

ULTRALIFE CORP  
Form 4  
June 13, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**FISHBACK ROBERT W**

(Last) (First) (Middle)

2000 TECHNOLOGY PARKWAY

(Street)

NEWARK, NY 14513

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**ULTRALIFE CORP [ULBI]**

3. Date of Earliest Transaction (Month/Day/Year)  
**06/12/2008**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

VP of Finance & CFO

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 06/12/2008                           |  | S                              | 998   | D \$ 12   | 24,514   | D                                 |
| Common Stock                    | 06/12/2008                           |  | S                              | 1,099   | D \$ 12.05  | 23,415   | D                                 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)



TOP FIVE SECTORS

as of 04/30/08 Public Power 18.6 % Other Revenue 12.6 Transportation 11.3 Refunded 10.0 General Obligation 8.9

LONG-TERM CREDIT ENHANCEMENTS

as of 04/30/08 MBIA 32.4 % FSA 21.4 FGIC 21.2 AMBAC 17.3 AGC 4.1 XLCA 3.1 PSF 0.5

SUMMARY OF INVESTMENTS BY STATE

**CLASSIFICATION as of 04/30/08** California 33.4 % Texas 26.3 New York 17.6 Washington 11.7 Florida 7.9 Illinois 6.6 Pennsylvania 6.0 South Carolina 5.1 District of Columbia 4.1 Georgia 4.0 Rhode Island 3.6 North Carolina 3.0 Colorado 2.3 Virginia 2.1 Nevada 2.0

SUMMARY OF INVESTMENTS BY STATE

**CLASSIFICATION as of 04/30/08 (continued)** Michigan 1.9 % New Jersey 1.7 Utah 1.7 Hawaii 1.6 Nebraska 1.6 Indiana 1.4 Arizona 1.4 Louisiana 1.3 Massachusetts 1.1 Oregon 1.0 West Virginia 1.0 Idaho 0.9 Missouri 0.8 Montana 0.6 Ohio 0.5 Connecticut 0.5 New Hampshire 0.4 Total Long-Term Investments† 155.1 Short-Term Investment 4.7 Liability for Floating Rate Note Obligations (8.9) Liabilities in Excess of Other Assets (0.9) Preferred Shares of Beneficial Interest (50.0) Net Assets Applicable to Common Shareholders 100.0 %

† Does not include open long/short futures contracts with an underlying face amount of \$107,345,066 with net unrealized appreciation of \$215,304 and interest rate swap contracts with net unrealized depreciation of \$115,400.

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

#### 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.

Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited)

