

MORGAN STANLEY QUALITY MUNICIPAL SECURITIES  
Form N-CSR  
January 05, 2006

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.



Fund Report  
For the year ended October 31, 2005

Market Conditions

Throughout the 12-month period ended October 31, 2005, economic reports continued to show moderate growth, sustained consumer spending, and reasonable gains in employment. Although core inflation (which excludes food and energy) remained benign, inflationary concerns mounted during the summer as heavy demand and geopolitical events drove oil prices to protracted highs. September brought heightened uncertainty in the wake of the unprecedented devastation caused by Hurricanes Rita and Katrina. The immediate economic impact was a major disruption of the nation's energy infrastructure. However, in the weeks that followed, economists generally agreed that an initial slowdown would be followed by stimulus to growth from reconstruction.

The Federal Open Market Committee (the Fed) continued the "measured" rate tightening cycle it began in June of 2004, raising the federal funds target rate eight times during the 12-month period. As a result, the rate moved from 1.75

percent to 3.75 percent, a four-year high. Yet, as the period closed, signals from the Fed supported investors' expectations of additional increases.

Although yields on short maturity bonds rose in response to the Fed's actions, the yields of long-term municipal bonds were lower to unchanged. Representative yields on 30-year AAA rated municipal bonds declined from 4.60 percent at the start of the period to a low of 4.25 percent in the summer, returning to 4.60 percent at the end of October. Overall, the municipal yield curve continued to flatten and the yield spread (or differential between one-year rates and 30-year rates) narrowed. In this environment, the benefits of leveraged investment strategies proved less advantageous. (Leverage involves borrowing at short-term rates to purchase longer-term securities, thereby taking advantage of the differential between short- and long-term yields.) Investors' quest for yield favored lower-quality bonds over high-grade issues and kept credit spreads relatively tight.

Lower yields during most of the year led to a surge in refinancing activity, and municipal issuance remained strong. New issue volume increased by 12 percent to a record \$336 billion during the first 10 months of the calendar year. As issuers rushed to refinance higher cost debt, refundings increased to 35 percent of total issuance, up from 24 percent in the first 10 months of 2004. Bonds backed by insurance dominated issuance and increased their market penetration to nearly 60 percent. Issuers in California, New York, Texas, Florida and Pennsylvania accounted for more than 40 percent of the total underwriting volume during the year-to-date period.


The municipal-to-Treasury yield ratio, which gauges performance between the two markets, remained attractive for tax-exempt bonds. The 30-year ratio averaged 97 percent during the period and moved as high as 102 percent in June. (Higher ratios indicate increased relative attractiveness of municipal bonds.) As a result, institutional investors that normally focus on taxable bond sectors supported municipals by "crossing over" to purchase tax-exempt bonds.

#### Performance Analysis

For the 12-month period ended October 31, 2005, the net asset value (NAV) of Morgan Stanley Quality Municipal Securities (IQM) decreased from \$16.03 to \$15.86 per share. IQM paid tax-free dividends totaling \$0.8375 per share and a long-term capital gain

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distribution of \$0.014364 per share. The Trust's total NAV return was 5.00 percent. IQM's value on the New York Stock Exchange (NYSE) moved from \$14.35 to \$14.09 per share during the same period. Based on this change plus reinvestment of dividends and distributions, the Trust's total market return was 4.21 percent. On October 31, 2005, IQM's NYSE market price was at an 11.16 percent discount to its NAV. During the 12-month period ended October 31, 2005, the Trust purchased and retired 466,757 shares of common stock at a weighted average market discount of 11.33 percent. *Past performance is no guarantee of future results.*

Monthly dividends for the fourth quarter of 2005, declared in September, were decreased from \$0.07 to \$0.0675 per share. The new dividend reflects the current level of the Trust's net investment income. IQM's level of undistributed net investment income of \$0.128 per share on October 31, 2005, was unchanged from 12 months earlier.<sup>1</sup>

During the period, the Trust maintained a conservative strategy in anticipation of continued Fed tightening and higher interest rates. The Trust's duration\* (a measure of interest rate sensitivity) was positioned defensively throughout the period. Overall, this duration stance tempered total returns early in the fiscal period when rates declined, but helped total returns as rates rose. Reflecting leverage, the Trust's option-adjusted duration was 10.4 years at the end of the reporting period. IQM's credit profile remained high, with over 85 percent of the bonds in the portfolio rated AA or higher. Consistent with a commitment to diversification, the Trust's net assets of approximately \$326 million, including preferred shares, were invested among 15 long-term sectors and 77 credits.

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.

During this 12-month period, ARPS leverage contributed approximately \$0.16 per share to common-share earnings. The Trust has 5 ARPS series totaling \$97 million, representing 30 percent of net assets, including preferred shares.

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*

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*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.

\* 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.

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

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

<b>TOP FIVE SECTORS</b>	
Water & Sewer	25.4%
Transportation	22.8
Hospital	16.3
Electric	15.1
IDR/PCR**	13.5

\*\* Industrial Development/Pollution Control Revenue

<b>LONG-TERM CREDIT ANALYSIS</b>	
Aaa/AAA	59.5%
Aa/AA	28.0
A/A	7.6
Baa/BBB	4.9

Data as of October 31, 2005. 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 by filing the schedule electronically with the Securities and Exchange Commission (SEC). The semiannual reports are filed on Form N-CSRS and the annual reports are filed on Form N-CSR. 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) 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, 2005

Weighted Average Maturity: 18 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	1.2
Arizona	1.9
California	15.1
Colorado	1.6
Florida	3.7
Georgia	5.6
Hawaii	5.6
Illinois	4.7%
Kansas	0.8
Maine	0.2
Maryland	2.9
Missouri	2.7
Nebraska	2.6
Nevada	2.4
New Hampshire	0.9
New Jersey	3.6%
New York	6.8
North Carolina	1.9
Ohio	1.7
Pennsylvania	2.8
Puerto Rico	0.5
Rhode Island	0.5

South Carolina	5.3
Tennessee	1.6%
Texas	7.7
Utah	0.8
Virginia	6.6
Washington	0.6
Wisconsin	7.0
Total†	100.0%

† Does not include open short futures contracts with an underlying face amount of \$12,758,126 with unrealized appreciation of \$212,139.

