

MORGAN STANLEY QUALITY MUNICIPAL SECURITIES

Form N-CSR

January 23, 2007

Welcome, Shareholder:

In this report, you'll learn about how your investment in Morgan Stanley Quality Municipal Securities performed during the annual 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).

Fund Report  
For the year ended October 31, 2006

Market Conditions

Against the backdrop of strong economic growth, good employment data and inflationary pressures stemming from rising oil prices, the Federal Open Market Committee (the "Fed") continued its tightening campaign during the first eight months of the reporting period, raising the federal funds target rate six times to 5.25 percent at the end of June. In the months that followed, however, economic growth moderated as consumer spending and housing weakened while inflation concerns eased, prompting the Fed to keep its target rate unchanged for the remainder of the period.

Short-term municipal bonds posted the lowest returns as Fed rate hikes pushed yields in this portion of the market higher. Representative yields on two-year AAA municipals increased from 3.10 percent to 3.50 percent during the

period. In contrast, long-term municipal bonds earned the best returns, with yields on 30-year AAA-rated municipal bonds declining from 4.60 percent to 4.10 percent. Accordingly, the spread between long-term and short-term interest rates narrowed and the slope of the municipal yield curve flattened dramatically. Many investors continued to favor the higher income of lower-quality bonds and as a result, credit spreads remained tight. Credit spreads measure the incremental yield investors are willing to accept to assume additional credit risk. When credit spreads tighten, lower-quality issues typically outperform high-grade issues.

Continued interest in the municipal market by institutional investors and non-traditional buyers such as hedge funds strengthened demand for municipal bonds. However, municipal bond issuance lagged last year's record pace by 12 percent in the first 10 months of 2006. The overall decline was due in great part to a slowdown of refunding activity to roughly one half of the previous year's rate. Issuers in California, Texas, Florida, New York and Illinois accounted for about 40 percent of 2006 year-to-date underwriting volume. Bond issues backed by insurance had close to a 50 percent market share.


Strong demand and lower supply helped municipal bond performance keep pace with that of Treasuries. The municipal-to-Treasury yield ratio measures the relative attractiveness of the two sectors. A decline in this ratio indicates that while municipals outperformed Treasuries for the period measured, they also became richer (less attractive) on a relative basis. During the 12-month reporting period, the 30-year municipal-to-Treasury yield ratio declined from 92 to 87 percent. In comparison, this yield ratio reached a high of 102 percent in 2005.

#### Performance Analysis

For the 12-month period ended October 31, 2006, the net asset value (NAV) of Morgan Stanley Quality Municipal Securities (IQM) increased from \$15.86 to \$16.04 per share. Based on this change plus reinvestment of tax-free dividends totaling \$0.803 per share, a short-term capital gain distribution of \$0.013 and a long-term capital gain distribution of \$0.213 per share, the Trust's total NAV return was 8.68 percent. IQM's value on the New York Stock Exchange (NYSE)

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moved from \$14.09 to \$14.70 per share during the same period. Based on this change plus reinvestment of dividends and distributions, the Trust's total market return was 12.11 percent. IQM's NYSE market price was at a 8.35 percent discount to its NAV. During the fiscal period, the Trust purchased and retired 510,900 shares of common stock at a weighted average market discount of 8.81 percent. *Past performance is no guarantee of future results.*

Monthly dividends for the fourth quarter of 2006, declared in September, decreased from \$0.0675 to \$0.06 per share. The dividend reflects the current level of the Trust's net investment income. IQM's level of undistributed net investment income was \$0.067 per share on October 31, 2006, versus \$0.128 per share 12 months earlier.<sup>1</sup>

During the reporting period, the Trust's interest-rate posture continued to reflect the anticipation of higher rates. As a result, at the end of October the Trust's option-adjusted duration\* including leverage was positioned at 10.7 years. To implement this strategy of reducing the portfolio's duration, a U.S. Treasury futures hedge was used. This positioning helped total returns as interest rates rose but tempered performance when rates declined. Purchases during the period favored bonds with maturities of 20 years or longer. The Trust benefited from this emphasis on the long end of the yield curve, as this segment of the market performed strongly.


The Trust maintained its high quality bias with more than 90 percent of the portfolio rated A or better. However, exposure to investment grade bonds rated BBB was modestly increased by purchases of tobacco securitization bonds in the industrial development/pollution control sector. This had a positive impact on performance as lower-rated issues outperformed. Another boost to performance came from issues that appreciated when they were pre-refunded. Reflecting a commitment to diversification, the Trust's net assets of approximately \$320 million, including preferred shares, were invested among 15 long-term sectors and 83 credits. As of the close of the period, the Trust's largest allocations were to the transportation, water and sewer, and IDR/PCR sectors.

As discussed in previous reports, the total income available for distribution to holders of common shares includes incremental income provided by the Trust's outstanding Auction Rate Preferred Shares (ARPS). ARPS dividends reflect prevailing short-term interest rates on maturities ranging from one week to two years. Incremental income to holders of common shares depends on two factors: the amount of ARPS outstanding and the spread between the portfolio's cost yield and its ARPS auction rate and expenses. The greater the spread and the higher the amount of ARPS outstanding, the greater the amount of incremental income available for distribution to holders of common shares. The level of net investment income available for distribution to holders of common shares varies with the level of short-term interest rates. ARPS leverage also increases the price volatility of common shares and has the effect of extending portfolio duration.

The Fed's policy of raising interest rates throughout much of the period increased the cost of ARPS borrowing to the common shareholder, which reduced the benefits of leverage. During this 12-month period,

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ARPS leverage contributed approximately \$0.08 per share to common-share earnings. The Trust had 5 ARPS series totaling \$97 million, representing 30 percent of net assets, including preferred shares. ARPS rates ranged from 1.59 to 3.96 percent during the fiscal period.

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 procedure 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 utilize procedures to reduce or eliminate the amount of ARPS outstanding, including their purchase in the open market or in privately negotiated transactions.

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**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.*

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

\* *A measure of the sensitivity of a bond's price to changes in interest rates, expressed in years. Each year of duration represents an expected 1 percent change in the price of a bond for every 1 percent change in interest rates. The longer a bond's duration, the greater the effect of interest-rate movements on its price. Typically, trusts with shorter durations perform better in rising-interest-rate environments, while trusts with longer durations perform better when rates decline. Duration calculations are adjusted for leverage.*

TOP FIVE SECTORS	
Transportation	26.8%
Water & Sewer	24.4
IDR/PCR**	18.5
General Obligation	15.5
Hospital	15.1

\*\* *Industrial Development/Pollution Control Revenue*

LONG-TERM CREDIT ANALYSIS	
Aaa/AAA	59.1%
Aa/AA	24.0
A/A	9.2
Baa/BBB	7.3
Ba/BB or Less	0.4

*Data as of October 31, 2006. Subject to change daily. All percentages for top five sectors are as a percentage of net assets applicable to common shareholders. All percentages for long-term credit analysis are as a percentage of total long-term investments. These data are provided for informational purposes only and should not be deemed a recommendation to buy or sell the securities mentioned. 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.*

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, [www.morganstanley.com](http://www.morganstanley.com). 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](mailto:publicinfo@sec.gov)) or by writing the public reference section of the SEC, Washington, DC 20549-0102.

