

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

DWS MUNICIPAL INCOME TRUST  
Form DEF 14A  
April 10, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
- [ ] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY  
RULE 14a-6(e) (2))
- [X] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to Section 240.14a-12

DWS Municipal Income Trust

-----  
(Name of Registrant as Specified In Its Charter)

-----  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- [X] No fee required.
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

1) Title of each class of securities to which transaction applies:

-----  
2) Aggregate number of securities to which transaction applies:

-----  
3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the  
filing fee is calculated and state how it was determined):

-----  
4) Proposed maximum aggregate value of transaction:

-----  
5) Total fee paid:

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

6) Amount Previously Paid:

-----

7) Form, Schedule or Registration Statement No.:

-----

8) Filing Party:

-----

9) Date Filed:

-----

PERSONS WHO POTENTIALLY ARE TO 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 1913 (01-07)

DWS HIGH INCOME TRUST  
DWS MULTI-MARKET INCOME TRUST  
DWS MUNICIPAL INCOME TRUST  
DWS STRATEGIC MUNICIPAL INCOME TRUST  
DWS STRATEGIC INCOME TRUST  
222 SOUTH RIVERSIDE PLAZA  
CHICAGO, ILLINOIS 60606

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS  
MAY 24, 2007 AND PROXY STATEMENT

April 10, 2007

To the Shareholders:

You are invited to attend a joint annual meeting of the shareholders of DWS High Income Trust ("KHI"), DWS Multi-Market Income Trust ("KMM"), DWS Municipal Income Trust ("KTF"), DWS Strategic Municipal Income Trust ("KSM") and DWS Strategic Income Trust ("KST") (individually, a "Fund" and collectively, the "Funds"). The meeting will be held at the offices of Deutsche Investment Management Americas Inc. ("DeIM" or the "Advisor"), Two International Place, 13th Floor, Boston, Massachusetts 02110, on Thursday, May 24, 2007 at 3:00 p.m. Eastern time, to consider the following proposal (the "Proposal") and to transact such other business, if any, as may properly come before the meeting:

1. To elect Trustees to the Board of each Fund as outlined below:

(a) For KHI, KMM and KST only, to elect nine Trustees to the Board of each Fund; and

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

(b) For KTF and KSM only, to elect nine Trustees to the Board of each Fund, with seven Trustees to be elected by the holders of Preferred and Common Shares voting together and two Trustees to be elected by holders of the Preferred Shares only.

The Board of each Fund has fixed the close of business on March 30, 2007 as the record date (the "Record Date") for determining the shareholders of each Fund entitled to notice of and to vote at the meeting or any adjournments or postponements thereof. Shareholders are entitled to one vote for each share held.

THE BOARD OF EACH FUND RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE TRUSTEES

-----  
PLEASE INDICATE YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD. SIGN, DATE AND RETURN YOUR PROXY CARD IN THE ENVELOPE PROVIDED. TO SAVE YOUR FUND THE COST OF ADDITIONAL SOLICITATIONS, PLEASE MAIL YOUR PROXY CARD. IF YOU WISH TO ATTEND THE MEETING AND VOTE YOUR SHARES IN PERSON AT THAT TIME, YOU WILL STILL BE ABLE TO DO SO.  
-----

The accompanying proxy is solicited by the Board of each Fund for voting at the joint annual meeting of shareholders to be held on May 24, 2007, and at any and all postponements or adjournments thereof (the "Meeting"). The shareholders of each Fund will vote separately on the Proposal. This proxy statement was first mailed to shareholders on or about April 10, 2007.

The Board of each Fund recommends shareholders vote FOR the election of the Trustees. The vote required to elect the Trustees to the Board of each Fund is described under "Miscellaneous."

The Board of each Fund has fixed the close of business on March 30, 2007 as the Record Date for the determination of shareholders entitled to notice of and to vote at the Meeting. As of the Record Date, shares of the Funds were issued and outstanding as follows:

FUND	SHARES
----	-----
KHI.....	32,210,540.94
KMM.....	20,581,593.69
KTF	
Common.....	38,973,230.54
Preferred.....	53,000.00
KSM	
Common.....	10,936,007.97
Preferred.....	2,800.00
KST.....	3,494,937.77

KTF AND KSM ONLY. Pursuant to the Amended and Restated Agreement and Declaration of Trust of each Fund, the Boards may authorize separate classes of shares of

**Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A**

beneficial interest. The Board of each Fund has authorized, and each Fund has issued, common shares of beneficial interest (the "Common Shares") and preferred shares of beneficial interest (the "Preferred Shares"). The Common Shares and the Preferred Shares have different powers, rights, preferences and privileges, qualifications, limitations and restrictions with respect to, among other things, dividends, liquidation, redemption and voting as more fully set forth in the

Certificate of Designation for Preferred Shares that established the Preferred Shares. For KTF, the Common Shares were first issued on October 20, 1988 and the Preferred Shares were first issued on July 24, 1989 (Series A, B, C and D) and November 24, 1999 (Series E). For KSM, the Common Shares were first issued on March 22, 1989 and the Preferred Shares were first issued on September 21, 1999. At the Meeting, the holders of the Preferred Shares, voting as a separate class, are entitled to elect two Trustees, and the holders of the Common Shares and the Preferred Shares, voting together as a single class, are entitled to elect the seven remaining Trustees.

The following table identifies the Funds entitled to vote on the Proposal.

PROPOSAL	PAGE
-----	----
1.a. To elect nine Trustees to the Board of the Fund. KHI, KMM and KST.....	3
1.b. To elect nine Trustees to the Board of the Fund with seven Trustees to be elected by the holders of Preferred and Common Shares voting together and two Trustees to be elected by holders of the Preferred Shares only. KTF and KSM.....	3

ELECTION OF TRUSTEES TO THE BOARDS

THE BOARD OF EACH FUND RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES NAMED BELOW.

At the Meeting, shareholders of each Fund will be asked to elect nine individuals to constitute the Board of Trustees of each Fund. Board members are elected annually pursuant to each Trust's Declaration of Trust and By-Laws. The nine individuals nominated for election as Trustees of each Fund were nominated after careful consideration by each Fund's present Board of Trustees. The nominees are listed below. The nine nominees are currently Trustees of each Fund and are currently trustees or directors of other funds advised by DeIM. All the nominees were last elected to each Board at the previous joint annual meeting of shareholders. Mr. Schwarzer is a senior executive officer of DeIM and is an "interested person" (an "Interested Person") of the Funds within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act"), due to the fact that he is an officer of the Advisor. Mr. Schwarzer currently oversees 85 fund portfolios in the DWS Fund Complex. He is referred to as an "Interested

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

Trustee." Each of the remaining eight nominees is not an Interested Person of the Advisor or the Funds within the meaning of the 1940 Act and is referred to as a "Non-interested Trustee" or "Independent Trustee". As of March 1, 2007, the Independent Trustees, except for Mr. Wadsworth, oversee 58 fund portfolios in the DWS Fund Complex; Mr. Wadsworth oversees 61 fund portfolios in the DWS Fund Complex. The Independent Trustees are often referred to as the "Chicago Board."

3

The persons named as proxies on the enclosed proxy card(s) will vote for the election of all the nominees (as to each relevant Fund) unless authority to vote for any or all of the nominees is withheld in the proxy. Each Trustee so elected will serve as a Trustee of the respective Fund until the next meeting of shareholders, if any, called for the purpose of electing Trustees and until the election and qualification of a successor or until such Trustee sooner dies, resigns or is removed as provided in the organizational documents of each Fund.

KTF AND KSM ONLY. As indicated above, holders of the Preferred Shares are entitled to elect two Trustees. Messrs. Schwarzer and Wadsworth are nominees for election by holders of the Preferred Shares of each Fund. In addition, seven other Trustees are to be elected by holders of the Common Shares and the Preferred Shares, voting together as a single class. Ms. Peterson and Messrs. Ballantine, Dunaway, Edgar, Freeman, Hoffman and McClayton are nominees for election by all shareholders.

All the nominees listed below have consented to serve as Trustees of the respective Funds, if elected. In case any nominee shall be unable or shall fail to act as a Trustee by virtue of an unexpected occurrence, persons named as proxies will vote in their discretion for such other nominee or nominees as the current Trustees may recommend. The following table presents certain information about the nominees as of March 1, 2007. Each nominee's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, each nominee has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity. The mailing address for each nominee except Mr. Schwarzer is c/o Deutsche Investment Management Americas Inc., 222 South Riverside Plaza, Chicago, Illinois 60606. The mailing address for Mr. Schwarzer is 345 Park Avenue, New York, New York 10154.