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Call and Cost (Book) Yield Structure  
(Based on Long-Term Portfolio) As of October 31, 2005

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 13% of the long-term portfolio that is callable in 2005.

Portfolio structure is subject to change.

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005

PRINCIPAL AMOUNT IN	COUPON RATE	MATURITY DATE	VALUE
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THOUSANDS

	<i>Tax-Exempt Municipal Bonds (138.6%)</i>			
	<i>General Obligation (12.2%)</i>			
\$ 3,000	California, Various Purpose dtd 05/01/03	5.00 %	02/01/32	\$ 3,042,690
4,000	City & County of San Francisco, Laguna Honda Hospital Ser 2005 I (FSA)	5.00	06/15/30	4,111,200
4,000	Honolulu City & County, Hawaii, ROLS RR II R 237-1 (MBIA)	7.676 $\frac{3}{4}$	03/01/24	4,567,120
3,600	Chicago Park District, Illinois, Harbor Ser A (Ambac)	5.00	01/01/27	3,723,876
2,000	New York City, New York, 2006 Ser F	5.00	09/01/23	2,061,780
1,000	2005 Ser G	5.00	12/01/23	1,029,010
1,000	Pennsylvania, RITES PA – 1112 A (MBIA)	6.571 $\frac{3}{4}$	01/01/18	1,108,770
1,000	RITES PA – 1112 B (MBIA)	6.571 $\frac{3}{4}$	01/01/19	1,149,890
2,000	Charleston County School District, South Carolina, Ser 2004 A	5.00	02/01/22	2,092,700
5,000	Metropolitan Government of Nashville & Davidson County, Tennessee, Refg Ser 1997	5.125	05/15/25	5,120,450
26,600				28,007,486
	<i>Educational Facilities Revenue (4.5%)</i>			
4,000	Los Angeles, Community College District, California, 2003 Ser B (FSA)	5.00	08/01/27	4,135,960
2,000	New Jersey Educational Facilities Authority, Montclair State University Ser 2003 L (MBIA)	5.00	07/01/34	2,068,820
4,000	North Carolina Capital Facilities Finance Agency, Duke University Ser 2005 A	5.00	10/01/41	4,098,880
10,000				10,303,660
	<i>Electric Revenue (15.1%)</i>			
3,890	Salt River Project Agricultural Improvement & Power District, Arizona, 2002 Ser B	5.00	01/01/22	4,057,153
5,000	California Department of Water Resources, Power Supply Ser 2002 A (XLCA)	5.375	05/01/17	5,401,600
2,000	Orlando Utilities Commission, Florida, Ser 2001 A	5.25	10/01/19	2,150,140
2,500	Wyandotte County/Kansas City, Kansas, Ser 2004 B (FSA)	5.00	09/01/28	2,592,900
5,000	Nebraska Public Power District, 2003 Ser A (Ambac)	5.00	01/01/35	5,139,050
3,000	Ser 2005 C (FGIC)	5.00	01/01/41	3,075,540
2,000	North Carolina Municipal Power Agency #1, Catawba Ser 1993 (MBIA)	5.25	01/01/20	2,135,060
1,500	Puerto Rico Electric Power Authority, Ser NN	5.125	07/01/29	1,555,305

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 4,000	South Carolina Public Service Authority, Ser 2003 A (Ambac)	5.00 %	01/01/27	\$ 4,140,040
2,500	Intermountain Power Agency, Utah, 2003 Ser A (FSA)	5.00	07/01/21	2,614,775
1,755	Grant County Public Utility District #2, Washington, Wanapum Hydroelectric 2005 Ser A (FGIC)	5.00	01/01/34	1,798,331
33,145				34,659,894
	<i>Hospital Revenue (16.3%)</i>			
3,000	California Health Facilities Financing Authority, Cedars-Sinai Medical Center Ser 2005	5.00	11/15/34	3,024,210
5,000	Colorado Health Facilities Authority, Catholic Health Initiatives Ser 2001 A	5.25	09/01/24	5,163,000
795	Maine Health & Higher Educational Facilities Authority, Ser 1993 D (FSA)	5.50	07/01/18	804,230
2,000	Maryland Health & Higher Educational Facilities Authority, University of Maryland Medical Ser 2001	5.25	07/01/34	2,036,600
4,000	Missouri Health & Educational Facilities Authority, Barnes-Jewish/Christian Health Ser 1993 A	5.25	05/15/14	4,291,280
5,000	Cuyahoga County, Ohio, Cleveland Clinic Ser 2003 A	6.00	01/01/32	5,481,400
5,000	South Carolina Jobs – Economic Development Authority, Palmetto Health Alliance Refg Ser 2003 C	6.875	08/01/27	5,785,200
10,000	Fairfax County Industrial Development Authority, Virginia, Inova Health Refg Ser 1993 A	5.25	08/15/19	10,779,700
34,795				37,365,620
	<i>Industrial Development/Pollution Control Revenue (13.5%)</i>			
10,000	Hawaii Department of Budget & Finance, Hawaiian Electric Co Inc Ser 1993 (AMT) (MBIA)	5.45	11/01/23	10,101,400
4,000	Calvert County, Maryland, Baltimore Gas & Electric Co Refg Ser 1993	5.55	07/15/14	4,076,920
2,000	Brazos River Authority, Texas, TXU Electric Co Ser 1999 C (AMT)	7.70	03/01/32	2,371,060
3,000	Sabine River Authority, Texas, TXU Electric Co Refg Ser 2001 B (AMT) (Mandatory Tender 11/01/11)	5.75	05/01/30	3,174,930
1,000	Tobacco Settlement Financing Corporation, Virginia, Ser 2005	5.625	06/01/37	1,022,240
10,000	Weston, Wisconsin, Wisconsin Public Service Co Refg Ser 1993 A	6.90	02/01/13	10,128,900
30,000				30,875,450
	<i>Mortgage Revenue – Multi-Family (5.4%)</i>			
12,340	Wisconsin Housing & Economic Development Authority, 1993 Ser	5.55	11/01/15	12,351,106



