1,254,420 |
| 1,000 | Chester County Health & Education Facilities Authority, Jenner s Pond Inc Ser 2002                         | 7.625 | 07/01/12(e) | 1,191,530 |
| 750   | Harrisburg Authority, Harrisburg University of Science & Technology Ser 2007 B                             | 6.00  | 09/01/36    | 617,212   |
| 1,000 | Montgomery County Industrial Development Authority, Whitmarsh Community Ser 2005                           | 6.25  | 02/01/35    | 668,480   |
| 1,000 | Pennsylvania Economic Development Financing Authority, Reliant Energy, Inc. Ser 2001 A (AMT)               | 6.75  | 12/01/36    | 979,980   |
| 1,230 | Pennsylvania Intergovernmental Cooperative Authority, Philadelphia Funding Prog (c)                        | 5.00  | 06/15/21    | 1,345,235 |
| 995   | Washington County Redevelopment Authority, Victory Centre/Tanger Outlet Redevelopment Authority Ser 2006 A | 5.45  | 07/01/35    | 604,154   |
|       |  |       |             | 7,948,191 |
|       | <i>South Carolina (1.6%)</i>   |       |             |           |
| 1,250 | City of Myrtle Beach, Air Force Base Ser 2006 A  | 5.30  | 10/01/35    | 724,137   |

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Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |   | COUPON<br>RATE | MATURITY<br>DATE | VALUE      |
|--|---|----------------|------------------|------------|
| \$ 300                                 | County of Georgetown, Environment Improvement Revenue, International Paper Co., Refg Ser 2000 A   | 5.95%          | 03/15/14         | \$ 305,529 |
| 625                                    | South Carolina Jobs-Economic Development Authority, Furman Project Ser 2007 A                     | 6.00           | 11/15/37         | 433,725    |
| 750                                    | South Carolina Jobs-Economic Development Authority, Wesley Commons Ser 2006                       | 5.30           | 10/01/36         | 495,113    |
|  |   |                |                  | 1,958,504  |
|  | <i>Tennessee (2.1%)</i>   |                |                  |            |
| 800                                    | Johnson City Health & Educational Facilities Board, Mountain States Health Alliance Ser 2006A     | 5.50           | 07/01/31         | 747,912    |
| 500                                    | Shelby County Health Educational & Housing Facilities Board, Trezevant Manor Ser 2006 A           | 5.75           | 09/01/37         | 397,935    |
| 750                                    | Shelby County Health Educational & Housing Facilities Board, Village at Germantown Ser 2003 A     | 7.25           | 12/01/34         | 647,535    |
| 500                                    | Shelby County Health Educational & Housing Facilities Board, Village at Germantown Ser 2006       | 6.25           | 12/01/34         | 376,520    |
| 400                                    | Trenton Health & Educational Facilities Board Revenue, Ser 2009                                   | 9.25           | 04/01/39         | 403,944    |
|  |   |                |                  | 2,573,846  |
|  | <i>Texas (7.7%)</i>   |                |                  |            |
| 500                                    | Alliance Airport Authority, Federal Express Corp Refg Ser 2006 (AMT)                              | 4.85           | 04/01/21         | 434,325    |
| 2,000                                  | Austin Convention Enterprises, Inc., Convention Center Hotel Ser 2006 B (b)                       | 5.75           | 01/01/34         | 1,427,820  |
| 400                                    | Brazos River Harbor Navigation, District of Brazoria County, The Dow Chemical Project Ser 2002A-4 | 5.95           | 05/15/33         | 350,236    |
| 425                                    | City of Houston, Continental Airlines, Inc. Ser 2001 E (AMT)                                      | 6.75           | 07/01/21         | 377,498    |
| 425                                    | City of Houston, Continental Airlines, Inc. Ser 2001 E (AMT)                                      | 6.75           | 07/01/29         | 363,396    |
| 1,000                                  | Decatur Hospital Authority, Wise Regional Health Ser 2004 A                                       | 7.125          | 09/01/34         | 862,720    |
| 1,250                                  | HFDC of Central Texas, Inc., Legacy at Willow Bend, Ser 2006 A                                    | 5.75           | 11/01/36         | 854,475    |
| 1,000                                  |   | 6.50           | 07/01/26         | 801,670    |

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|       |  |       |          |           |
|-------|--|-------|----------|-----------|
|       | Lubbock Health Facilities Development Corp.,<br>Carillon Ser 2005 A  |       |          |           |
| 450   | Tarrant County Cultural Education Facilities<br>Finance Corp., Northwest Senior Housing Corp.<br>Edgemere Ser 2006 A | 6.00  | 11/15/36 | 364,387   |
| 3,305 | Texas Department of Housing and Community<br>Affairs, 2007 Ser B (AMT) (c)   | 5.15  | 09/01/27 | 3,325,475 |
|       |  |       |          | 9,162,002 |
|       | <i>Utah (0.7%)</i>   |       |          |           |
| 1,000 | County of Emery Environmental Improvement,<br>Pacificorp Ser 1996 (AMT)  | 6.15  | 09/01/30 | 799,860   |
|       | <i>Virginia (2.0%)</i>   |       |          |           |
| 2,000 | Peninsula Ports Authority, Baptist Homes Ser 2006<br>C   | 5.40  | 12/01/33 | 1,387,980 |
| 700   | Peninsula Town Center Community Development<br>Authority, Ser 2007   | 6.45  | 09/01/37 | 521,038   |
| 500   | Virginia Small Business Financing Authority<br>Revenue   | 9.00  | 07/01/39 | 499,120   |
|       |  |       |          | 2,408,138 |
|       | <i>Washington (1.8%)</i>   |       |          |           |
| 400   | King County Public Hospital District No. 4   | 7.25  | 12/01/38 | 401,920   |
| 650   | Port of Seattle, Northwest Airlines, Inc. Ser 2001<br>(AMT)  | 7.25  | 04/01/30 | 526,442   |
| 500   | Washington Health Care Facilities Authority,<br>Seattle Cancer Care Alliance Ser 2008                                | 7.375 | 03/01/38 | 540,590   |