|                           |              | PRINCIPAL          |   | AMOUNT IN   |                                       | THOUSANDS  |   | COUPON |  | RATE |  | MATURITY |  |
|---------------------------|--------------|--------------------|---|---|---------------------------------------|--|---|--------|--|------|--|----------|--|
|                           |              | DATE               | VALUE   | Tax-Exempt Municipal Bonds (155.1%)                                 |                                       |  |   |        |  |      |  |          |  |
| <i>Arizona (1.4%)</i>     |              |                    | \$ 1,595  | Arizona Certificates of Participation, Ser 2008 A (FSA Insd) 5.00 % |                                       |  |   |        |  |      |  |          |  |
| 09/01/26                  | \$ 1,657,731 | 2,500              |   | University of Arizona, 2003 Ser B COPs (AMBAC Insd) 5.00 06/01/23   |                                       |  |   |        |  |      |  |          |  |
|                           | 2,568,750    |                    | 4,226,481   | <i>California (33.4%)</i>   |                                       |  |   |        |  |      |  |          |  |
|                           |              | 5.00               |   | 12/01/24  | 1,554,178                             | 1,160  | Alameda County Joint Powers Authority, Ser 2008 (FSA Insd) 5.00 |        |  |      |  |          |  |
|                           |              |                    |   |   |                                       |  | Election Ser 2007 A   |        |  |      |  |          |  |
|                           |              | (FSA Insd) WI 5.00 | 08/01/27  | 1,214,914   | 20,000                                | Anaheim Public Financing Authority, California, Anaheim Electric |   |        |  |      |  |          |  |
| Ser 2007-A (MBIA Insd)(a) | 4.50         | 10/01/37           | 18,941,700  | 8,000   | California, Ser 2007 (MBIA Insd) 4.25 |  |   |        |  |      |  |          |  |
|                           | 08/01/33     | 7,326,640          | 3,000   | California, Economic Recovery Ser 2004 (MBIA Insd) 5.00 07/01/15    |                                       |  |   |        |  |      |  |          |  |
|                           | 3,237,240    | 3,050              | California Department of Water Resources Power Supply, Ser 2008 H (FSA Insd) 5.00   |   |                                       |  |   |        |  |      |  |          |  |
| 05/01/22                  | 3,260,480    | 10,000             | California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit 1st Lien Ser 2003 A (AMBAC Insd) (ETM) 5.00 01/01/28 10,681,300 5,000 California Infrastructure & Economic Development Bank, Bay Area Toll Bridges Seismic Retrofit 1st Lien Ser 2003 A (FGIC Insd) (ETM) 5.00 01/01/28 5,340,650 6,000 Golden State Tobacco Securitization Corporation, California, Enhanced Asset Backed Ser 2005 A (FGIC Insd) 5.00 06/01/38 5,747,880 9,000 Long Beach, Harbor Refg Ser 1998 A (AMT) (FGIC Insd) 6.00 05/15/18 9,934,650 3,000 Los Angeles, California, Ser 2004 A (MBIA Insd) 5.00 09/01/24 3,101,760 5,000 Los Angeles Department of Water & Power, California, Water 2004 Ser C (MBIA Insd) 5.00 07/01/24 5,165,700 4,000 Oxnard Financing Authority, Water & Power, Water 2004 Ser C (XLCA Insd) 5.00 06/01/28 4,004,000 3,000 Sacramento County Sanitation District Financing Authority, California, Sacramento Regional Ser 2006 (FGIC Insd) 5.00 12/01/36 3,053,790 5,000 San Diego County Water Authority, California, Ser 2002 A COPs (MBIA Insd) 5.00 05/01/27 5,113,100 5,000 San Diego County Water Authority, California, Ser 2004 A COPs (FSA Insd) 5.00 05/01/29 5,118,600 3,000 San Francisco City & County, City Buildings Ser 2007 A COPs (FGIC Insd) 4.50 09/01/37 2,735,910 2,000 University of California, Ser 2003 B (AMBAC Insd) 5.00 05/15/22 2,076,580 |   |                                       |  |   |        |  |      |  |          |  |