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*Mortgage Revenue – Single Family (1.6%)*

3,590	Alaska Housing Finance Corporation, 1997 Ser A (MBIA)	6.00	06/01/27	3,736,687
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See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
	<i>Nursing &amp; Health Related Facilities Revenue (1.3%)</i>			
\$ 2,775	New Jersey Health Care Facilities Financing Authority, Greystone Park Psychiatric Hospital Ser 2005 (Ambac)	5.00 %	09/15/23	\$ 2,893,465
	<i>Public Facilities Revenue (8.0%)</i>			
2,000	Jefferson County, Alabama, School Ser 2004 A	5.50	01/01/22	2,138,120
5,000	California Public Works Board, Mental Health 2004 Ser A	5.00	06/01/24	5,156,400
1,995	Miami-Dade County, Florida, Ser 2005 A (MBIA)	0.00 †	10/01/30	1,355,543
3,000	Miami-Dade County School Board, Florida, 2003 Ser D (FGIC)	5.00	08/01/29	3,086,130
3,300	Newark Housing Authority, New Jersey, Port Authority-Port Newark Marine Terminal Ser 2004 (MBIA)	5.00	01/01/34	3,399,000
3,000	Pennsylvania Public School Building Authority, Philadelphia School District Ser 2003 (FSA)	5.00	06/01/33	3,076,950
18,295				18,212,143
	<i>Recreational Facilities Revenue (2.2%)</i>			
8,480	Metropolitan Pier & Exposition Authority, Illinois, McCormick Place Ser 2002 A (MBIA)	0.00 ††	06/15/26	5,049,246
	<i>Resource Recovery Revenue (1.4%)</i>			
3,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 2003 (AMT) (Ambac)	5.50	04/01/16	3,213,630
	<i>Tax Allocation Revenue (1.4%)</i>			
3,040	Milpitas Redevelopment Agency, California, Area #1 Ser 2003 (MBIA)	5.00	09/01/22	3,154,486
	<i>Transportation Facilities Revenue (22.8%)</i>			
1,000	Arizona Transportation Board, Ser 2003	5.00	07/01/21	1,045,910
1,000	Ser 2003	5.00	07/01/22	1,043,920
3,150	Orange County Transportation Authority, California, Toll Road Refg Ser 2003 A (Ambac)	5.00	08/15/18	3,334,181

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5,000	Miami-Dade County, Florida, Miami Int'l Airport Ser 2000 A (AMT) (FGIC)	6.00	10/01/24	5,456,400
5,000	Atlanta, Georgia, Airport Ser 2004 C (FSA) Georgia Road & Tollway Authority,	5.00	01/01/33	5,132,300
2,000	Ser 2001	5.375	03/01/17	2,171,620
2,000	Ser 2004	5.00	10/01/22	2,100,840
3,000	Ser 2004	5.00	10/01/23	3,145,710
3,000	Hawaii, Airports Refg Ser 2000 B (AMT) (FGIC)	6.625	07/01/18	3,341,370

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON RATE	MATURITY DATE	VALUE
\$ 3,000	Chicago, Illinois, O'Hare Int'l Airport Passenger Fee Ser 2001 A (AMT) (Ambac)	5.375%	01/01/32	\$ 3,099,660
3,000	Illinois Toll Highway Authority, Priority Refg 1998 Ser A (FSA)	5.50	01/01/15	3,333,810
4,000	Missouri Highways & Transportation Commission, Ser A 2001	5.125	02/01/18	4,246,640
3,000	Clark County, Nevada, Airport SubLien Ser 2004 A (AMT) (FGIC)	5.50	07/01/20	3,223,170
5,000	Metropolitan Transportation Authority, New York, Transportation Ser 2003 B (MBIA)	5.25	11/15/22	5,408,100
3,000	Triborough Bridge & Tunnel Authority, New York, Refg Ser 2002 B	5.25	11/15/19	3,227,280
390	Ser 2001 A	5.00	01/01/32	397,324
1,500	Rhode Island Economic Development Corporation, Airport Refg Ser 2004 A (AMT) (FSA)	5.00	07/01/21	1,533,240
1,000	Harris County, Texas, Toll Road Sr Lien Ser 2005 A (FSA)	5.25	08/15/35	1,039,300
49,040				52,280,775
	<i>Water &amp; Sewer Revenue (25.4%)</i>			
5,000	Los Angeles Department of Water & Power, California, Water 2004 Ser C (MBIA)	5.00	07/01/23	5,204,800
4,240	San Diego County Water Authority, California, Ser 2004 A COPs (FSA)	5.00	05/01/29	4,387,510
	De Kalb County, Georgia,			