*See Notes to Financial Statements*

Morgan Stanley Municipal Income Opportunities Trust  
**Portfolio of Investments § August 31, 2009 (unaudited) continued**

| PRINCIPAL<br>AMOUNT<br>IN<br>THOUSANDS |   | COUPON<br>RATE | MATURITY<br>DATE | VALUE                 |
|--|---|----------------|------------------|-----------------------|
| \$ 1,000                               | Washington State Housing Finance<br>Commission, Skyline at First Hill Ser 2007 A  | 5.625%         | 01/01/38         | \$ 659,080            |
|  |   |                |                  | 2,128,032             |
| 825                                    | <i>West Virginia (0.6%)</i><br>West Virginia State Hospital Finance Authority,<br>Thomas Health Ser 2008  | 6.50           | 10/01/38         | 692,060               |
| 600                                    | <i>Wisconsin (0.5%)</i><br>Wisconsin Health & Educational Facilities<br>Authority, ProHealth Care, Inc. Obligated<br>Group Ser 2009   | 6.375          | 02/15/29         | 629,268               |
|  | <b>Total Tax-Exempt Municipal Bonds (Cost<br/>\$150,929,317) (g)</b>  |                | <b>103.7%</b>    | <b>123,828,624</b>    |
|  | <b>Other Assets in Excess of Liabilities</b>  |                | <b>2.3</b>       | <b>2,743,926</b>      |
|  | <b>Floating Rate Note and Dealer Trusts<br/>Obligations Related to Securities Held</b>  |                |                  |                       |
| (7,161)                                | Notes with interest rates ranging from .30% to<br>.54% at August 31, 2009 and contractual<br>maturities of collateral ranging from 06/15/21 to<br>01/01/33 (h) (Cost \$(7,161,000)) |                | <b>(6.0)</b>     | <b>(7,161,000)</b>    |
|  | <b>Net Assets</b>   |                | <b>100.0%</b>    | <b>\$ 119,411,551</b> |
| AMT                                    | Alternative<br>Minimum Tax.   |                |                  |                       |
| CR                                     | Custodial<br>Receipts.  |                |                  |                       |
| (a)                                    | Capital<br>appreciation<br>bond.  |                |                  |                       |
| (b)                                    | Resale is<br>restricted to<br>qualified   |                |                  |                       |

institutional  
investors.

- (c) Underlying security related to inverse floater entered into by the Fund.
- (d) Joint exemption.
- (e) Prefunded to call date shown.
- (f) Non-income producing security; Bond in default.
- (g) The aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes.
- (h) Floating Rate Note Obligations Related to Securities Held  
The Fund 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  
Fund to retain  
residual interest  
in the bonds.  
The Fund enters  
into shortfall  
agreements with  
the Dealer  
Trusts which  
commit the  
Fund 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 Fund  
(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 Fund, thereby collapsing the Dealer Trusts. The Fund accounts for the transfer of bonds to the Dealer Trusts as secured borrowings, with the securities transferred remaining in the Fund's investment assets, and the related floating rate notes reflected as Fund liabilities. 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 redemption at par at each reset date. At August 31, 2009, the Fund's investments with a value of

\$13,673,599 are held by the Dealer Trusts and serve as collateral for the \$7,161,000 in floating rate note and dealer trust obligations outstanding at that date.

Bond Insurance:

|       |                                     |
|-------|-------------------------------------|
| ACA   | ACA Financial Guaranty Corporation. |
| AMBAC | AMBAC Assurance Corporation.        |
| FSA   | Financial Security Assurance Inc.   |

*See Notes to Financial Statements*

**MS Municipal Income Opportunities Trust**  
**Notes to the Portfolio of Investments**  
**SFAS 157 Disclosure**  
**8/31/2009**

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ( SFAS 157 ), effective June 1, 2008. In accordance with SFAS 157, fair value is defined as the price that the Fund 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. SFAS 157 establishes 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 Fund'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 Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities 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 a summary of the inputs used as of August 31, 2009 in valuing the Fund's investments carried at value:

| Investment Type            | Total          | Fair Value Measurements at August 31, 2009 Using                              |   |   |
|----------------------------|----------------|---|---|---|
|                            |                | Unadjusted Quoted Prices In Active Market for Identical Investments (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Tax-Exempt Municipal Bonds | \$ 123,828,624 |   | \$ 123,828,624                                |   |

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 approximate 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) interest rate swaps are marked-to-market daily based upon quotations from market makers; (4) 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 (5) 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 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.

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**Item 2. Controls and Procedures.**

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

**Item 3. Exhibits.**

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

**SIGNATURES**

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

Morgan Stanley Municipal Income Opportunities Trust

/s/ Randy Takian

Randy Takian

Principal Executive Officer

October 22, 2009

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

/s/ Randy Takian

Randy Takian

Principal Executive Officer

October 22, 2009

/s/ Francis Smith

Francis Smith

Principal Financial Officer

October 22, 2009