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Distribution by Maturity  
(% of Long-Term Portfolio) As of October 31, 2006

Weighted Average Maturity: 19 Years<sup>(a)</sup>

(a) Where applicable maturities reflect mandatory tenders, puts and call dates.  
Portfolio structure is subject to change.

Geographic Summary of Investments

Based on Market Value as a Percent of Total Investments

Alabama	0.7%
Alaska	1.6
Arizona	2.0
California	14.1
Colorado	3.2
Connecticut	0.5
District of Columbia	0.7
Florida	4.6
Georgia	5.4
Hawaii	5.7%
Illinois	6.0
Indiana	1.0
Kansas	0.8
Louisiana	0.3
Maryland	2.2
Michigan	1.0
Missouri	2.7
Nebraska	2.6
Nevada	2.4%
New Hampshire	1.0
New Jersey	2.8
New York	7.1
North Carolina	0.7
Ohio	1.8
Pennsylvania	1.4
Rhode Island	0.5
South Carolina	3.6
Tennessee	2.1%
Texas	8.9
Utah	0.8
Virginia	7.7
Washington	0.9
Wisconsin	3.2
Total†	100.0%

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Does not include open short futures contracts with an underlying face amount of \$7,482,344 with unrealized depreciation of \$60,349.

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(Based on Long-Term Portfolio) As of October 31, 2006

Years Bonds Callable — Weighted Average Call Protection: 7 Years

Cost (Book) Yield<sup>(b)</sup> — Weighted Average Book Yield: 5.1%

(a) May include issues initially callable in previous years.

(b) Cost or “book” yield is the annual income earned on a portfolio investment based on its original purchase price before the Trust’s operating expenses. For example, the Trust is earning a book yield of 5.6% on 10% of the long-term portfolio that is callable in 2007.

Portfolio structure is subject to change.

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## Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2006

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Tax-Exempt Municipal Bonds (145.8%)			
	General Obligation (15.5%)			
	California,			
\$ 2,000	Various Purpose dtd 12/01/05	5.00%	03/01/27	\$ 2,126,360
3,000	Various Purpose dtd 05/01/03	5.00	02/01/32	3,134,760
4,000	Los Angeles Community College District, California, 2003 Ser B (FSA)	5.00	08/01/27	4,208,960
4,000	San Francisco, Laguna Honda Hospital Ser 2005 I (FSA)**	5.00	06/15/30	4,218,700
8,000	Honolulu City & County, Hawaii, Ser 2003A (MBIA)**	5.25	03/01/24	8,633,080
3,600	Chicago Park District, Illinois, Harbor Ser A (Ambac)	5.00	01/01/27	3,797,784
1,000	New York City, New York, 2005 Ser G	5.00	12/01/23	1,066,680
2,000	Pennsylvania, First Ser 2003 (MBIA)**	5.00	01/01/19	2,154,080
5,000	Metropolitan Government of Nashville & Davidson County, Tennessee, Refg Ser 1997	5.125	05/15/25	5,126,350
32,600				34,466,754
	Educational Facilities Revenue (1.9%)			
1,000	San Diego County, California, Burnham Institute for Medical Research Ser 2006 COPs	5.00	09/01/34	1,032,040
1,000	Louisiana Public Facilities Authority, Pennington Medical Foundation Ser 2006	5.00	07/01/31	1,039,180
2,000	New Jersey Educational Facilities Authority, Montclair State University Ser 2003 L (MBIA)	5.00	07/01/34	2,111,900

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4,000				4,183,120
	Electric Revenue (13.9%)			
3,890	Salt River Project Agricultural Improvement & Power District, Arizona, 2002 Ser B	5.00	01/01/22	4,117,954
2,590	Arkansas River Power Authority, Colorado, Power Ser 2006 (XLCA)	5.25	10/01/40	2,792,279
2,000	Orlando Utilities Commission, Florida, Ser 2001 A	5.25	10/01/19	2,154,360
2,500	Wyandotte County/Kansas City, Kansas, Ser 2004 B (FSA)	5.00	09/01/28	2,645,025
	Nebraska Public Power District,			
5,000	2003 Ser A (Ambac)	5.00	01/01/35	5,231,700
3,000	Ser 2005 C (FGIC)	5.00	01/01/41	3,161,010
2,000	North Carolina Municipal Power Agency #1, Catawba Ser 1993 (MBIA)	5.25	01/01/20	2,156,280
4,000	South Carolina Public Service Authority, Santee Cooper Ser 2003 A (Ambac)	5.00	01/01/27	4,206,720
2,500	Intermountain Power Agency, Utah, 2003 Ser A (FSA)	5.00	07/01/21	2,674,325

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2006 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 1,755	Grant County Public Utility District #2, Washington, Wanapum Hydroelectric 2005 Ser A (FGIC)	5.00%	01/01/34	\$ 1,844,312
29,235				30,983,965
	Hospital Revenue (15.1%)			
3,000	California Health Facilities Financing Authority, Cedars-Sinai Medical Center Ser 2005	5.00	11/15/34	3,126,630
1,000	Highlands County Health Facilities Authority, Florida, Hospital Adventist Health/Sunbelt Ser 2006 C	5.25	11/15/36	1,067,940
3,000	Indiana Health & Educational Facility Financing Authority, Clarian Health Ser 2006 A	5.25	02/15/40	3,181,950
60	Maine Health & Higher Educational Facilities Authority, Ser 1993 D (FSA)	5.50	07/01/18	60,079
2,000	Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Ser 2001	5.25	07/01/34	2,074,740



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3,000	Michigan Hospital Finance Authority, Henry Ford Health Refg Ser 2006 A	5.25	11/15/46	3,180,840
4,000	Missouri Health & Educational Facilities Authority, Barnes-Jewish/Christian Health Ser 1993 A	5.25	05/15/14	4,356,520
5,000	Cuyahoga County, Ohio, Cleveland Clinic Ser 2003 A	6.00	01/01/32	5,573,600
10,000	Fairfax County Industrial Development Authority, Virginia, Inova Health Refg Ser 1993 A	5.25	08/15/19	11,087,700
31,060				33,709,999
	Industrial Development/Pollution Control Revenue (18.5%)			
3,000	Northern Tobacco Securitization Corporation, Alaska, Asset Backed Ser 2006 A	5.00	06/01/46	3,040,500
2,000	Tobacco Securitization Authority of Northern California, Sacramento County Tobacco Securitization Corporation Ser 2005 A-1	5.00	06/01/37	2,041,020
10,000	Hawaii Department of Budget & Finance, Hawaiian Electric Co Inc Ser 1993 (AMT) (MBIA)	5.45	11/01/23	10,058,100
3,000	Nassau County Tobacco Settlement Corporation, New York, Ser 2006	5.125	06/01/46	3,098,520
4,000	Tennessee Energy Acquisition Corporation Ser 2006 A**	5.25	09/01/19	4,465,860
2,000	Alliance Airport Authority, Texas, Federal Express Corp Refg Ser 2006 (AMT)	4.85	04/01/21	2,032,900
2,000	Brazos River Authority, Texas, TXU Electric Co Ser 1999 C (AMT)	7.70	03/01/32	2,339,540
3,000	Sabine River Authority, Texas, TXU Electric Co Refg Ser 2001 B (AMT) (Mandatory Tender 11/01/11)	5.75	05/01/30	3,192,180
1,000	Tobacco Settlement Financing Corporation, Virginia, Ser 2005	5.625	06/01/37	1,067,950
10,000	Weston, Wisconsin, Wisconsin Public Service Co Refg Ser 1993 A	6.90	02/01/13	10,023,200
40,000				41,359,770