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1,000	Water & Sewer Ser A	5.00	10/01/21	1,048,910
1,200	Water & Sewer Ser A	5.00	10/01/23	1,252,128
3,000	Fulton County, Georgia, Water & Sewerage Ser 2004 (FGIC)	5.25	01/01/35	3,176,340
4,000	Truckee Meadows Water Authority, Nevada, Ser 2001 A (FSA)	5.50	07/01/19	4,340,320
3,000	Manchester, New Hampshire, Water Works Ser 2003 (FGIC)	5.00	12/01/34	3,073,020
3,000	New York City Municipal Water Finance Authority, New York, 2005 Ser B (Ambac)	5.00	06/15/28	3,116,760
4,565	Grand Strand Water & Sewer Authority, South Carolina, Refg Ser 2002 (FSA)	5.375	06/01/19	4,945,584
	Houston, Texas,			
5,000	Water & Sewer Jr Lien Refg Ser 2001 A (FSA)	5.50	12/01/16	5,461,900
5,000	Combined Utility First Lien Refg 2004 Ser A (MBIA)	5.25	05/15/25	5,308,850
4,000	Tarrant County Regional Water District, Texas, Refg & Impr Ser 2002 (FSA)	5.25	03/01/17	4,285,960
3,000	West Harris County Regional Water Authority, Texas, Water Ser 2005 (FSA)	5.00	12/15/24	3,114,480
4,000	Norfolk, Virginia, Water Ser 1993 (Ambac)	5.375	11/01/23	4,006,120

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005 continued

PRINCIPAL AMOUNT IN THOUSANDS		COUPON MATURITY		VALUE
		RATE	DATE	
	Prince William County Service Authority, Virginia,			
\$ 3,000	Water & Sewer Refg Ser 2003	5.00 %	07/01/19	\$ 3,186,450
2,000	Water & Sewer Refg Ser 2003	5.00	07/01/21	2,113,720
55,005				58,022,852
	<i>Other Revenue (7.5%)</i>			
5,000	California, Economic Recovery Ser 2004 A	5.00	07/01/16	5,386,250
2,000	Golden State, Tobacco Securitization Corporation, California,			
	Enhanced Asset Backed Ser 2005 A (FGIC)	5.00	06/01/38	2,043,460

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3,000	New Jersey Economic Development Authority, Cigarette Tax Ser 2004 #	5.75	06/15/29	3,154,770
6,000	Tobacco Settlement Financing Corporation, New York, State Contingency Ser 2003 C-1	5.50	06/01/21	6,499,860
16,000				17,084,340
306,105	Total Tax-Exempt Municipal Bonds ( <i>Cost \$306,190,114</i> ) Short-Term Tax-Exempt Municipal Obligation (1.6%)			317,210,840
3,700	Philadelphia Hospitals & Higher Education Facilities Authority, Pennsylvania, Children's Hospital of Philadelphia Ser 2002 A (Demand 11/01/05) ( <i>Cost</i> <i>\$3,700,000</i> )	2.69*	07/01/22	3,700,000
\$309,805	Total Investments ( <i>Cost \$309,890,114</i> ) (a) (b)		140.2%	320,910,840
	Other Assets In Excess of Liabilities		2.2	4,982,159
	Preferred Shares of Beneficial Interest		(42.4)	(97,084,747)
	Net Assets Applicable to Common Shareholders		100.0%	\$228,808,252

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Portfolio of Investments October 31, 2005 continued

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.
RITES	Residual Interest Tax-Exempt Securities (Illiquid securities).	
ROLS	Reset Option Longs (Illiquid securities).	

# A portion of this security has been physically segregated in connection with open futures contracts in the amount of \$65,000.

€ Current coupon rate for inverse floating rate municipal obligation. 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 \$6,825,780 which represents 3.0% of net assets applicable to common shareholders.

† 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 \$12,905,595 in connection with open futures contracts.

(b) The aggregate cost for federal income tax purposes is \$309,885,810. The aggregate gross unrealized appreciation is \$11,589,704 and the aggregate gross unrealized depreciation is \$564,674, resulting in net unrealized appreciation of \$11,025,030.

Bond Insurance:

Ambac

Ambac Assurance Corporation.

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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, 2005:

NUMBER OF CONTRACTS	LONG/SHORT	DESCRIPTION, DELIVERY MONTH AND YEAR	UNDERLYING FACE AMOUNT AT VALUE	UNREALIZED APPRECIATION
		U.S. Treasury Notes 5 yr		
100	Short	December 2005	\$(10,589,063)	\$161,132
		U.S. Treasury Notes 10 yr		
20	Short	December 2005	(2,169,063)	51,007
		Total Unrealized Appreciation		\$212,139

See Notes to Financial Statements

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Morgan Stanley Quality Municipal Securities

Financial Statements

Statement of Assets and Liabilities

October 31, 2005

Assets:	
Investments in securities, at value (cost \$309,890,114)	\$320,910,840
Cash	36,039
Interest receivable	5,124,644
Prepaid expenses and other assets	107,168
Total Assets	326,178,691
Liabilities:	
Payable for:	
Investment advisory fee	75,324
Common shares of beneficial interest repurchased	54,750
Administration fee	22,318
Transfer agent fee	12,338
Accrued expenses and other payables	120,962
Total Liabilities	285,692