See Notes to Financial Statements

Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited) continued

|                      |          | PRINCIPAL |   | AMOUNT IN |       | THOUSANDS   |            | COUPON |  | RATE |  | MATURITY |  |
|----------------------|----------|-----------|---|-----------|-------|---|------------|--------|--|------|--|----------|--|
| DATE                 | VALUE \$ |           |   |           |       |   |            |        |  |      |  |          |  |
| 3,006,994            | 2,880    | 3,120     | University of California, Ser 2007-J (FSA Insd) (a)   | 4.50      | %     | 05/15/31  | \$         |        |  |      |  |          |  |
| 103,391,752          |          |           | University of California, Ser 2007-J (FSA Insd) (a)   | 4.50      |       | 05/15/35  | 2,775,686  |        |  |      |  |          |  |
| (XLCA Insd)          | 5.25     | 10/01/40  | 3,883,440   | 630       | 4,000 | Arkansas River Power Authority, Colorado, Power Ser 2006  |            |        |  |      |  |          |  |
|                      | 4.75     | 09/01/25  | 627,014   | 3,000     |       | Colorado Health Facilities Authority, Ser 2006 (FSA Insd) |            |        |  |      |  |          |  |
| (XLCA Insd)          | 5.00     | 12/01/30  | 2,770,740   |           |       | Denver Convention Center Hotel Authority, Refg Ser 2006   |            |        |  |      |  |          |  |
| 1,525                |          |           | Connecticut Health & Educational Facilities Authority, Quinnipiac University Issue Ser 2007 K-2 (MBIA Insd) | 5.00      |       | 07/01/25  | 1,574,013  |        |  |      |  |          |  |
|                      |          |           | District of Columbia, Refg Ser 1993 (FSA Insd)  | 5.00      |       | 02/01/31  | 6,266,760  | 2,000  |  |      |  |          |  |
|                      |          |           | District of Columbia Ballpark, Ser 2006 B-1 (FGIC Insd)   | 5.00      |       | 02/01/31  | 1,888,260  | 3,000  |  |      |  |          |  |
|                      |          |           | District of Columbia, American Association for the Advancement of Science Ser 1997 (AMBAC Insd)             | 5.125     |       | 01/01/27  | 3,024,360  | 1,350  |  |      |  |          |  |
|                      |          |           | District of Columbia Water & Sewer Authority, Refg Sub-Lien   |           |       |   |            |        |  |      |  |          |  |
| Ser 2008A (AGC Insd) | 5.00     | 10/01/28  | 1,388,624   |           |       | 12,568,004  |            |        |  |      |  |          |  |
|                      | 1,550    |           | Florida Mid-Bay Bridge Authority, Refg Ser 2008 (AGC Insd)  | 5.00      |       | 10/01/27  | 1,561,207  |        |  |      |  |          |  |
|                      | 15,000   |           | Miami-Dade County School Board, 2003 Ser A (FGIC Insd)  | 5.00      |       | 08/01/29  | 14,540,550 | 3,000  |  |      |  |          |  |
|                      |          |           | Orange County School Board, Ser 2001 A COPs (AMBAC Insd)  | 5.25      |       | 08/01/14  | 3,192,900  | 5,000  |  |      |  |          |  |
|                      |          |           | Tampa Bay Water Authority, Ser 2001 A (FGIC Insd)   | 5.00      |       | 10/01/28  | 5,049,850  |        |  |      |  |          |  |
|                      |          |           | Georgia (4.0%)  |           |       |   |            |        |  |      |  |          |  |
|                      |          |           | Atlanta, Airport Ser 2004 C (FSA Insd)  | 5.00      |       | 01/01/33  | 5,079,200  | 5,000  |  |      |  |          |  |
|                      |          |           | Atlanta, Water & Wastewater, Ser 2004 (FSA Insd)  | 5.00      |       | 11/01/23  | 5,176,650  | 2,000  |  |      |  |          |  |
|                      |          |           | Sewer Ser 2004 (FSA Insd)   | 5.25      |       | 10/01/39  | 2,064,080  |        |  |      |  |          |  |
|                      |          |           | Hawaii Department of Budget & Finance, Hawaiian Electric Co   |           |       |   |            |        |  |      |  |          |  |
|                      |          |           | Ser 1999 C (AMT) (AMBAC Insd)   | 6.20      |       | 11/01/29  | 5,089,900  |        |  |      |  |          |  |