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2006 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
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	<b>Mortgage Revenue – Single Family (1.0%)</b>			
\$ 2,120	Alaska Housing Finance Corporation, 1997 Ser A (MBIA)	6.00%	06/01/27	\$ 2,163,672
	<b>Public Facilities Revenue (7.1%)</b>			
2,000	Jefferson County, Alabama, School Ser 2004 A	5.50	01/01/22	2,185,860
5,000	California Public Works Board, Mental Health 2004 Ser A	5.00	06/01/24	5,272,250
3,000	Miami-Dade County School Board, Florida, 2003 Ser A (FGIC)	5.00	08/01/29	3,133,320
3,000	Pennsylvania Public School Building Authority, Philadelphia School District Ser 2003 (FSA)	5.00	06/01/33	3,146,370
2,000	Charleston Educational Excellence Financing Corporation, South Carolina, Charleston County School District Ser 2005	5.25	12/01/29	2,154,800
15,000				15,892,600
	<b>Recreational Facilities Revenue (7.1%)</b>			
1,500	Mashantucket (Western) Pequot Tribe, Connecticut, 2006 Ser A	5.50	09/01/36	1,567,080
1,995	Miami-Dade County, Florida, Ser 2005 A (MBIA)	0.00††	10/01/30	1,483,761
2,000	District of Columbia, Ballpark, Ser 2006 B-1 (FGIC)	5.00	02/01/31	2,115,960
8,480	Metropolitan Pier & Exposition Authority, Illinois, McCormick Place Ser 2002 A (MBIA)	0.00†††	06/15/26	5,604,432
1,500	Baltimore, Maryland, Convention Center Hotel Ser 2006 A (XLCA)	5.25	09/01/39	1,632,660
3,300	Newark Housing Authority, New Jersey, Port Authority-Port Newark Marine Terminal Ser 2004 (MBIA)	5.00	01/01/34	3,466,947
18,775				15,870,840
	<b>Resource Recovery Revenue (1.5%)</b>			
3,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 2003 (AMT) (Ambac)	5.50	04/01/16	3,246,720
	<b>Retirement &amp; Life Care Facilities Revenue (1.5%)</b>			
2,000	Colorado Health Facilities Authority, Adventist/Sunbelt Ser 2006 D (WI)	5.25	11/15/35	2,127,860
1,250	St Johns County, Florida, Industrial Development Authority, Glenmoor Refg 2006 Ser A	5.375	01/01/40	1,276,662
3,250				3,404,522
	<b>Tax Allocation Revenue (1.4%)</b>			
3,040	Milpitas Redevelopment Agency, California, Area #1 Ser 2003 (MBIA)	5.00	09/01/22	3,215,378

See Notes to Financial Statements

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Portfolio of Investments October 31, 2006 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	Transportation Facilities Revenue (26.8%)			
	Arizona Transportation Board,			
\$ 1,000	Ser 2003	5.00%	07/01/21	\$ 1,069,730
1,000	Ser 2003	5.00	07/01/22	1,062,770
3,150	Orange County Transportation Authority, California, Toll Road Refg Ser 2003 A (Ambac)	5.00	08/15/18	3,390,754
5,000	Miami-Dade County, Florida, Miami Int'l Airport Ser 2000 A (AMT) (FGIC)	6.00	10/01/24	5,438,800
5,000	Atlanta, Georgia, Airport Ser 2004 C (FSA) Georgia Road & Tollway Authority,	5.00	01/01/33	5,241,200
2,000	Ser 2001	5.375	03/01/17	2,167,240
2,000	Ser 2004	5.00	10/01/22	2,137,180
3,000	Ser 2004	5.00	10/01/23	3,205,770
3,000	Hawaii, Airports Refg Ser 2000 B (AMT) (FGIC) Chicago, Illinois,	6.625	07/01/18	3,309,660
3,000	O'Hare Int'l Airport 3rd Lien Ser 2005 A (MBIA)	5.25	01/01/26	3,264,840
3,000	O'Hare Int'l Airport Passenger Fee Ser 2001 A (AMT) (Ambac)	5.375	01/01/32	3,140,580
3,000	Illinois Toll Highway Authority, Priority Refg 1998 Ser A (FSA)	5.50	01/01/15	3,369,570
4,000	Missouri Highways & Transportation Commission, Ser A 2001	5.125	02/01/18	4,262,600
3,000	Clark County, Nevada, Airport SubLien Ser 2004 A (AMT) (FGIC)	5.50	07/01/20	3,267,570
5,000	Metropolitan Transportation Authority, New York, Transportation Ser 2003 B (MBIA)	5.25	11/15/22	5,447,250
3,000	Triborough Bridge & Tunnel Authority, New York, Refg Ser 2002 B	5.25	11/15/19	3,258,840
1,500	Rhode Island Economic Development Corporation, Airport Refg Ser 2004 A (AMT) (FSA)	5.00	07/01/21	1,569,870
1,000	Harris County, Texas, Toll Road Sr Lien Ser 2005 A (FSA)	5.25	08/15/35	1,049,220
4,010	Port of Seattle, Washington, Passenger Facility Ser 1998 A (MBIA)**	5.00	12/01/23	4,116,600
55,660				59,770,044
	Water & Sewer Revenue (24.4%)			
5,000	Los Angeles Department of Water & Power, California, Water 2004 Ser C (MBIA)	5.00	07/01/23	5,328,750
4,240	San Diego County Water Authority, California, Ser 2004 A COPs (FSA)	5.00	05/01/29	4,488,167
1,200	De Kalb County, Georgia, Water & Sewer Ser A	5.00	10/01/23	1,271,472
3,000		5.25	01/01/35	3,224,730

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	Fulton County, Georgia, Water & Sewerage Ser 2004 (FGIC)			
3,000	Manchester, New Hampshire, Water Works Ser 2003 (FGIC)	5.00	12/01/34	3,139,080
3,000	New York City Municipal Water Finance Authority, New York, 2005 Ser B (Ambac)	5.00	06/15/28	3,183,720

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2006 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 4,565	Grand Strand Water & Sewer Authority, South Carolina, Refg Ser 2002 (FSA)	5.375%	06/01/19	\$ 4,943,804
1,000	Austin, Texas, Water & Sewer, ROLS RRII R-574 Houston, Texas,	9.345‡	05/15/27	1,195,180
5,000	Water & Sewer Jr Lien Refg Ser 2001 A (FSA)	5.50	12/01/16	5,423,050
5,000	Combined Utility First Lien Refg 2004 Ser A (MBIA)	5.25	05/15/25	5,433,750
4,000	Tarrant County Regional Water District, Texas, Refg & Impr Ser 2002 (FSA)	5.25	03/01/17	4,324,720
3,000	West Harris County Regional Water Authority, Texas, Water Ser 2005 (FSA)	5.00	12/15/24	3,177,360
4,000	Norfolk, Virginia, Water Ser 1993 (Ambac)	5.375	11/01/23	4,005,360
3,000	Prince William County Service Authority, Virginia, Water & Sewer Refg Ser 2003	5.00	07/01/19	3,237,390
2,000	Water & Sewer Refg Ser 2003	5.00	07/01/21	2,160,720
51,005				54,537,253
	<i>Other Revenue (7.7%)</i>			
5,000	California, Economic Recovery Ser 2004 A	5.00	07/01/16	5,306,800
2,000	Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Ser 2005 A (Ambac)	5.00	06/01/29	2,082,360
3,000	New Jersey Economic Development Authority, Cigarette Tax Ser 2004#	5.75	06/15/29	3,267,000
6,000	Tobacco Settlement Financing Corporation, New York, State Contingency Ser 2003 C-1	5.50	06/01/21	6,565,200
16,000				17,221,360