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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> )	97,084,747
Net Assets Applicable to Common Shareholders	\$228,808,252
Composition of Net Assets Applicable to Common Shareholders:	
Common shares of beneficial interest ( <i>unlimited shares authorized of \$.01 par value, 14,423,501 shares outstanding</i> )	\$212,680,338
Net unrealized appreciation	11,232,865
Accumulated undistributed net investment income	1,852,955
Accumulated undistributed net realized gain	3,042,094
Net Assets Applicable to Common Shareholders	\$228,808,252
Net Asset Value Per Common Share ( <i>\$228,808,252 divided by 14,423,501 common shares outstanding</i> )	\$ 15.86

Statement of Operations

For the year ended October 31, 2005

Net Investment Income:	
Interest Income	\$15,900,838
Expenses	
Investment advisory fee	900,631
Auction commission fees	431,253
Administration fee	266,854
Professional fees	73,222
Transfer agent fees and expenses	59,254
Shareholder reports and notices	38,608
Auction agent fees	35,436
Custodian fees	16,908
Registration fees	15,763
Trustees' fees and expenses	9,994
Other	60,290
Total Expenses	1,908,213
Less: expense offset	(11,370)
Net Expenses	1,896,843
Net Investment Income	14,003,995
Net Realized and Unrealized Gain (Loss):	
Net Realized Gain (Loss) on:	
Investments	2,811,518
Futures contracts	(157,562)
Net Realized Gain	2,653,956
Net Change in Unrealized Appreciation/Depreciation on:	
Investments	(6,212,148)
Futures contracts	600,272
Net Depreciation	(5,611,876)
Net Loss	(2,957,920)
Dividends to preferred shareholders from net investment income	(1,781,836)
Net Increase	\$ 9,264,239

See Notes to Financial Statements

## Morgan Stanley Quality Municipal Securities

## Financial Statements continued

## Statement of Changes in Net Assets

	FOR THE YEAR ENDED OCTOBER 31, 2005	FOR THE YEAR ENDED OCTOBER 31, 2004
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income	\$ 14,003,995	\$ 14,355,054
Net realized gain	2,653,956	594,053
Net change in unrealized appreciation/depreciation	(5,611,876)	5,790,460
Dividends to preferred shareholders from net investment income	(1,781,836)	(1,621,643)
Net Increase	9,264,239	19,117,924
Dividends and Distributions to Common Shareholders from:		
Net investment income	(12,280,591)	(13,183,126)
Net realized gain	(213,483)	(13,413)
Total Dividends and Distributions	(12,494,074)	(13,196,539)
Decrease from transactions in common shares of beneficial interest	(6,664,476)	(7,783,852)
Net Decrease	(9,894,311)	(1,862,467)
Net Assets Applicable to Common Shareholders:		
Beginning of period	238,702,563	240,565,030
End of Period		
<i>( Including accumulated undistributed net investment income of \$1,852,955 and \$1,911,401, respectively )</i>	\$228,808,252	\$238,702,563

See Notes to Financial Statements

## Morgan Stanley Quality Municipal Securities

## Notes to Financial Statements October 31, 2005

## 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, 2005 continued

D. 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.



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

F. 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.

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, 2005, aggregated \$44,475,603 and \$52,721,555, 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, 2005, included in Trustees' fees and expenses in the Statement of Operations amounted to \$5,979. At October 31, 2005, the Trust had an accrued pension liability of \$52,129 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 receives for serving on the Board of Trustees. Each eligible Trustee generally may elect to have the deferred amounts credited with a return equal

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Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2005 continued

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

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

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

SERIES	SHARES*	AMOUNT		RESET DATE	RANGE OF DIVIDEND RATES**
		THOUSANDS*	RATE*		
1	340	\$ 17,000	2.31%	11/01/05	1.50% – 2.85%
2	300	15,000	2.55	11/02/05	1.54 – 2.79
3	300	15,000	2.55	11/03/05	1.20 – 2.75
4	600	30,000	1.59	01/10/06	1.59
5	400	20,000	2.25	07/11/06	2.25

\* As of October 31, 2005.

\*\* For the year ended October 31, 2005.

Subsequent to October 31, 2005 and up through December 2, 2005, the Trust paid dividends to Series 1 through 5 at rates ranging from 1.59% to 3.00%, in the aggregate amount of \$271,243.

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.

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Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2005 continued

5. Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

SHARES	PAR VALUE	CAPITAL PAID IN
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			EXCESS OF PAR VALUE
Balance, October 31, 2003	15,444,358	\$ 154,444	\$226,974,222
Treasury shares purchased and retired (weighted average discount 10.61%)*	(554,100)	(5,541)	(7,778,311)
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

\* The Trustees have voted to retire the shares purchased.

#### 6. Dividends to Common Shareholders

On September 27, 2005, the Trust declared the following dividends from net investment income:

AMOUNT PER SHARE	RECORD DATE	PAYABLE DATE
\$0.0675	November 4, 2005	November 18, 2005
\$0.0675	December 9, 2005	December 23, 2005

#### 7. Expense Offset

The expense offset represents a reduction of the custodian fees for earnings on cash balances maintained by the Trust.

#### 8. Risks Relating to Certain Financial Instruments

The Trust may invest a portion of its assets in residual interest bonds, which are inverse floating rate municipal obligations. The prices of these securities are subject to greater market fluctuations during periods of changing prevailing interest rates than are comparable fixed rate obligations.

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.

