

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

MORGAN STANLEY INSURED MUNICIPAL TRUST  
Form N-Q  
September 27, 2007

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: 811-06434

Morgan Stanley Insured Municipal Trust  
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York 10036  
(Address of principal executive offices) (Zip code)

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

Registrant's telephone number, including area code: 212-296-6990

Date of fiscal year end: October 31, 2007

Date of reporting period: July 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS.

The Trust'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:

MORGAN STANLEY INSURED MUNICIPAL TRUST  
PORTFOLIO OF INVESTMENTS JULY 31, 2007 (UNAUDITED)

PRINCIPAL AMOUNT IN THOUSANDS -----		COUPON RATE -----	MATURITY DATE -----
	TAX-EXEMPT MUNICIPAL BONDS (162.1%)		
	ALASKA (3.4%)		
\$ 10,000	North Slope Borough, Alaska, Ser 2000 B (MBIA Insd)	0.00%	06/30/10
	ARIZONA (1.2%)		
2,000	Arizona Board of Regents, Arizona State University Ser 2004 COPs (AMBAC Insd)	5.00	09/01/30
1,000	Phoenix Civic Improvement Corporation, Arizona, Jr Lien Wastewater Ser 2004 (MBIA Insd)	5.00	07/01/27

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

CALIFORNIA (23.0%)			
16,000	Anaheim Public Financing Authority, California, Anaheim Electric Ser 2007-A (MBIA Insd) #	4.50	10/01/37
2,500	California, Economic Recovery Ser 2004 A (MBIA Insd)	5.00	07/01/15
6,000	California, Ser 2007 (MBIA Insd)	4.25	08/01/33
4,000	Eastern Municipal Water District, Water & Sewer Refg Ser 2006 A COPs (MBIA Insd)	5.00	07/01/32
6,000	Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Ser 2005 A (FGIC Insd)	5.00	06/01/38
2,000	Kern County Board of Education, California, Refg 2006 Ser A COPs (MBIA Insd)	5.00	06/01/31
5,000	Los Angeles Department Water & Power, California, 2006 Ser A-1 (AMBAC Insd)	5.00	07/01/40
3,000	Los Angeles, California, Ser 2004 A (MBIA Insd)	5.00	09/01/24
2,000	Sacramento County Sanitation District Financing Authority, California, Sacramento Regional Ser 2006 (FGIC Insd)	5.00	12/01/36
5,000	San Diego County Water Authority, California, Ser 2004 A COPs (FSA Insd)	5.00	05/01/29
2,000	San Francisco City & County, City Buildings Ser 2007 A COPs (FGIC Insd)	4.50	09/01/37
1,000	University of California, Limited Projects Ser 2005 B (FSA Insd))	5.00	05/15/30
3,120	University of California, Ser 2007-J (FSA Insd) #	4.50	05/15/31
2,880	University of California, Ser 2007-J (FSA Insd) #	4.50	05/15/35
COLORADO (5.4%)			
2,000	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA Insd)	5.25	10/01/40
5,000	Denver City & County, Colorado, Airport Refg Ser 2000 A (AMT) (AMBAC Insd)	6.00	11/15/18
6,500	Denver Convention Center Hotel Authority, Colorado, Refg Ser 2006 (XLCA Insd)	5.00	12/01/31
DISTRICT OF COLUMBIA (1.6%)			
4,000	District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd)	5.00	02/01/31
FLORIDA 5.7%			
2,155	Miami Dade County, Florida, Miami Int'l Airport Refg Ser 2003 B (AMT) (MBIA Insd)	5.25	10/01/18
2,270	Miami Dade County, Florida, Miami Int'l Airport Refg Ser 2003 B (AMT) (MBIA Insd)	5.25	10/01/19
10,000	Tampa Bay Water, Florida, Ser 2001 B (FGIC Insd)	5.00	10/01/31
GEORGIA (3.8%)			
5,000	Atlanta, Georgia, Airport Ser 2004 C (FSA Insd)	5.00	01/01/33
2,000	Atlanta, Georgia, Water & Wastewater Ser 1999 A (FGIC Insd)	5.00	11/01/29
900	Fulton County Development Authority, Georgia, Morehouse College Ser 2000 (AMBAC Insd)	6.25	12/01/21
1,700	Fulton County Development Authority, Georgia, Morehouse College Ser 2000 (AMBAC Insd)	5.875	12/01/30
HAWAII (8.0%)			
5,000	Hawaii, Airports Refg Ser 2001 (AMT) (FGIC Insd)	5.25	07/01/21
5,000	Honolulu City & County, Hawaii, Ser 2003 A (MBIA Insd)) #	5.25	03/01/25
5,000	Honolulu City & County, Hawaii, Ser 2003 A (MBIA Insd)) #	25	03/01/26

## Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

5,000	Honolulu City & County, Hawaii, Wastewater Ser 2001 (AMBAC Insd)	5.125	07/01/11
ILLINOIS (16.8%)			
3,000	Chicago, Illinois, O'Hare Int'l Airport, Ser 2005 A (MBIA Insd)	5.25	01/01/25
2,000	Chicago, Illinois, O'Hare Int'l Airport Third Lien Ser 2003 B-2 (AMT) (FSA Insd)	5.75	01/01/23
2,000	Chicago, Illinois, Refg 2001 A (MBIA Insd)	0.00++	01/01/21
2,000	Chicago, Illinois, Refg 2001 A (MBIA Insd)	0.00++	01/01/22
8,000	Chicago, Illinois, Refg Ser 1992 (MBIA Insd)	6.25	01/01/11
10,000	Illinois, Ser 2001 (MBIA Insd)	5.375	04/01/15
10,000	Illinois, Ser 2001 (MBIA Insd)	5.375	04/01/16
4,000	Regional Transportation Authority, Illinois, Refg Ser 1999 (FSA Insd)	5.75	06/01/21
INDIANA (1.2%)			
3,000	Indiana Health Facilities Financing Authority, Community Health Ser 2005 A (AMBAC Insd)	5.00	05/01/35
IOWA (2.6%)			
3,600	Vision Iowa Ser 2001 (MBIA Insd)	5.50	02/15/19
2,500	Vision Iowa Ser 2001 (MBIA Insd)	5.50	02/15/20
KENTUCKY (5.5%)			
10,000	Louisville & Jefferson County Metropolitan Sewer District, Kentucky, Ser 1999 A (FGIC Insd)	5.75	05/15/33
3,800	Louisville Board of Water Works, Kentucky, Water Ser 2000 (FSA Insd)	5.50	11/15/25
LOUISIANA (0.8%)			
2,000	Louisiana Public Facilities Authority, Baton Rouge General Medical Center-FHA Insured Mtge Ser 2004 (MBIA Insd)	5.25	07/01/33
MARYLAND (1.0%)			
2,500	Maryland Economic Development Corporation, Maryland Aviation Administration Ser 2003 (AMT) (FSA Insd)	5.375	06/01/22
MASSACHUSETTS (3.1%)			
8,000	Massachusetts Turnpike Authority, Metropolitan Highway 1997 Ser A (MBIA Insd)##	8.658	01/01/37
MICHIGAN (2.0%)			
5,000	Detroit, Michigan, Sewage Disposal Ser 2001 A (FGIC Insd)	5.125	07/01/11
MINNESOTA (4.8%)			
3,000	Brainerd Independent School District #181, Minnesota, Ser 2002 A (FGIC Insd)	5.375	02/01/18
5,000	Minneapolis - St Paul Metropolitan Airports Commission, Minnesota, Ser 2001 C (FGIC Insd)	5.25	01/01/11

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

4,000	Minneapolis, Minnesota, Fairview Health 2005 Ser D (AMBAC Insd)	5.00	11/15/34
MISSOURI (0.8%)			
2,000	Missouri Joint Municipal Electrical Utility Commission, Plum Point Ser 2006 (MBIA Insd)	5.00	01/01/25
MONTANA (0.7%)			
1,750	Montana Facility Finance Authority, Benefits Health System	5.00	01/01/37
NEVADA (2.8%)			
4,000	Clark County, Nevada, Transportation Impr Ltd Tax Ser 06/01/92 B (AMBAC Insd)	6.50	06/01/17
5,000	Nevada Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (AMBAC Insd)	0.00	01/01/21
NEW JERSEY (3.9%)			
2,770	New Jersey Housing Mortgage Finance Authority, Home Buyer Ser 2000 CC (AMT) (MBIA Insd)	5.875	10/01/31
2,000	New Jersey Transportation Trust Fund Authority, Ser 2005 C (FGIC Insd)	5.25	06/15/20
5,000	New Jersey Turnpike Authority, Ser 2003 A (AMBAC Insd)	5.00	01/01/30
NEW MEXICO (0.6%)			
1,500	Albuquerque, New Mexico, Gross Receipts Lodgers' Tax Refg Ser 2004 A (FSA Insd)	5.00	07/01/37
NEW YORK (16.3%)			
12,000	Hudson Yards Infrastructure Corporation, New York 2007 Ser A (MBIA Insd)#	4.50	02/15/47
1,000	Long Island Power Authority, New York, Ser 2006 A (XLCA Insd))	5.00	12/01/26
6,805	Metropolitan Transportation Authority, New York, State Service Contract Refg Ser 2002 B (MBIA)	5.50	07/01/20
10,000	Metropolitan Transportation Authority, New York, Transportation Refg Ser 2002 A (AMBAC Insd)	5.50	11/15/17
2,000	Metropolitan Transportation Authority, New York, Transportation Refg Ser 2002 A (FGIC Insd)	5.00	11/15/25
1,000	New York City Industrial Development Agency, New York, Queens Baseball Stadium Ser 2006 (AMBAC Insd)	5.00	01/01/31
2,000	New York City Industrial Development Agency, Yankee Stadium Ser 2006 (FGIC Insd)	5.00	03/01/46
2,000	New York State Dormitory Authority, Montefiore Hospital - FHA Insured Mtge Ser 2004 (FGIC Insd)	5.00	08/01/29
5,000	New York State Energy Research & Development Authority, Brooklyn Union Gas Co 1996 Ser (MBIA Insd)+++	5.50	01/01/21
NORTH CAROLINA (1.6%)			
2,030	University of North Carolina, Ser 2000 (AMBAC Insd)	5.25	10/01/10
2,000	University of North Carolina at Wilmington, Student		