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	Refunded (2.4%)			
5,000	Colorado Health Facilities Authority, Catholic Health Initiatives Ser 2001 A	5.25	09/01/11†	5,357,000
309,745	Total Tax-Exempt Municipal Bonds (Cost \$309,545,557)			325,382,997
	Short-Term Tax-Exempt Municipal Obligations (3.2%)			
4,300	Las Vegas, Nevada, Ser 2006 C (Demand 11/01/06)	3.60*	06/01/36	4,300,000
2,900	Roanoke Industrial Development Authority, Virginia, Carilion Health System Ser 2005 C-1 (Demand 11/01/06)	3.63*	07/01/27	2,900,000
7,200	Total Short-Term Tax-Exempt Municipal Obligations (Cost \$7,200,000)			7,200,000
316,945	Total Investments (Cost \$316,745,557) (a) (b)			332,582,997

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2006 continued

PRINCIPAL AMOUNT IN THOUSANDS			VALUE
	Floating Rate Note Obligations Related to Securities Held (-6.8%)		
\$ (15,010)	Notes with interest rate ranging from 3.58% to 3.62% at October 31, 2006 and contractual maturities of collateral ranging from 01/01/19 to 06/15/30 (see Note 1D)‡‡ (Cost \$(15,228,700))		\$ (15,228,700)
\$ 301,935	Total Net Investments (Cost \$301,516,857)	142.2 %	317,354,297
	Other Assets in Excess of Liabilities	1.3	2,840,745
	Preferred Shares of Beneficial Interest	(43.5)	(97,010,068)
	Net Assets Applicable to Common Shareholders	100.0 %	\$223,184,974

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.  
ROLS Reset Option Longs.

WI Security purchased on a when-issued basis.

#A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$35,000.

‡Current coupon rate for inverse floating rate municipal obligation (See Note 8). This rate resets periodically as the auction rate on the related security changes. Positions in inverse floating rate municipal obligations have a total value of \$1,195,180 which represents 0.5% of net assets applicable to common shareholders.

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\*\* Underlying security related to inverse floaters entered into by the Trust (See Note 1D).  
 Floating rate note obligations related to securities held. The interest rate shown reflects the rate in effect at October 31, 2006.

- † Prerefunded to call date shown.
- †† Currently a zero coupon security; will convert to 5.00% on October 1, 2013.
- ††† Currently a zero coupon security; will convert to 5.75% on June 15, 2017.
- \* Current coupon of variable rate demand obligation.

- (a) Securities have been designated as collateral in an amount equal to \$9,485,548 in connection with open futures contracts and the purchase of a when-issued security.
- (b) The aggregate cost for federal income tax purposes is \$301,512,047. The aggregate gross and net unrealized appreciation is \$15,842,250.

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 October 31, 2006:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED DEPRECIATION
35	Short	U.S. Treasury Notes 5 Year December 2006	\$ (3,694,688)	\$ (20,878)
35	Short	U.S. Treasury Notes 10 Year December 2006	(3,787,656)	(39,471)
		Total Unrealized Depreciation		\$ (60,349)

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Financial Statements

Statement of Assets and Liabilities

October 31, 2006

Assets:

\$ 332,582,997

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Investments in securities, at value (cost \$316,745,557)	
Cash	388,572
Interest receivable	4,877,128
Prepaid expenses and other assets	14,449
Total Assets	337,863,146
Liabilities:	
Floating rate note obligations related to securities held	15,228,700
Payable for:	
Investment purchased	2,098,360
Common shares of beneficial interest repurchased	81,064
Investment advisory fee	75,532
Variation margin	26,797
Administration fee	22,380
Transfer agent fee	2,604
Accrued expenses and other payables	132,667
Total Liabilities	17,668,104
Preferred shares of beneficial interest (at liquidation value) <i>(1,000,000 shares authorized of non-participating \$.01 par value, 1,940 shares outstanding)</i>	97,010,068
Net Assets Applicable to Common Shareholders	\$223,184,974
Composition of Net Assets Applicable to Common Shareholders:	
Common shares of beneficial interest <i>(unlimited shares authorized of \$.01 par value, 13,912,601 shares outstanding)</i>	\$205,365,154
Net unrealized appreciation	15,777,091
Accumulated undistributed net investment income	935,489
Accumulated undistributed net realized gain	1,107,240
Net Assets Applicable to Common Shareholders	\$223,184,974
Net Asset Value Per Common Share <i>(\$223,184,974 divided by 13,912,601 common shares outstanding)</i>	\$ 16.04

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Financial Statements continued

Statement of Operations

For the year ended October 31, 2006

Net Investment Income:	
Interest Income	\$15,627,601
Expenses	

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Investment advisory fee	865,727
Interest and residual trust expenses	324,617
Auction commission fees	291,573
Administration fee	256,512
Professional fees	75,604
Shareholder reports and notices	55,335
Transfer agent fees and expenses	52,816
Auction agent fees	43,414
Listing fees	19,973
Custodian fees	14,519
Trustees' fees and expenses	8,135
Other	69,798
Total Expenses	2,078,023
Less: expense offset	(7,219)
Net Expenses	2,070,804
Net Investment Income	13,556,797
Net Realized and Unrealized Gain:	
Net Realized Gain on:	
Investments	1,083,667
Futures contracts	235,733
Net Realized Gain	1,319,400
Net Change in Unrealized Appreciation on:	
Investments	4,816,714
Futures contracts	(272,488)
Net Appreciation	4,544,226
Net Gain	5,863,626
Dividends to preferred shareholders from net investment income	(3,078,918)
Net Increase	\$16,341,505

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Financial Statements continued

Statements of Changes in Net Assets

FOR THE YEAR	FOR THE YEAR
ENDED	ENDED
OCTOBER 31,	OCTOBER 31,
2006	2005

Increase (Decrease) in Net Assets:  
Operations:



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Net investment income	\$ 13,556,797	\$ 14,003,995
Net realized gain	1,319,400	2,653,956
Net change in unrealized appreciation/depreciation	4,544,226	(5,611,876)
Dividends to preferred shareholders from net investment income	(3,078,918)	(1,781,836)
Net Increase	16,341,505	9,264,239
Dividends and Distributions to Common Shareholders from:		
Net investment income	(11,395,345)	(12,280,591)
Net realized gain	(3,254,254)	(213,483)
Total Dividends and Distributions	(14,649,599)	(12,494,074)
Decrease from transactions in common shares of beneficial interest	(7,315,184)	(6,664,476)
Net Decrease	(5,623,278)	(9,894,311)
Net Assets Applicable to Common Shareholders:		
Beginning of period	228,808,252	238,702,563
End of Period		
<i>(Including accumulated undistributed net investment income of \$935,489 and \$1,852,955, respectively)</i>	\$223,184,974	\$228,808,252

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2006

1. Organization and Accounting Policies

Morgan Stanley Quality Municipal Securities (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 3, 1993 and commenced operations on September 29, 1993.

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 asked 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; and (3) 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.