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Morgan Stanley Quality Municipal Securities

Notes to Financial Statements October 31, 2005 continued

#### 9. Federal Income Tax Status

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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. 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, 2005	FOR THE YEAR ENDED OCTOBER 31, 2004
Tax-exempt income	\$14,111,658	\$14,821,961
Long-term capital gains	213,483	13,413
Total distributions	\$14,325,141	\$14,835,374

As of October 31, 2005, the tax-basis components of accumulated earnings were as follows:

Undistributed tax-exempt income	\$ 1,985,905
Undistributed ordinary income	180,171
Undistributed long-term gains	3,074,072
Net accumulated earnings	5,240,148
Temporary differences	(137,264)
Net unrealized appreciation	11,025,030
Total accumulated earnings	\$16,127,914

As of October 31, 2005, 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 and permanent book/tax differences primarily attributable to tax adjustments on debt securities sold by the Trust. To reflect reclassifications arising from the permanent differences, accumulated undistributed net investment income was charged and accumulated undistributed net realized gain was credited \$14.

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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:

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	FOR THE YEAR ENDED OCTOBER 31,				
	2005	2004	2003	2002	2001
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 16.03	\$ 15.58	\$ 15.42	\$ 15.19	\$ 14.28
<b>Income (loss) from investment operations:</b>					
Net investment income*	0.96	0.94	0.97	0.99	0.99
Net realized and unrealized gain (loss)	(0.22)	0.43	0.12	0.15	0.83
Common share equivalent of dividends paid to preferred shareholders*	(0.12)	(0.11)	(0.11)	(0.13)	(0.20)
Total income from investment operations	0.62	1.26	0.98	1.01	1.62
<b>Less dividends and distributions from:</b>					
Net investment income	(0.84)	(0.87)††	(0.87)	(0.82)	(0.75)
Net realized gain	(0.01)	—	—	—	—
Total dividends and distributions	(0.85)	(0.87)††	(0.87)	(0.82)	(0.75)
Anti-dilutive effect of acquiring treasury shares*	0.06	0.06	0.05	0.04	0.04
Net asset value, end of period	\$ 15.86	\$ 16.03	\$ 15.58	\$ 15.42	\$ 15.19
Market value, end of period	\$ 14.09	\$ 14.35	\$ 14.09	\$ 13.75	\$ 13.62
Total Return†	4.21%	8.31%	9.05%	7.09%	18.82%
<b>Ratios to Average Net Assets of Common Shareholders:</b>					
Total expenses (before expense offset)	0.81%	0.83% (1)	0.80% (1)	0.76% (1)	0.74% (1)
Net investment income before preferred stock dividends	5.94%	6.01%	6.21%	6.52%	6.65%
Preferred stock dividends	0.75%	0.68%	0.71%	0.86%	1.34%
Net investment income available to common shareholders	5.19%	5.33%	5.50%	5.66%	5.31%
<b>Supplemental Data:</b>					
Net assets applicable to common shareholders, end of period, in thousands	\$228,808	\$238,703	\$240,565	\$245,778	\$249,343
Asset coverage on preferred shares at end of period	336%	346%	348%	353%	356%
Portfolio turnover rate	14%	33%	36%	18%	16%

\*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 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 the expense offset of 0.01%.

See Notes to Financial Statements

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, 2005, 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, 2005, 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, 2005, 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*  
*December 19, 2005*

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Morgan Stanley Quality Municipal Securities

Shareholder Voting Results

On June 21, 2005, an annual meeting of the Trust's shareholders was held for the purpose of voting on the following matters, the results of which were as follows:

Election of Trustees by all Shareholders:

	FOR	WITHHELD
Wayne E. Hedien	10,042,834	518,231
Joseph J. Kearns	10,068,378	492,687
Fergus Reid	10,037,055	524,010

Election of Trustee by Preferred Shareholders:

	FOR	WITHHELD
Dr. Manuel H. Johnson	1,431	114

The following Trustees were not standing for reelection at this meeting: Michael Bozic, Charles A. Fiumefreddo, Edwin J. Garn, James F. Higgins, and Michael E. Nugent.

In addition, on October 26, 2005, a special meeting of shareholders of the Trust was scheduled in order to vote on three proposals each of which related to a modification to the Trust's investment policies. The proposals failed to obtain the necessary quorum in order to hold the Meeting and, therefore, it was adjourned until November 30, 2005, to permit further solicitation of proxies.

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## Morgan Stanley Quality Municipal Securities

### Trustee and Officer Information

#### 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 Trustee***	Other Directorships Held by Trustee
Michael Bozic (64) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas	Trustee	Since April 1994	Private Investor; Director or Trustee of the Retail Funds (since April 1994) and the Institutional Funds (since July 2003); formerly Vice Chairman of Kmart Corporation (December	197	Director of various business organizations.

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New York, NY 10036

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); formerly  
variously Chairman, Chief  
Executive Officer,  
President and Chief  
Operating Officer  
(1987-1991) of the Sears  
Merchandise Group of  
Sears, Roebuck & Co.

Edwin J. Garn (73)  
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 (2000-2004)  
(lobbying and consulting  
firm); 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  
Vice Chairman, Huntsman  
Corporation (chemical  
company).

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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  
charitable  
organizations.

Wayne E. Hedien (71)  
c/o Kramer Levin Naftalisz  
& Frankel LLP  
Counsel to the Independent  
Trustees  
1177 Avenue of the  
Americas  
New York, NY 10036

Trustee Since  
September  
1997

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

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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



1994) and Chairman and Chief Executive Officer of its wholly-owned subsidiary, Allstate Insurance Company (July 1989-December 1994). organizations.