4

NOMINEES FOR ELECTION AS TRUSTEES

NAME, YEAR OF BIRTH, POSITION(S) HELD WITH THE FUND AND LENGTH OF TIME SERVED(1)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND OTHER DIRECTORSHIPS HELD	NUMBER OF FUNDS IN DWS FUND COMPLEX OVERSEEN
-----	-----	-----

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

NON-INTERESTED

TRUSTEES

PAUL K. FREEMAN (1950) Chairperson since 2007, and Trustee, 2002-present	Consultant, World Bank/Inter-American Development Bank. Formerly: Project Leader, International Institute for Applied Systems Analysis (1998-2001); Chief Executive Officer, The Eric Group, Inc. (environmental insurance) (1986-1998)	58
JOHN W. BALLANTINE (1946) Trustee, 1999-Present	Retired. Formerly: Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996-1998); Executive Vice President and Head of International Banking (1995-1996). Directorships: Healthways Inc. (provider of disease and care management services); Portland General Electric (utility company); Stockwell Capital Investments PLC (private equity). Former Directorships: First Oak Brook Bancshares, Inc. and Oak Brook Bank	58
DONALD L. DUNAWAY (1937) Trustee, 1980-present	Retired. Formerly: Executive Vice President, A. O. Smith Corporation (diversified manufacturer) (1963-1994)	58
JAMES R. EDGAR (1946) Trustee, 1999-present	Distinguished Fellow, University of Illinois, Institute of Government and Public Affairs (1999-present). Formerly: Governor, State of Illinois (1991-1999). Directorships: John B. Sanfilippo & Son, Inc. (processor/packager/marketer of nuts, snacks and candy products); Horizon Group Properties, Inc.; Youbet.com (online wagering platform); Alberto-Culver Company (manufactures, distributes and markets health and beauty care products)	58
ROBERT B. HOFFMAN (1936) Trustee, 1981-present	Retired. Formerly: Chairman, Harnischfeger Industries, Inc. (machinery for the mining and paper industries) (1999-2000); prior thereto, Vice Chairman and Chief Financial Officer, Monsanto	58

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

Company (agricultural, pharmaceutical and nutritional/food products) (1994-1999). Directorship: RCP Advisors, LLC (a private equity investment advisory firm)

5

NAME, YEAR OF BIRTH, POSITION(S) HELD WITH THE FUND AND LENGTH OF TIME SERVED(1)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND OTHER DIRECTORSHIPS HELD	NUMBER OF FUNDS IN DWS FUND COMPLEX OVERSEEN
WILLIAM MCCLAYTON (1944) Trustee, 2004-present	Managing Director of Finance and Administration, Diamond Management & Technology Consultants, Inc. (global management consulting firm) (2001-present). Formerly: Partner, Arthur Andersen LLP (1986-2001); Trustee, Ravinia Festival; Board of Managers, YMCA of Metropolitan Chicago	58
SHIRLEY D. PETERSON (1941) Trustee, 1995-present	Retired. Formerly: President, Hood College (1995-2000); prior thereto, Partner, Steptoe & Johnson (law firm); Commissioner, Internal Revenue Service; Assistant Attorney General (Tax), US Department of Justice. Directorships: Federal Mogul Corp. (supplier of automotive components and subsystems); AK Steel (steel production); Goodyear Tire & Rubber Co. (April 2004-present); Champion Enterprises, Inc. (manufactured home building); Wolverine World Wide, Inc. (designer, manufacturer and marketer of footwear) (April 2005-present); Trustee, Bryn Mawr College. Former Directorship: Bethlehem Steel Corp.	58
ROBERT H.	President, Robert H.	61

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

WADSWORTH Wadsworth & Associates, Inc.  
(1940) (consulting firm) (1983 to  
Trustee, 2004- present). Formerly, Trustee  
present of New York Board Funds.

### INTERESTED TRUSTEE (2)

AXEL SCHWARZER Managing Director (3), 85  
(1958) Deutsche Asset Management;  
Trustee, 2006- Head of Deutsche Asset  
present Management Americas; CEO of  
DWS Scudder; formerly, board  
member of DWS Investments,  
Germany (1999-2005);  
formerly, Head of Sales and  
Product Management for the  
Retail and Private Banking  
Division of Deutsche Bank in  
Germany (1997-1999);  
formerly, various strategic  
and operational positions for  
Deutsche Bank Germany Retail  
and Private Banking Division  
in the field of investment  
funds, tax driven instruments  
and asset management for  
corporations (1989-1996)

-----

- (1) Length of time served represents the date that each Trustee was first elected to the common board of directors/trustees which oversees a number of investment companies,

6

including the Funds, managed by the Advisor. As of March 1, 2007, each Independent Trustee other than Mr. Wadsworth served on the boards of 22 trusts/corporations comprised of 58 funds. Mr. Wadsworth served on the boards of 25 trusts/corporations comprised of 61 funds.