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. Interest income is accrued daily.

C. Futures Contracts — 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.

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## Morgan Stanley Quality Municipal Securities

### Notes to Financial Statements October 31, 2006 continued

D. 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 under the caption “floating rate note obligations” on the “Statement of Assets and Liabilities”. The Trust records the interest income from the fixed rate bonds under the caption “Interest Income” and records the expenses related to floating rate note obligations and any administrative expenses of the dealer trusts under the caption “Interest and residual trust expenses” in the Trust’s “Statement of Operations”. 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 October 31, 2006, Trust investments with a value of \$23,588,320 are held by the Dealer Trusts and serve as collateral for the \$15,228,700 in floating rate note obligations outstanding at that date. Contractual maturities of the floating rate note obligations and interest rates in effect at October 31, 2006 are presented in the “Portfolio of Investments”.

E. Federal Income Tax Policy — It is the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable and nontaxable income to its shareholders. Accordingly, no federal income tax provision is required.

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 requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

## 2. Investment Advisory/Administration Agreements

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 weekly total net assets including preferred shares.

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## Morgan Stanley Quality Municipal Securities

### Notes to Financial Statements October 31, 2006 continued

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 weekly total net assets including preferred shares.

## 3. Security Transactions and Transactions with Affiliates

The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the year ended October 31, 2006, aggregated \$47,073,869 and \$57,682,249, respectively.

Morgan Stanley Trust, an affiliate of the Investment Adviser and Administrator, is the Trust's transfer agent.

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 year ended October 31, 2006, included in Trustees' fees and expenses in the Statement of Operations amounted to \$3,740. At October 31, 2006, the Trust had an accrued pension liability of \$52,183 which is included in accrued expenses in the Statement of Assets and Liabilities.

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.

#### 4. 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.

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#### Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2006 continued

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

SERIES	SHARES*	AMOUNT		RESET DATE	RANGE OF DIVIDEND RATES**
		IN THOUSANDS*	RATE*		
1	340	\$ 17,000	3.42%	11/07/06	2.33% – 3.80%
2	300	15,000	3.50	11/01/06	2.36 – 3.95
3	300	15,000	3.39	11/02/06	2.37 – 3.96
4	600	30,000	3.50	11/07/06	1.59 – 3.80
5	400	20,000	3.50	11/07/06	2.25 – 3.80

\* As of October 31, 2006.

\*\* For the year ended October 31, 2006.

Subsequent to October 31, 2006 and up through December 1, 2006, the Trust paid dividends to Series 1 through 5 at rates ranging from 3.10% to 3.60%, in the aggregate amount of \$274,222.

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.

#### 5. Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	SHARES	PAR VALUE	CAPITAL PAID IN EXCESS OF PAR VALUE
Balance, October 31, 2004	14,890,258	\$148,903	\$219,195,911
Treasury shares purchased and retired (weighted average discount 11.33%)*	(466,757)	(4,668)	(6,659,808)
Balance, October 31, 2005	14,423,501	144,235	212,536,103
Treasury shares purchased and retired (weighted average discount 8.81%)*	(510,900)	(5,109)	(7,310,075)
Balance, October 31, 2006	13,912,601	\$139,126	\$205,226,028

\*

The Trustees have voted to retire the shares purchased.

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## Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2006 continued

## 6. Dividends to Common Shareholders

On September 26, 2006, the Trust declared the following dividends from net investment income:

AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
\$0.06	November 3, 2006	November 17, 2006
\$0.06	December 8, 2006	December 22, 2006

## 7. Expense Offset

The expense offset represents a reduction of the fees and expenses for interest earned on cash balances maintained by the Trust with the transfer agent and custodian.

## 8. Purposes of and Risks Relating to Certain Financial Instruments

The Trust may invest a portion of its assets in inverse floating rate instruments, either through outright purchases of inverse floating rate securities or through the transfer of bonds to a dealer trust in exchange for cash and residual interests in the dealer trust. These investments are typically used by the Trust in seeking to enhance the yield of the portfolio. These instruments typically involve greater risks than a fixed rate municipal bond. In particular, these instruments are acquired through leverage or may have leverage embedded in them and therefore involve many of the risks associated with leverage. Leverage is a speculative technique that may expose the Trust to greater risk and increased costs. Leverage may cause the Trust's net asset value to be more volatile than if it had not been leveraged

because leverage tends to magnify the effect of any increases or decreases in the value of the Trust's portfolio securities. The use of leverage may also cause the Trust to liquidate portfolio positions when it may not be advantageous to do so in order to satisfy its obligations with respect to inverse floating rate instruments.

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.

#### 9. Federal Income Tax Status

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

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#### Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2006 continued

Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as distributions of paid-in-capital.

The tax character of distributions paid was as follows:

	FOR THE YEAR ENDED OCTOBER 31, 2006	FOR THE YEAR ENDED OCTOBER 31, 2005
Tax-exempt income	\$ 14,548,942	\$ 14,111,658
Ordinary income	180,171	—
Long-term capital gains	3,074,083	213,483
Total distributions	\$ 17,803,196	\$ 14,325,141

As of October 31, 2006, the tax-basis components of accumulated earnings were as follows:

Undistributed tax-exempt income	\$ 993,615
Undistributed long-term gains	1,046,937

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Net accumulated earnings	2,040,552
Temporary differences	(62,982)
Net unrealized appreciation	15,842,250
Total accumulated earnings	\$17,819,820

As of October 31, 2006, the Trust had temporary book/tax differences primarily attributable to book amortization of discounts on debt securities, mark-to-market of open futures contracts and dividend payable.

10. New Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109 (FIN 48). FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position must meet before being recognized in the financial statements. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Trust will adopt FIN 48 for the fiscal year ending 2008 and the impact to the Trust’s financial statements, if any, is currently being assessed.

In addition, in September 2006, Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Trust’s financial statement disclosures.

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Morgan Stanley Quality Municipal Securities

Financial Highlights

Selected ratios and per share data for a common share of beneficial interest outstanding throughout each period:

	FOR THE YEAR ENDED OCTOBER 31,				
	2006	2005	2004	2003	2002
Selected Per Share Data:					
Net asset value, beginning of period	\$ 15.86	\$ 16.03	\$ 15.58	\$ 15.42	\$ 15.19
Income (loss) from investment operations:					
Net investment income*	0.95	0.96	0.94	0.97	0.99
Net realized and unrealized gain (loss)	0.43	(0.22)	0.43	0.12	0.15
Common share equivalent of dividends paid to preferred shareholders*	(0.22)	(0.12)	(0.11)	(0.11)	(0.13)
Total income from investment operations	1.16	0.62	1.26	0.98	1.01
Less dividends and distributions from:					
Net investment income	(0.80)	(0.84)	(0.87)††	(0.87)	(0.82)
Net realized gain	(0.23)	(0.01)	—	—	—
Total dividends and distributions	(1.03)	(0.85)	(0.87)††	(0.87)	(0.82)
	0.05	0.06	0.06	0.05	0.04

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Anti-dilutive effect of acquiring treasury shares\*

Net asset value, end of period	\$ 16.04	\$ 15.86	\$ 16.03	\$ 15.58	\$ 15.42
Market value, end of period	\$ 14.70	\$ 14.09	\$ 14.35	\$ 14.09	\$ 13.75
Total Return†	12.11%	4.21%	8.31%	9.05%	7.09%
Ratios to Average Net Assets of Common Shareholders:					
Total expenses (before expense offset)	0.93%	0.81%	0.83% <sup>(1)</sup>	0.80% <sup>(1)</sup>	0.76% <sup>(1)</sup>
Total expenses (before expense offset, exclusive of interest and residual trust expenses)	0.79%	0.81%	0.83% <sup>(1)</sup>	0.80% <sup>(1)</sup>	0.76% <sup>(1)</sup>
Net investment income before preferred stock dividends	6.08%	5.94%	6.01%	6.21%	6.52%
Preferred stock dividends	1.38%	0.75%	0.68%	0.71%	0.86%
Net investment income available to common shareholders	4.70%	5.19%	5.33%	5.50%	5.66%
Supplemental Data:					
Net assets applicable to common shareholders, end of period, in thousands	\$223,185	\$228,808	\$238,703	\$240,565	\$245,778
Asset coverage on preferred shares at end of period	330%	336%	346%	348%	353%
Portfolio turnover rate	15%	14%	33%	36%	18%

\*The per share amounts were computed using an average number of common shares outstanding during the period.