See Notes to Financial Statements

## Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited) continued

|                       | PRINCIPAL |   | AMOUNT IN   |   | THOUSANDS                                 |   | COUPON    |  | RATE  |  | MATURITY |  |
|-----------------------|-----------|---|---|---|---|---|-----------|--|---|--|----------|--|
| DATE                  | VALUE     | <i>Idaho (0.9%)</i>   |   | \$  | 2,500                                     | Idaho Housing & Finance Association, Federal Highway Trust, |           |  |   |  |          |  |
| Ser 2008 A (AGC Insd) | 5.25      | %   | 07/15/24  | \$  | 2,660,375                                 | <i>Illinois (6.6%)</i>                                      |           | 480  | Chicago Transit Authority, Capital Grant Receipts Federal Transit Administration Section 5309 Ser 2008 (AGC Insd) |  |          |  |
| 06/01/25              | 510,110   | 1,210   | Chicago Transit Authority, Capital Grant Receipts Federal Transit Administration Section 5309 Ser 2008 (AGC Insd) |   | 5.25                                      | 06/01/26  | 1,283,278 | 5,000  | Chicago, O'Hare Int'l Airport, Third Lien Ser 2005 A (MBIA Insd)  |  |          |  |
| 01/01/25              | 5,107,200 | 1,175   | DeKalb County Community Unit School District #428, Ser 2008 (FSA Insd)  |   | 5.00                                      | 01/01/27  | 1,215,914 | 2,000  | Illinois Finance Authority, Swedish American Hospital Ser A (FSA Insd)  |  |          |  |
| 11/15/31              | 1,986,280 | 6,575   | Kendall, Kane & Will Counties, Community Unit School District #308 Capital Appreciation Ser 2008 (FSA Insd) WI    |   | 0.00                                      | 02/01/27  | 2,547,747 | 3,000  | Metropolitan Pier & Exposition Authority, McCormick Place Refg Ser 2002 B (MBIA Insd)                             |  |          |  |
| 06/15/18              | 2,643,990 | 5,000   | Metropolitan Pier & Exposition Authority, McCormick Place Ser 2002 A (MBIA Insd)                                  |   | 5.25                                      | 06/15/42  | 5,114,750 | 20,409,269   | <i>Indiana (1.4%)</i>   |  |          |  |
|                       | 2,000     | Indiana Health Facilities Financing Authority, Community Health Ser 2005 A (AMBAC Insd) |   | 5.00  | 05/01/35                                  | 2,000,000   | 2,400     | Marion County Convention & Recreational Facilities Authority, Refg Ser 2003 A (AMBAC Insd) |   |  |          |  |
|                       | 4,498,736 | <i>Louisiana (1.3%)</i>   |   | 4,000   | Lafayette, Utilities Ser 2004 (MBIA Insd) |   | 5.25      | 11/01/25   | 4,169,800   |  |          |  |
|                       | 3,275     | <i>Massachusetts (1.1%)</i>   |   | Massachusetts Municipal Wholesale Electric Company, 1993 Ser A (AMBAC Insd) |   | 5.00  | 07/01/10  | 3,373,643  | <i>Michigan (1.9%)</i>  |  |          |  |
|                       | 2,390     | Detroit, Sewage Refg Ser 2003 A (FSA Insd)  |   | 5.00  | 07/01/28                                  | 2,443,321   | 1,125     | Ferris State University of Michigan, Refg Ser 2008 (FSA Insd)                              |   |  |          |  |
|                       | 425       | Ferris State University of Michigan, Refg Ser 2008 (FSA Insd)                           |   | 4.50  | 10/01/23                                  | 1,138,039   | 425       | Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)                               |   |  |          |  |
|                       | 5.00      | Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)                            |   | 5.00  | 11/15/25                                  | 427,095   | 760       | Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)                               |   |  |          |  |
|                       | 993,398   | Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)                            |   | 5.00  | 11/15/29                                  | 797,460   | 960       | Wayne State University of Michigan, Refg Ser 2008 (FSA Insd)                               |   |  |          |  |
|                       | 5,799,313 |   |   |   |   |   |           |  |   |  |          |  |