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

	Housing Ser 2005 COPs (FGIC Insd)	5.00	06/01/36
OHIO (2.8%)			
5,000	Hamilton County, Ohio, Sales Tax 2000 (AMBAC Insd)	5.25	12/01/10
1,965	Hamilton County, Ohio, Sales Tax 2000 (AMBAC Insd)	5.25	12/01/32
OREGON (0.7%)			
1,685	Oregon Department of Administrative Services, COPs Ser 2005 B (FGIC Insd)	5.00	11/01/24
PENNSYLVANIA (3.8%)			
1,500	Delaware County Industrial Development Authority, Pennsylvania, Aqua Inc Ser A 2005 (AMT) (FGIC Insd)	5.00	11/01/37
4,000	Pennsylvania Turnpike Commission, Ser A 2004 (AMBAC Insd)	5.00	12/01/34
4,000	Pennsylvania Turnpike Commission, Ser R 2001 (AMBAC Insd)	5.00	12/01/26
SOUTH CAROLINA (6.9%)			
5,000	Grand Strand Water & Sewer Authority, South Carolina, Refg Ser 2001 (FSA Insd)	5.00	06/01/31
1,000	Medical University Hospital Authority, South Carolina, FHA Insured Mtge Ser 2004 A (MBIA Insd)	5.25	02/15/25
2,000	South Carolina Public Service Authority, Santee Cooper Ser 2003 A (AMBAC Insd)	5.00	01/01/27
9,325	South Carolina Public Service Authority, Ser 2002 B (FSA Insd)	5.375	01/01/17
TEXAS (18.6%)			
10,000	Austin, Texas, Water & Wastewater Refg Ser 2001 A & B (FSA Insd) #	5.125	05/15/27
2,000	Austin, Texas, Water & Wastewater Ser 2004 A (AMBAC Insd)	5.00	11/15/27
15,000	Houston, Texas, Combined Utility First Lien Refg 2004 Ser A (FGIC Insd)	5.25	05/15/23
10,000	Lower Colorado River Authority, Texas, Refg Ser 1999 A (FSA Insd)	5.875	05/15/16
2,000	San Antonio, Texas, Water & Refg Ser 2002 (FSA Insd)	5.50	05/15/18
2,500	San Antonio, Texas, Water & Refg Ser 2002 (FSA Insd)	5.50	05/15/20
2,000	San Antonio, Texas, Water & Refg Ser 2002 A (FSA Insd)	5.00	05/15/32
3,000	Wichita Falls, Texas, Water & Sewer Ser 2001 (AMBAC Insd)	5.375	08/01/11
UTAH (1.2%)			
3,000	Utah Board of Regents, University of Utah - Huntsman Cancer Institute Refg Ser 2000 A (MBIA Insd)	5.50	04/01/10
VIRGINIA (1.2%)			
3,000	Alexandria Industrial Development Authority, Virginia, Institute for Defense Analysis Ser 2000 A (AMBAC Insd)	5.90	10/01/10
WASHINGTON (10.3%)			
3,000	Cowlitz County, Public Utility District # 1, Washington, Production Ser 2006 (MBIA Insd)	5.00	09/01/31
1,880	King County, Washington, Refg 1998 Ser B (MBIA Insd)	5.25	01/01/34
5,000	King County, Washington, Sewer Refg 2001 (FGIC Insd)	5.00	01/01/31
4,010	Port of Seattle, Washington, Passenger Facility Ser 1998 A (MBIA Insd) #	5.00	12/01/23

## Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

	2,500 Port of Seattle, Washington, Ser 2001 B (AMT) (MBIA Insd)	5.625	02/01/24
	10,000 Seattle, Washington, Light & Power Refg Rev 2001 (FSA Insd)	5.125	03/01/26
TOTAL TAX-EXEMPT MUNICIPAL BONDS (Cost \$410,668,472)			
SHORT-TERM INVESTMENT (a) (4.6%)			
INVESTMENT COMPANY			
11,950	Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class (Cost \$11,949,720)		
-----			
424,595	TOTAL INVESTMENTS (Cost \$422,618,192)		
=====			
FLOATING RATE NOTE OBLIGATIONS RELATED TO SECURITIES HELD (-18.5%)			
(48,260)	Notes with interest rates ranging from 3.61% to 3.67% at July 31, 2007 and contractual maturities of collateral ranging from 12/01/23 to 02/15/47## (b) (Cost (\$48,260,000))		
-----			
\$ 376,335	TOTAL NET INVESTMENTS (Cost \$374,358,192) (c) (d)	148.2%	
=====			
OTHER ACCESS IN EXCESS OF LIABILITIES			
	PREFERRED SHARES OF BENEFICIAL INTEREST	1.5	
		(49.7)	
-----			
	NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	100.0%	

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

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

FHA Federal Housing Authority.

+ Prerefunded to call date shown.

++ Security is a "step-up" bond where the coupon increases on predetermined future date.

+++ A portion of this security has been physically segregated in connection with open futures contracts in an amount equal to \$128,000.

# Underlying security related to inverse floaters entered into by the Trust.

## Floating rate note obligations related to securities held. The interest rates shown reflect the rates in effect at July 31, 2007.

(a) The Trust invests in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class, an open end investment management company managed by 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 Tax-Exempt

## Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

Portfolio - Institutional Class with respect to assets invested by the Trust in Morgan Stanley Institutional Liquidity Tax-Exempt Portfolio - Institutional Class. Income distributions earned by the Trust totaled \$42,044 for the period ended July 31, 2007.

- (b) Floating Rate Note 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. The 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 July 31, 2007, Trust investments with a value of \$65,404,270 are held by the Dealer Trusts and serve as collateral for the \$48,260,000 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at July 31, 2007 are presented in the "Portfolio of Investments".
- (c) Securities have been designated as collateral in an amount equal to \$14,026,909 in connection with open futures contracts and an open swap contract.
- (d) The aggregate cost for federal income tax purposes is \$374,352,041. The aggregate gross unrealized appreciation is \$15,244,394 and the aggregate gross unrealized depreciation is \$2,038,001, resulting in net unrealized appreciation of \$13,206,393.

### Bond Insurance:

AMBAC	AMBAC Assurance Corporation.
FGIC	Financial Guaranty Insurance Company.
FSA	Financial Security Assurance Inc.
MBIA	Municipal Bond Investors Assurance Corporation.
XLCA	XL Capital Assurance Inc.

### FUTURES CONTRACTS OPEN AT JULY 31, 2007:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED DEPRECIATION
-----	-----	-----	-----	-----
80	Short	U.S. Treasury Notes 10 Year, September 2007	\$ (8,593,750)	\$ (28,345)
50	Short	U.S. Treasury Notes 20 Year,		

Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

September 2007	(5,503,125)	(4,826)
		-----
Total Unrealized Depreciation		\$ (33,171)
		=====

INTEREST RATE SWAP CONTRACT OPEN AT JULY 31, 2007:

COUNTERPARTY	NOTIONAL AMOUNT (000)	PAYMENTS MADE BY TRUST	PAYMENTS RECEIVED BY TRUST	TERMINATION DATE	UN APP
-----	-----	-----	-----	-----	-----
JPMorgan Chase & Co.	\$10,000	Fixed Rate 3.79%	Floating Rate 3.85%	August 24, 2007	\$

ITEM 2. CONTROLS AND PROCEDURES.

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust 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 Trust'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 Trust'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 Insured Municipal Trust

/s/ Ronald E. Robison  
 Ronald E. Robison  
 Principal Executive Officer  
 September 20, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the



Edgar Filing: MORGAN STANLEY INSURED MUNICIPAL TRUST - Form N-Q

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/ Ronald E. Robison  
Ronald E. Robison  
Principal Executive Officer  
September 20, 2007

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer  
September 20, 2007