†Total return is based upon the current market value on the last day of each period reported.

Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's dividend reinvestment plan. Total return does not reflect brokerage commissions.

†† Includes a long-term capital gain distribution of less than \$0.005.

(1) Does not reflect the effect of expense offset of 0.01%.

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of  
Morgan Stanley Quality Municipal Securities:

We have audited the accompanying statement of assets and liabilities of Morgan Stanley Quality Municipal Securities (the "Trust"), including the portfolio of investments, as of October 31, 2006, and the related statements of operations for the year then ended and changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.



We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2006, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Morgan Stanley Quality Municipal Securities as of October 31, 2006, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP  
 New York, New York  
 January 12, 2007

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Morgan Stanley Quality Municipal Securities

Shareholder Voting Results (unaudited)

On June 20, 2006, an annual meeting of the Trust's shareholders was held for the purpose of voting on the following matter, the results of which were as follows:

Election of Trustees by all Shareholders:

	# of Shares		
	For	Withheld	Abstain
Frank L. Bowman	8,914,421	145,623	—
Kathleen A. Dennis	8,907,145	152,899	—
Edwin J. Garn	8,860,155	199,889	—
Michael F. Klein	8,917,314	142,730	—
Michael E. Nugent	8,896,242	163,802	—
W. Allen Reed	8,906,947	153,097	—

No broker "non-votes" were cast in connection with this proposal. Broker "non-votes" are shares held in street name for which the broker indicates that instructions have not been received from the beneficial owners or other persons entitled to vote and for which the broker does not have discretionary voting authority.

The following Trustees were not standing for reelection at this meeting: Michael Bozic, Wayne E. Hedien, James F. Higgins, Dr. Manuel H. Johnson, Joseph J. Kearns and Fergus Reid.

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Morgan Stanley Quality Municipal Securities

Revised Investment Policy (unaudited)

The Trustees approved the following investment policy:

**Interest Rate Transactions.** The Trust may enter into interest rate swaps and may purchase or sell interest rate caps, floors and collars. The Trust expects to enter into these transactions primarily to manage interest rate risk, hedge portfolio positions and preserve a return or spread on a particular investment or portion of its portfolio. The Trust may also enter into these transactions to protect against any increase in the price of securities the Trust anticipates purchasing at a later date. The Trust does not intend to use these transactions as speculative investments and will not enter into interest rate swaps or sell interest rate caps or floors where it does not own or have the right to acquire the underlying securities or other instruments providing the income stream the Trust may be obligated to pay. Interest rate swaps involve the exchange by the Trust with another party of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed-rate payments. The purchase of an interest rate cap entitles the purchaser, to the extent that a specified index exceeds a predetermined interest rate, to receive payments of interest on a contractually-based principal amount from the party selling the interest rate cap. The purchase of an interest rate floor entitles the purchaser, to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a contractually-based principal amount from the party selling the interest rate floor. An interest rate collar combines the elements of purchasing a cap and selling a floor. The collar protects against an interest rate rise above the maximum amount but foregoes the benefit of an interest rate decline below the minimum amount.

The Trust may enter into interest rate swaps, caps, floors and collars on either an asset-based or liability-based basis, and will usually enter into interest rate swaps on a net basis, i.e., the two payment streams are netted out, with the Trust receiving or paying, as the case may be, only the net amount of the two payments. The net amount of the excess, if any, of the Trust's obligations over its entitlements with respect to each interest rate swap will be accrued on a daily basis and the Trust segregates an amount of cash and/or liquid securities having an aggregate net asset value at least equal to the accrued excess. If the Trust enters into an interest rate swap on other than a net basis, the Trust would segregate the full amount accrued on a daily basis of the Trust's obligations with respect to the swap. Interest rate transactions do not constitute senior securities under the 1940 Act when the Trust segregates assets to cover the obligations under the transactions. The Trust will enter into interest rate swap, cap or floor transactions only with counterparties approved by the Trust's Board of Trustees. The Adviser will monitor the creditworthiness of counterparties to the Trust's interest rate swap, cap, floor and collar transactions on an ongoing basis. If there is a default by the other party to such a transaction, the Trust will have contractual remedies pursuant to the agreements related to the transaction. To the extent the Trust sells (i.e., writes) caps, floors and collars, it will segregate cash and/or liquid securities having an aggregate net asset value at least equal to the full amount, accrued on a daily basis, of the Trust's net obligations with respect to the caps, floors or collars. The use of interest rate swaps is a highly specialized activity which involves investment techniques and risks different from those

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Morgan Stanley Quality Municipal Securities

Revised Investment Policy (unaudited) continued

associated with ordinary portfolio securities transactions. If the Adviser is incorrect in its forecasts of the market values, interest rates and other applicable factors, the investment performance of the Trust would diminish compared with what it would have been if these investment techniques were not used. The use of interest rate swaps, caps, collars and floors may also have the effect of shifting the recognition of income between current and future periods.

These transactions do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Trust is contractually obligated to make. If the other party to an interest rate swap defaults, the Trust's risk of loss consists of the net amount of interest payments that the Trust contractually is entitled to receive.

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information (unaudited)

Independent Trustees:

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee**	Other Directorships Held by Independent Trustee
Frank L. Bowman (61) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036	Trustee	Since August 2006	President and Chief Executive Officer of the Nuclear Energy Institute (policy organization) (since February 2005); Director or Trustee of various Retail Funds and Institutional Funds (since August 2006) formerly variously,	163	Director of the National Energy Foundation, the U.S. Energy Association, the American Council for Capital Formation and the Armed Services YMCA of the USA.