See Notes to Financial Statements

Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited) continued

|  |        |                        |              | PRINCIPAL   |   |                                  |        | AMOUNT IN |  |  |  |  |  |  |
|--|--------|------------------------|--------------|---|---|----------------------------------|--------|-----------|--|--|--|--|--|--|
|  |        |                        |              | THOUSANDS   |   | COUPON                           |        |           |  |  |  |  |  |  |
|  |        |                        |              |   |   | RATE                             |        | MATURITY  |  |  |  |  |  |  |
| DATE   | VALUE  | <i>Missouri (0.8%)</i> | \$ 2,500     | Missouri Joint Municipal Electric Utility Commission Plum Point |   |                                  |        |           |  |  |  |  |  |  |
| Ser 2006 (MBIA Insd)   | 5.00 % | 01/01/26               | \$ 2,512,475 | <i>Montana (0.6%)</i>   | 2,000   | Montana Facility                 |        |           |  |  |  |  |  |  |
|  |        |                        |              | Finance Authority, Bebenefits Health Care                       |   |                                  |        |           |  |  |  |  |  |  |
| Ser 2007 (AGC Insd)  | 5.00   | 01/01/37               | 2,020,900    | <i>Nebraska (1.6%)</i>  | 5,000   | Nebraska Public Power            |        |           |  |  |  |  |  |  |
| District, 2003 Ser A (AMBAC Insd)  | 5.00   | 01/01/35               | 5,013,200    | <i>Nevada (2.0%)</i>  |   | 5,080                            |        |           |  |  |  |  |  |  |
| Las Vegas Water District, Impr & Refg Ser 2003 a (FGIC Insd)                         | 5.25   | 06/01/19               | 5,353,253    |   | 975   | Nevada                           |        |           |  |  |  |  |  |  |
| Department of Business & Industry, Las Vegas Monorail 1st Tier Ser 2000 (AMBAC Insd) | 5.375  | 01/01/40               |              |   |   |                                  |        |           |  |  |  |  |  |  |
| 779,025  |        |                        | 6,132,278    | <i>New Hampshire (0.4%)</i>                                     | 1,300   | New Hampshire Health & Education |        |           |  |  |  |  |  |  |
|  |        |                        |              | Facilities Authority,   |   |                                  |        |           |  |  |  |  |  |  |
| University of New Hampshire Ser 2001 (AMBAC Insd)                                    | 5.125  | 07/01/33               | 1,312,038    | <i>New Jersey (1.7%)</i>  |   |                                  |        |           |  |  |  |  |  |  |
|  |        |                        | 4,000        | New Jersey Transportation Trust Fund Authority, Ser 2005 C      |   |                                  |        |           |  |  |  |  |  |  |
| (FGIC Insd)  | 5.25   | 06/15/20               | 4,272,640    | 1,000   | University of Medicine & Dentistry, Ser 2004 COPs (MBIA |                                  |        |           |  |  |  |  |  |  |
| Insd)  | 5.00   | 06/15/29               | 1,002,560    | 5,275,200   | <i>New York (17.6%)</i>                                 | 16,000                           | Hudson |           |  |  |  |  |  |  |
| Yards Infrastructure Corporation, 2007 Ser A (MBIA Insd)                             | 4.50   | 02/15/47               | 14,926,560   | 3,000   | Long Island   |                                  |        |           |  |  |  |  |  |  |
| Power Authority, Refg Ser 2003 C (FSA Insd)  | 5.00   | 09/01/28               | 3,068,850    | 4,000   | Long Island Power                                       |                                  |        |           |  |  |  |  |  |  |
| Authority, Ser 2006 A (XLCA Insd)  | 5.00   | 12/01/26               | 4,052,920    | 3,000   | Metropolitan Transportation                             |                                  |        |           |  |  |  |  |  |  |
|  |        |                        |              | Authority, Dedicated Tax Fund Refg                              |   |                                  |        |           |  |  |  |  |  |  |
| Ser 2002 A (FSA Insd)  | 5.25   | 11/15/24               | 3,188,850    | 10,000  | Metropolitan Transportation Authority,                  |                                  |        |           |  |  |  |  |  |  |
|  |        |                        |              | Transportation Refg   |   |                                  |        |           |  |  |  |  |  |  |
| Ser 2002 A (FGIC Insd)   | 5.00   | 11/15/25               | 10,072,400   | 2,000   | New York City Industrial Development                    |                                  |        |           |  |  |  |  |  |  |
| Agency, Queens Baseball Stadium Ser 2006 (AMBAC Insd)                                | 5.00   | 01/01/31               | 2,015,260    | 2,500   | New York  |                                  |        |           |  |  |  |  |  |  |
|  |        |                        |              | City Industrial Development Agency, Yankee Stadium              |   |                                  |        |           |  |  |  |  |  |  |
| Ser 2006 (FGIC Insd)   | 5.00   | 03/01/46               | 2,385,300    | 1,735   | New York City Transitional Finance Authority,           |                                  |        |           |  |  |  |  |  |  |
|  |        |                        |              | 2000 Ser C  |   |                                  |        |           |  |  |  |  |  |  |
| (AMBAC Insd)   | 5.25   | 08/01/21               | 1,823,433    | 2,500   | New York State Transitional Finance Authority, 2000     |                                  |        |           |  |  |  |  |  |  |
|  |        |                        |              | Ser C   |   |                                  |        |           |  |  |  |  |  |  |
| (AMBAC Insd)(c)  | 5.25   | 08/01/22               | 2,625,925    | 10,000  | Triborough Bridge & Tunnel Authority, Refg 2002         |                                  |        |           |  |  |  |  |  |  |
| E (MBIA Insd)  | 5.25   | 11/15/22               | 10,518,500   |   | 54,677,998  |                                  |        |           |  |  |  |  |  |  |