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information 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 Trustee***	Other Directorships Held by Trustee
Dr. Manuel H. Johnson (56) c/o Johnson Smick Group, Inc. 888 16th Street, N.W. Suite 740 Washington, D.C. 20006	Trustee	Since July 1991	Senior Partner, Johnson Smick International, Inc., a consulting firm; Chairman of the Audit Committee 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 Vice Chairman of the Board of Governors of the Federal Reserve System and Assistant Secretary of the U.S. Treasury.	197	Director of NVR, Inc. (home construction); Director of KFX Energy; Director of RBS Greenwich Capital Holdings (financial holding company).
Joseph J. Kearns (63) c/o Kearns & Associates LLC PMB754 23852 Pacific Coast Highway	Trustee	Since July 2003	President, Kearns & Associates LLC (investment consulting); Deputy Chairman of the Audit Committee and Director or Trustee of the	198	Director of Electro Rent Corporation (equipment leasing), The Ford Family Foundation, and the UCLA Foundation.

Malibu, CA 90265

Retail Funds (since July 2003) and the Institutional Funds (since August 1994); previously Chairman of the Audit Committee of the Institutional Funds (October 2001-July 2003); formerly CFO of the J. Paul Getty Trust.

Michael E. Nugent (69)  
c/o Triumph Capital, L.P.  
445 Park Avenue  
New York, NY 10022

Trustee

Since July 1991

General Partner of Triumph Capital, L.P., a private investment partnership; Chairman of the Insurance Committee and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2001); formerly Vice President, Bankers Trust Company and BT Capital Corporation (1984-1988).

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Fergus Reid (73)  
c/o Lumelite Plastics Corporation  
85 Charles Colman Blvd.  
Pawling, NY 12564

Trustee

Since July 2003

Chairman of Lumelite Plastics Corporation; Chairman 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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Trustee and Director of certain investment companies in the JPMorgan Funds complex managed by J.P. Morgan Investment Management Inc.

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information continued

Interested Trustees:

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	Other Directorships Held by Trustee
---------------------------------------------	----------------------------------	-------------------------------------------	-----------------------------------------------	--------------------------------------------------	-------------------------------------

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			Trustee***		
<p>Charles A. Fiumefreddo (72) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ 07311</p>	<p>Chairman of the Board and Trustee</p>	<p>Since July 1991</p>	<p>Chairman and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2003); formerly Chief Executive Officer of the Retail Funds (until September 2002). Director or Trustee of the Retail Funds (since June 2000) and the Institutional Funds (since July 2003); Senior Advisor of Morgan Stanley (since August 2000); Director of the Distributor and Dean Witter Realty Inc.; previously President and Chief Operating Officer of the Private Client Group of Morgan Stanley (May 1999-August 2000), and President and Chief Operating Officer of Individual Securities of Morgan Stanley (February 1997-May 1999).</p>	<p>197</p>	<p>None</p>
<p>James F. Higgins (57) c/o Morgan Stanley Trust Harborside Financial Center, Plaza Two, Jersey City, NJ 07311</p>	<p>Trustee</p>	<p>Since June 2000</p>	<p>Director or Trustee of the Retail Funds (since June 2000) and the Institutional Funds (since July 2003); Senior Advisor of Morgan Stanley (since August 2000); Director of the Distributor and Dean Witter Realty Inc.; previously President and Chief Operating Officer of the Private Client Group of Morgan Stanley (May 1999-August 2000), and President and Chief Operating Officer of Individual Securities of Morgan Stanley (February 1997-May 1999).</p>	<p>197</p>	<p>Director of AXA Financial, Inc. and The Equitable Life Assurance Society of the United States (financial services).</p>

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\* This is the earliest date the Trustee began serving the funds advised by Morgan Stanley Investment Advisors Inc. (the "Investment Adviser") (the "Retail Funds").

\*\*The dates referenced below indicating commencement of services as Director/Trustee for the Retail Funds and the funds advised by Morgan Stanley Investment Management Inc. and Morgan Stanley AIP GP LP (the "Institutional Funds") reflect the earliest date the Director/Trustee began serving the Retail or Institutional Funds, as applicable.

\*\*\*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.).

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information continued

Officers:

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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 (66) 1221 Avenue of the Americas New York, NY 10020	President and Principal Executive Officer	Since May 2003	President (since September 2005) and Principal Executive Officer of funds in the Fund Complex (since May 2003); Managing Director of Morgan Stanley & Co. Incorporated and Morgan Stanley; Managing Director and Director of Morgan Stanley Investment Management Inc., Morgan Stanley Distribution Inc. and Morgan Stanley Distributors Inc.; Managing Director, Chief Administrative Officer and Director of Morgan Stanley Investment Advisors Inc. and Morgan Stanley Services Company Inc.; Chief Executive Officer and Director of Morgan Stanley Trust; Director of Morgan Stanley SICAV (since May 2004); President (since September 2005) and Principal Executive Officer (since May 2003) of the Van Kampen Funds; previously, Executive Vice President (July 2003-September 2005) of funds in the Fund Complex and the Van Kampen Funds. He was also previously President and Director of the Institutional Funds (March 2001-July 2003), Chief Global Operations Officer of Morgan Stanley Investment Management Inc. and Chief Executive Officer and Chairman of Van Kampen Investor Services.
Joseph J. McAlinden (62) 1221 Avenue of the Americas New York, NY 10020	Vice President	Since July 1995	Managing Director and Chief Investment Officer of the Investment Adviser and Morgan Stanley Investment Management Inc.; Chief Investment Officer of the Van Kampen Funds; Vice President of the Institutional Funds (since July 2003) and the Retail Funds (since July 1995).
Barry Fink (50) 1221 Avenue of the Americas New York, NY 10020	Vice President	Since February 1997	General Counsel (since May 2000) and Managing Director (since December 2000) of Morgan Stanley Investment Management; Managing Director (since December 2000), Secretary (since February 1997) and Director of the Investment Adviser and the Administrator; Vice President of the Retail Funds; Assistant Secretary of Morgan Stanley DW; Vice President of the Institutional Funds (since July 2003); Managing Director, Secretary and Director of the Distributor; previously Secretary (February 1997-July 2003) and General Counsel (February 1997-April 2004) of the Retail Funds; Vice President and Assistant General Counsel of the Investment Adviser and the Administrator (February 1997-December 2001).
	Vice President		