<p>Michael Bozic (65) c/o Kramer Levin Naftalis &amp; Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036</p>	<p>Trustee</p>	<p>Since April 1994</p>	<p>Admiral in the U.S. Navy, Director of Naval Nuclear Propulsion Program and Deputy Administrator—Naval Reactors in the National Nuclear Security Administration at the U.S. Department of Energy (1996-2004). Honorary Knight Commander of the Most Excellent Order of the British Empire.</p>	<p>173</p>	<p>Director of various business organizations.</p>
<p>Kathleen A. Dennis (53) c/o Kramer Levin Naftalis &amp; Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036</p>	<p>Trustee</p>	<p>Since August 2006</p>	<p>Private investor; Chairperson of the Valuation, Insurance and Compliance Committee (since October 2006); Director or Trustee of the Retail Funds (since April 1994) and the Institutional Funds (since July 2003); formerly Chairperson of the Insurance Committee (July 2006-September 2006); Vice Chairman of Kmart Corporation (December 1998-October 2000), Chairman and Chief Executive Officer of Levitz Furniture Corporation (November 1995-November 1998) and President and Chief Executive Officer of Hills Department Stores (May 1991-July 1995); variously Chairman, Chief Executive Officer, President and Chief Operating Officer (1987-1991) of the Sears Merchandise Group of Sears, Roebuck &amp; Co. President, Cedarwood Associates (mutual fund consulting) (since July 2006); Chairperson of the Money Market and Alternatives Sub-Committee of the Investment Committee</p>	<p>163</p>	<p>None.</p>

(since October 2006) and Director or Trustee of various Retail Funds and Institutional Funds (since August 2006); formerly, Senior Managing Director of Victory Capital Management (1993-2006).

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information (unaudited) continued

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee**	Other Directorships Held by Independent Trustee
Edwin J. Garn (74) 1031 N. Chartwell Court Salt Lake City, UT 84103	Trustee	Since January 1993	Consultant; Director or Trustee of the Retail Funds (since January 1993) and the Institutional Funds (since July 2003); Member of the Utah Regional Advisory Board of Pacific Corp. (utility company); formerly Managing Director of Summit Ventures LLC (lobbying and consulting firm) (2000-2004); United States Senator (R-Utah) (1974-1992) and Chairman, Senate Banking Committee (1980-1986), Mayor of Salt Lake City, Utah (1971-1974), Astronaut, Space Shuttle Discovery (April 12-19, 1985), and	173	Director of Franklin Covey (time management systems), BMW Bank of North America, Inc. (industrial loan corporation), Escrow Bank USA (industrial loan corporation); United Space Alliance (joint venture between Lockheed Martin and the Boeing Company) and Nuskin Asia Pacific (multilevel marketing); member of the board of various civic and

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<p>Wayne E. Hedien (72) c/o Kramer Levin Naftalis &amp; Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036</p>	<p>Trustee</p>	<p>Since September 1997</p>	<p>Vice Chairman, Huntsman Corporation (chemical company). Retired; Director or Trustee of the Retail Funds; (Since September 1997) and the Institutional Funds (since July 2003); formerly associated with the Allstate Companies (1966-1994), most recently as Chairman of The Allstate Corporation (March 1993-December 1994) and Chairman and Chief Executive Officer of its wholly-owned subsidiary, Allstate Insurance Company (July 1989-December 1994).</p>	<p>173</p>	<p>charitable organizations. Director of The PMI Group Inc. (private mortgage insurance); Trustee and Vice Chairman of The Field Museum of Natural History; director of various other business and charitable organizations.</p>
<p>Dr. Manuel H. Johnson (57) c/o Johnson Smick Group, Inc. 888 16th Street, N.W. Suite 740 Washington, D.C. 20006</p>	<p>Trustee</p>	<p>Since July 1991</p>	<p>Senior Partner, Johnson Smick International, Inc., (consulting firm); Chairperson of the Investment Committee (since October 2006) and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2003); Co-Chairman and a founder of the Group of Seven Council (G7C), an international economic commission; formerly Chairperson of the Audit Committee (July 1991-September 2006); Vice Chairman of the Board of Governors of the Federal Reserve System and Assistant Secretary of the U.S. Treasury.</p>	<p>173</p>	<p>Director of NVR, Inc. (home construction); Director of KFX Energy; Director of RBS Greenwich Capital Holdings (financial holding company).</p>

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Trustee and Officer Information (unaudited) continued

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee**	Other Directorships Held by Independent Trustee
Joseph J. Kearns (64) c/o Kearns & Associates LLC PMB754 23852 Pacific Coast Highway Malibu, CA 90265	Trustee	Since July 2003	President, Kearns & Associates LLC (investment consulting); Chairperson of the Audit Committee (since October 2006) and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds (since August 1994); formerly Deputy Chairperson of the Audit Committee (July 2003- September 2006) and Chairperson of the Audit Committee of the Institutional Funds (October 2001-July 2003); formerly CFO of the J. Paul Getty Trust.	174	Director of Electro Rent Corporation (equipment leasing), The Ford Family Foundation, and the UCLA Foundation.
Michael F. Klein (47) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036	Trustee	Since August 2006	Chief Operating Officer and Managing Director, Aetos Capital, LLC (since March 2000); Chairman of the Fixed-Income Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee (since August 2006) of various Retail Funds and Institutional Funds; formerly Managing Director, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management, President, Morgan Stanley Institutional Funds (June	163	Director of certain investment funds managed or sponsored by Aetos Capital LLC.

Michael E. Nugent (70) c/o Triumph Capital, L.P. 445 Park Avenue New York, NY 10022	Chairman of the Board and Trustee	Chairman of the Board since July 2006 and Trustee since July 1991	1998-March 2000) and Principal, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management (August 1997-December 1999). General Partner of Triumph Capital, L.P., a private investment partnership; Chairman of the Boards of the Retail Funds and Institutional Funds (since July 2006) and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2001); formerly Chairperson of the Insurance Committee (until July 2006); Vice President, Bankers Trust Company and BT Capital Corporation (1984-1988).	173	None.
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Morgan Stanley Quality Municipal Securities  
 Trustee and Officer Information (unaudited) continued

Name, Age and Address of Independent Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served* Since	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee**	Other Directorships Held by Independent Trustee
W. Allen Reed (59) c/o Kramer Levin Naftalis & Frankel LLP	Trustee	August 2006	Chairperson of the Equity Sub-Committee of the Investment Committee	163	Director of GMAC (financial services), GMAC Insurance



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Counsel to the Independent Trustees  
1177 Avenue of the Americas  
New York, NY 10036

(since October 2006) and Director or Trustee (since August 2006) of various Retail Funds and Institutional Funds. President and CEO of General Motors Asset Management; Formerly, Chairman and Chief Executive Officer of the GM Trust Bank and Corporate Vice President of General Motors Corporation (August 1994-December 2005).

Holdings and Temple-Inland Industries (Packaging, Banking and forest products); member of the Board of Executives of the Morgan Stanley Capital International Editorial Board; Director of Legg Mason and Director of various investment fund advisory boards. Trustee and Director of certain investment companies in the JPMorgan Funds complex managed by J.P. Morgan Investment Management Inc.

Fergus Reid (74)  
c/o Lumelite Plastics Corporation  
85 Charles Colman Blvd.  
Pawling, NY 12564

Trustee

Since July 2003

Chairman of Lumelite Plastics Corporation; Chairperson of the Governance Committee and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds (since June 1992).

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information (unaudited) continued

Interested Trustee:

Name, Age and Address of Interested Trustee	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Interested Trustee**	Other Directorships Held by Interested Trustee
James F. Higgins (58) c/o Morgan Stanley Trust	Trustee	Since June 2000	Director or Trustee of the Retail Funds (since June	173	Director of AXA Financial, Inc. and

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Harborside Financial Center  
Plaza Two  
Jersey City, NJ 07311

2000) and the Institutional  
Funds (since July 2003);  
Senior Advisor of Morgan  
Stanley (since August  
2000).

The Equitable Life  
Assurance Society of  
the United States  
(financial services).