See Notes to Financial Statements



Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited) continued

|                                      |  | PRINCIPAL  |              | AMOUNT IN   |  | THOUSANDS                  |      | COUPON |  | RATE         |       | MATURITY |  |
|--------------------------------------|--|--|--------------|---|--|----------------------------|------|--------|--|--------------|-------|----------|--|
| DATE                                 | VALUE  | <i>North Carolina (3.0%)</i>                                 |              | \$ 6,000  | North Carolina Municipal Power Agency #1,  |                            |      |        |  |              |       |          |  |
|                                      |  |  |              |   | Catawba Ser 2003   |                            |      |        |  |              |       |          |  |
| (MBIA Insd)                          | 5.25 %   | 01/01/19   | \$ 6,286,260 | 3,000   | University of North Carolina at Wilmington, Student  |                            |      |        |  |              |       |          |  |
|                                      |  |  |              |   | Housing  |                            |      |        |  |              |       |          |  |
| Ser 2005 COPs (FGIC Insd)            | 5.00   | 06/01/36   | 2,977,470    |   | 9,263,730  | <i>Ohio (0.5%)</i>         |      |        |  |              |       |          |  |
|                                      | 2,545  | Cleveland Ohio Public Power System, Ser 2008 B-2 (MBIA Insd) |              | 0.00  | 11/15/26   | 991,354                    |      |        |  |              |       |          |  |
| 1,720                                | Cleveland Ohio Public Power System, Ser 2008 B-2 (MBIA Insd) |  | 0.00         | 11/15/28  | 593,211  |                            |      |        |  |              |       |          |  |
|                                      | 1,584,565  | <i>Oregon (1.0%)</i>   |              | 3,000   | Oregon Department of Administrative Services, COPs   |                            |      |        |  |              |       |          |  |
| Ser 2005 B (FGIC Insd)               | 5.00   | 11/01/24   | 3,044,970    |   | <i>Pennsylvania (6.0%)</i>   |                            |      |        |  |              | 5,000 |          |  |
|                                      | 5.625  | 08/15/18   | 5,412,450    | 2,000   | Allegheny County Hospital Development Authority, Pittsburgh Mercy Health Ser 1996 (AMBAC Insd) (ETM) |                            |      |        |  |              |       |          |  |
| Ser A 2005 (AMT) (FGIC Insd)         | 5.00   | 11/01/37   | 1,838,500    | 4,110   | Delaware County Industrial Development Authority, Aqua Inc   |                            |      |        |  |              |       |          |  |
| Insd(a)                              | 5.00   | 01/01/13 (d)   | 4,444,081    | 1,450   | Pennsylvania, First Ser 2003 (MBIA   |                            |      |        |  |              |       |          |  |
| (AGC Insd)                           | 5.00   | 06/01/25   | 1,523,819    | 5,000   | Pennsylvania Turnpike Commission, Ser 2008 Subser A-1  |                            |      |        |  |              |       |          |  |
|                                      | 5.25   | 12/15/14   | 5,473,900    |   | 18,692,750   | <i>Rhode Island (3.6%)</i> |      | 10,000 |  | Rhode Island |       |          |  |
|                                      |  |  |              |   | Depositors Economic Protection Corporation,  |                            |      |        |  |              |       |          |  |
| Refg 1992 Ser B (MBIA Insd) (ETM)    | 6.00   | 08/01/17   | 11,046,900   |   | <i>South Carolina (5.1%)</i>   |                            |      |        |  |              |       |          |  |
| 1,500                                | Medical University Hospital Authority, FHA Insured Mtge      |  |              |   | Ser 2004 A (MBIA Insd)   |                            | 5.25 |        |  |              |       |          |  |
|                                      |  | 02/15/25   | 1,548,495    | 10,000  | South Carolina Public Service Authority, Santee Cooper   |                            |      |        |  |              |       |          |  |
| Ser 2003 A (AMBAC Insd)              | 5.00   | 01/01/27   | 10,213,800   | 4,000   | South Carolina Public Service Authority,   |                            |      |        |  |              |       |          |  |
| Santee Cooper 2006 Ser A (MBIA Insd) | 5.00   | 01/01/36   | 4,081,440    |   | 15,843,735   | <i>Texas</i>               |      |        |  |              |       |          |  |
| (26.3%)                              |  |  | 3,020        | Amarillo Health Facilities Corporation, Baptist St Anthony's Hospital Ser 1998 (FSA |  |                            |      |        |  |              |       |          |  |
| Insd)                                | 5.50   | 01/01/16   | 3,348,032    | 5,075   | Amarillo Health Facilities Corporation, Baptist St Anthony's   |                            |      |        |  |              |       |          |  |
|                                      |  |  |              | 5.50  | 01/01/17   | 5,631,677                  |      |        |  |              |       |          |  |