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Amy R. Doberman (43) 1221 Avenue of Americas New York, NY 10020	Since July 2004	Managing Director and General Counsel, U.S. Investment Management; Managing Director of Morgan Stanley Investment Management Inc. and the Investment Adviser, Vice President of the Institutional and Retail Funds (since July 2004); Vice President of the Van Kampen Funds (since August 2004); previously, Managing Director and General Counsel — Americas, UBS Global Asset Management (July 2000 – July 2004) and General Counsel, Aeltus Investment Management Inc. (January 1997 – July 2000).	
Carsten Otto (41) 1221 Avenue of the Americas New York, NY 10020	Chief Compliance Officer	Since October 2004	Executive Director and U.S. Director of Compliance for Morgan Stanley Investment Management (since October 2004); Executive Director of the Investment Adviser and Morgan Stanley Investment Management Inc.; formerly Assistant Secretary and Assistant General Counsel of the Morgan Stanley Retail Funds.
Stefanie V. Chang (38) 1221 Avenue of the Americas New York, NY 10020	Vice President	Since July 2003	Executive Director of Morgan Stanley & Co. Incorporated, Morgan Stanley Investment Management Inc. and the Investment Adviser; Vice President of the Institutional Funds (since December 1997) and the Retail Funds (since July 2003); formerly practiced law with the New York law firm of Rogers & Wells (now Clifford Chance US LLP).

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Morgan Stanley Quality Municipal Securities

Trustee and Officer Information 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 (40) 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	Executive Director of the Investment Adviser and the Administrator (since December 2001); previously, Vice President of the Retail Funds (September 2002-July 2003); Vice President of the Investment Adviser and the Administrator (August 2000-November 2001).

		2002	
Thomas F. Caloia (59)	Vice President	Since July	Executive Director (since December 2002) and
c/o Morgan Stanley Trust		2003	Assistant Treasurer of the Investment Adviser, the
Harborside Financial			Distributor and the Administrator; previously Treasurer
Center,			of the Retail Funds (April 1989-July 2003); formerly
Plaza Two,			First Vice President of the Investment Adviser, the
Jersey City, NJ 07311			Distributor and the Administrator.
Mary E. Mullin (38)	Secretary	Since July	Executive Director of Morgan Stanley & Co.
1221 Avenue of the		2003	Incorporated, Morgan Stanley Investment Management
Americas			Inc. and the Investment Adviser; Secretary of the
New York, NY 10020			Institutional Funds (since June 1999) and the Retail
			Funds (since July 2003); formerly practiced law with
			the New York law firms of McDermott, Will & Emery
			and Skadden, Arps, Slate, Meagher & Flom LLP.

\*This is the earliest date the Officer began serving the Retail Funds. Each Officer serves an indefinite term, until his or her successor is elected.

\*\*The dates referenced below indicating commencement of service as an Officer for the Retail and Institutional Funds reflect the earliest date the Officer began serving the Retail or Institutional Funds, as applicable.

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 19, 2005.

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>.

**2005 Federal Tax Notice (unaudited)**

During the year ended October 31, 2005, the Trust paid the following per share amounts from tax-exempt income: \$0.84 to common shareholders, \$884 to Series 1 preferred shareholders, \$706 to Series 2 preferred shareholders, \$654 to Series 3 preferred shareholders, \$638 to Series 4 preferred shareholders, and \$905 to Series 5 preferred shareholders. For the year ended October 31, 2005, the Trust paid the following per share amounts from long-term capital gains: \$0.01 to common shareholders, \$229 to Series 1 preferred shareholders, \$193 to Series 2 preferred shareholders, \$183 to Series 3 preferred shareholders, \$161 to Series 4 preferred shareholders, and \$226 to Series 5 preferred shareholders.

Trustees

Michael Bozic  
 Charles A. Fiumefreddo  
 Edwin J. Garn  
 Wayne E. Hedien  
 James F. Higgins  
 Dr. Manuel H. Johnson

MORGAN STANLEY FUNDS

Morgan Stanley  
 Quality Municipal  
 Securities

Joseph J. Kearns  
Michael E. Nugent  
Fergus Reid

Officers

Annual Report  
October 31, 2005

Charles A. Fiumefreddo  
*Chairman of the Board*

Ronald E. Robison  
*President and Principal Executive Officer*

Joseph J. McAlinden  
*Vice President*

Barry Fink  
*Vice President*

Amy R. Doberman  
*Vice President*

Carsten Otto  
*Chief Compliance Officer*

Stefanie V. Chang  
*Vice President*

Francis J. Smith  
*Treasurer and Chief Financial Officer*

Thomas F. Caloia  
*Vice President*

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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