\*This is the earliest date the Trustee began serving the funds advised by Morgan Stanley Investment Advisors Inc. (the "Investment Adviser") (the "Retail Funds") or the funds advised by Morgan Stanley Investment Management Inc. and Morgan Stanley AIP GP LP (the "Institutional Funds").

\*\*The Fund Complex includes all open-end and closed-end funds (including all of their portfolios) advised by the Investment Adviser and any funds that have an investment adviser that is an affiliated person of the Investment Adviser (including, but not limited to, Morgan Stanley Investment Management Inc.) as of October 31, 2006.

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information (unaudited) continued

Executive Officers:

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years
Ronald E. Robison (67) 1221 Avenue of the Americas New York, NY 10020	President and Principal Executive Officer	President since September 2005 and Principal Executive Officer since May 2003	President (since September 2005) and Principal Executive Officer (since May 2003) of funds in the Fund Complex; President (since September 2005) and Principal Executive Officer (since May 2003) of the Van Kampen Funds; Managing Director, Director and/or Officer of the Investment Adviser and various entities affiliated with the Investment Adviser; Director of Morgan Stanley SICAV (since May 2004). Formerly, Executive Vice President (July 2003 to September 2005) of funds in the Fund Complex and the Van Kampen Funds; President and Director of the Institutional Funds (March 2001 to July 2003); Chief Administrative Officer of the Investment Adviser; Chief Administrative Officer of Morgan Stanley Services Company Inc.
J. David Germany (52) Morgan Stanley Investment	Vice President	Since February 2006	Managing Director and (since December 2005) Chief Investment Officer – Global Fixed Income of Morgan

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<p>Management Ltd. 25 Cabot Square Canary Wharf, London United Kingdom E144QA Dennis F. Shea (53) 1221 Avenue of the Americas New York, NY 10020</p>	<p>Vice President</p>	<p>Since February 2006</p>	<p>Stanley Investment Management; Managing Director and Director of Morgan Stanley Investment Management Limited; Vice President of the Retail and Institutional Funds (since February 2006). Managing Director and (since February 2006) Chief Investment Officer – Global Equity of Morgan Stanley Investment Management; Vice President of the Retail and Institutional Funds (since February 2006). Formerly, Managing Director and Director of Global Equity Research at Morgan Stanley.</p>
<p>Barry Fink (51) 1221 Avenue of the Americas New York, NY 10020</p>	<p>Vice President</p>	<p>Since February 1997</p>	<p>Managing Director of Morgan Stanley Investment Management; Managing Director of the Investment Adviser and various entities affiliated with the Investment Adviser; Vice President of the Retail Funds and (since July 2003) the Institutional Funds. Formerly, Secretary, General Counsel and/or Director of the Investment Adviser and various entities affiliated with the Investment Adviser; Secretary and General Counsel of the Retail Funds.</p>
<p>Amy R. Doberman (44) 1221 Avenue of the Americas New York, NY 10020</p>	<p>Vice President</p>	<p>Since July 2004</p>	<p>Managing Director and General Counsel, U.S. Investment Management of Morgan Stanley Investment Management (since July 2004); Vice President of the Retail Funds and the Institutional Funds (since July 2004); Vice President of the Van Kampen Funds (since August 2004); Secretary (since February 2006) and Managing Director (since July 2004) of the Investment Adviser and various entities affiliated with the Investment Adviser. Formerly, Managing Director and General Counsel – Americas, UBS Global Asset Management (July 2000 to July 2004).</p>
<p>Carsten Otto (42) 1221 Avenue of the Americas New York, NY 10020</p>	<p>Chief Compliance Officer</p>	<p>Since October 2004</p>	<p>Managing Director and U.S. Director of Compliance for Morgan Stanley Investment Management (since October 2004); Managing Director and Chief Compliance Officer of Morgan Stanley Investment Management. Formerly, Assistant Secretary and Assistant General Counsel of the Retail Funds.</p>
<p>Stefanie V. Chang Yu (39) 1221 Avenue of the Americas New York, NY 10020</p>	<p>Vice President</p>	<p>Since December 1997</p>	<p>Executive Director of the Investment Adviser and various entities affiliated with the Investment Adviser; Vice President of the Retail Funds (since July 2002) and the Institutional Funds (since December 1997). Formerly, Secretary of various entities affiliated with the Investment Adviser.</p>

## Trustee and Officer Information (unaudited) continued

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years
Francis J. Smith (41) c/o Morgan Stanley Trust Harborside Financial Center Plaza Two Jersey City, NJ 07311	Treasurer and Chief Financial Officer	Treasurer since July 2003 and Chief Financial Officer since September 2002	Executive Director of the Investment Adviser and various entities affiliated with the Investment Adviser; Treasurer and Chief Financial Officer of the Retail Funds (since July 2003). Formerly, Vice President of the Retail Funds (September 2002 to July 2003).
Mary E. Mullin (39) 1221 Avenue of the Americas New York, NY 10020	Secretary	Since June 1999	Executive Director of the Investment Adviser and various entities affiliated with the Investment Adviser; Secretary of the Retail Funds (since July 2003) and the Institutional Funds (since June 1999).

\*This is the earliest date the Officer began serving the Retail Funds or the Institutional Funds.

In accordance with Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, the Trust's Annual CEO Certification certifying as to compliance with NYSE's Corporate Governance Listing Standards was submitted to the Exchange on July 10, 2006.

The Trust's Principal Executive Officer and Principal Financial Officer Certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the Trust's N-CSR and are available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

**2006 Federal Tax Notice (unaudited)**

During the year ended October 31, 2006, the Trust paid the following per share amounts from tax-exempt income: \$0.83 to common shareholders, \$1,679 to Series 1 preferred shareholders, \$1,688 to Series 2 preferred shareholders, \$1,666 to Series 3 preferred shareholders, \$1,630 to Series 4 preferred shareholders, and \$1,495 to Series 5 preferred shareholders.

For the year ended October 31, 2006, the Trust paid to common shareholders \$0.19 per share from long-term capital gains.

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Trustees

MORGAN STANLEY FUNDS

Frank L. Bowman  
Michael Bozic  
Kathleen A. Dennis  
Edwin J. Garn  
Wayne E. Hedien  
James F. Higgins  
Dr. Manuel H. Johnson  
Joseph J. Kearns  
Michael F. Klein  
Michael E. Nugent  
W. Allen Reed  
Fergus Reid

Morgan Stanley  
Quality Municipal Securities

Annual Report  
October 31, 2006

Officers

Michael E. Nugent  
*Chairman of the Board*

Ronald E. Robison  
*President and Principal Executive Officer*

J. David Germany  
*Vice President*

Dennis F. Shea  
*Vice President*

Barry Fink  
*Vice President*

Amy R. Doberman  
*Vice President*

Carsten Otto  
*Chief Compliance Officer*

Stefanie V. Chang Yu  
*Vice President*

Francis J. Smith  
*Treasurer and Chief Financial Officer*

Mary E. Mullin  
*Secretary*

Transfer Agent

Morgan Stanley Trust  
Harborside Financial Center, Plaza Two  
Jersey City, New Jersey 07311

Independent Registered Public Accounting  
Firm

Deloitte & Touche LLP  
Two World Financial Center  
New York, New York 10281

Investment Adviser

Morgan Stanley Investment Advisors Inc.  
1221 Avenue of the Americas  
New York, New York 10020

Investments and services offered through  
Morgan Stanley DW Inc., member SIPC.

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RN06-03495P-Y10/06-IQMRPT-ANR

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