See Notes to Financial Statements

Morgan Stanley Insured Municipal Income Trust

Portfolio of Investments April 30, 2008 (unaudited) continued

|          |              | PRINCIPAL   |  | AMOUNT IN   |   | THOUSANDS  |  | COUPON |  | RATE     |           | MATURITY     |   |       |   |  |
|----------|--------------|---|--|-------------|---|--|--|--------|--|----------|-----------|--------------|---|-------|---|--|
| DATE     | VALUE        | \$ 9,000  | Dallas-Fort Worth International Airport, Ser 2003 A (AMT) (FSA Insd) 5.375 %               |             |   |  |  |        |  |          |           |              |   |       |   |  |
| 11/01/22 | \$ 9,151,920 | 1,000   | Friendswood Independent School District, Ser 2008 (PSF Insd) WI 5.00                       |             |   |  |  |        |  |          |           |              |   |       |   |  |
| 02/15/27 | 1,037,570    | 2,160   | Harris County Health Facilities Development Corp, Thermal Utility Ser 2008 (AGC Insd) 5.25 |             |   |  |  |        |  |          |           |              |   |       |   |  |
|          |              | 11/15/24  | 2,278,044  | 15,000      | Houston, Combined Utility First Lien Refg 2004 Ser A (FGIC Insd) 5.25             |  |  |        |  |          |           | 05/15/23     | 15,350,100  | 4,000 | Houston, Public Impr & Refg Ser 2001 B (FSA Insd) 5.50  |  |
|          |              | 03/01/17  | 4,259,880  | 1,175       | Houston Community College System, Sr Lien Student Fee                             |  |  |        |  |          |           |              |   |       |   |  |
|          |              | Ser 2008 (FSA Insd) WI                                      | 5.00   | 04/15/25    | 1,227,476   | 330  | Houston Community College System, Sr Lien Student Fee  |        |  |          |           |              |   |       |   |  |
|          |              | Ser 2008 (FSA Insd) WI                                      | 5.00   | 04/15/26    | 343,659   | 3,975  | Houston Hotel Occupancy, Capital Appreciation  |        |  |          |           |              |   |       |   |  |
|          |              | Ser 2001 B (FSA Insd)                                       | 0.00   | 09/01/26    | 1,496,309   | 1,550  | Humble Independent School District, Unlimited Tax School Building Ser 2008A (AGC Insd) 5.00              |        |  |          |           | 02/15/25     | 1,614,465   | 8,200 | North Texas Tollway Authority, First Tier Capital Appreciation Refg Ser 2008D (AGC Insd) 0.00   |  |
|          |              | Lower Colorado River Authority, Refg Ser 1999 A (MBIA Insd) | 5.00   | 05/15/31    | 8,646,944   | 9,975  | Lower Colorado River Authority, Refg Ser 1999 A (FSA Insd) 5.875   |        |  |          |           | 05/15/16     | 10,393,551  | 5,000 | Lower Colorado River Authority, Refg Ser 2001 A (FSA Insd) 5.00                                 |  |
|          |              | Water & Refg Ser 2002 A (FSA Insd)                          | 5.00   | 05/15/32    | 3,036,030   | 4,000  | Texas Turnpike Authority, Central Texas Ser 2002 A (AMBAC Insd) 5.50                                     |        |  |          |           | 08/15/39     | 4,103,680   | 1,510 | Victoria Independent School District, Unlimited Tax School Building Ser 2008 (PSF Insd) WI 5.00 |  |
|          |              | 81,567,664  |  | Utah (1.7%) | 5,000   | Intermountain Power Agency, Utah, 2003 Ser A (FSA Insd) 5.00 |  |        |  |          |           |              |   |       |   |  |
|          |              | 07/01/21  | 5,211,450  |             | Virginia (2.1%)   | 3,000  | Alexandria Industrial Development Authority, Institute for Defense Analysis Ser 2000 A (AMBAC Insd) 5.90 |        |  |          |           | 10/01/10 (d) | 3,269,550   | 3,000 | Richmond Metropolitan Authority, Refg Ser 2002 (FGIC Insd) 5.25                                 |  |
|          |              | Washington (11.7%)  |  | 6,000       | Cowlitz County, Public Utility District # 1, Production Ser 2006 (MBIA Insd) 5.00 |  |  |        |  | 09/01/31 | 6,073,020 | 5,000        | King County, Sewer Refg 2001 (FGIC Insd) 5.00       |       |   |  |
|          |              | 01/01/31  | 5,049,700  | 8,025       | Port of Seattle, Passenger Facility Ser 1998 A (MBIA Insd) (a) 5.00               |  |  |        |  | 12/01/23 | 8,094,120 | 5,000        | Port of Seattle, Ser 2001 B (AMT) (MBIA Insd) 5.625 |       |   |  |
|          |              | Seattle, Water Refg 2003 (MBIA Insd)                        | 5.00   | 09/01/20    | 3,007,045   |  |  |        |  |          |           |              |   |       |   |  |

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