- (2) As a result of his position with the Advisor, Mr. Schwarzer is considered an "interested person" of the Funds within the meaning of the 1940 Act.

- (3) Executive title, not a board directorship.

As of March 1, 2007, none of the Non-interested Trustees owned securities beneficially of the Advisor, or any person directly or indirectly controlling, controlled by or under common control with the Advisor.

### RESPONSIBILITIES OF THE BOARD OF TRUSTEES - BOARD AND COMMITTEE MEETINGS

The primary responsibility of each Board is to represent the interests of the shareholders of the Funds and to provide oversight of the management of the Funds. Each Board proposed for election at the Meeting is comprised of one individual who would be an Interested Trustee, and eight individuals who would be Independent Trustees. Securities and Exchange Commission ("SEC") rules currently require a majority of the board members of a fund to be "independent"



## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

if the fund takes advantage of certain exemptive rules under the 1940 Act. If the proposed Board of Trustees is approved by shareholders, 89% will be Independent Trustees. Each of the nominees that will be considered an Independent Trustee, if elected, has been selected and nominated solely by the current Independent Trustees of each Fund.

Each Board meets multiple times during the year to review the investment performance of each Fund and other operational matters, including regulatory and compliance related policies and procedures. Furthermore, the Independent Trustees review the fees paid to the Advisor and its affiliates for investment advisory services and other services. Each Board has adopted specific policies and guidelines that, among other things, seek to further enhance the effectiveness of the Independent Trustees in performing their duties. For example, the Independent Trustees select independent legal counsel to work with them in reviewing fees, advisory and other contracts and overseeing fund matters, and regularly meet privately with their counsel.

During fiscal year 2006, the Board of each Fund met nine times. Each Trustee attended at least 75% of the respective meetings of the Board and the Committees (if a member thereof) held during calendar year 2006.

Each Fund has adopted a policy that generally a Trustee or senior officer will be present at annual shareholder meetings in order to facilitate communication with shareholders. Two Trustees, Mr. Freeman and Ms. Peterson, attended the Funds' last annual meeting held on May 25, 2006.

7

Each Board has adopted Governance Procedures and Guidelines and has established a number of Committees, as described below. For each Committee, each Board has adopted a written charter setting forth the Committee's responsibilities.

### AUDIT COMMITTEE

The Audit Committee makes recommendations regarding the selection of the independent registered public accounting firm for each Fund, confers with the independent registered public accounting firm regarding each Fund's financial statements, the results of audits and related matters, reviews and discusses each Fund's audited financial statements with management and performs such other tasks as the full Board deems necessary or appropriate. The Committee is comprised of only Non-interested Trustees who are "independent" as defined in the New York Stock Exchange ("NYSE") and the Chicago Stock Exchange ("CHX") listing standards applicable to closed-end funds. The Audit Committee held seven meetings during fiscal year 2006. A copy of the Audit Committee Charter for each Fund is attached as Appendix 1 hereto.

For the 2006 fiscal year for each Fund, the Committee reviewed and discussed the audited financial statements with management. The Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees). The Funds' independent registered public accounting firm provided the Committee the written disclosure required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with representatives of the independent registered public accounting firm their firm's independence, including the matters described beginning on page 12. Based on its review of each Fund's financial statements and discussions with management and the independent registered public accounting firm and other written disclosure provided by the independent registered public accounting firm, the Committee recommended to each Board that the audited

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

financial statements be included in the annual report provided to shareholders for each Fund's 2006 fiscal year. The current members of the Audit Committee are:

William McClayton (Chair)  
Donald L. Dunaway  
Robert B. Hoffman

### NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee seeks and reviews candidates for consideration as nominees for membership on the Board and oversees the administration of the Governance Procedures and Guidelines.

8

The Nominating and Governance Committee is comprised of only Non-interested Trustees who are "independent" as defined in the NYSE and the CHX listing standards applicable to closed-end funds. The members of the Nominating and Governance Committee are Shirley D. Peterson (Chair), James R. Edgar and William McClayton. The Nominating and Governance Committee held four meetings during fiscal year 2006. Each Fund's Nominating and Governance Committee is governed by the Nominating and Governance Committee Charter, a copy of which is attached hereto as Appendix 2.

The Nominating and Governance Committee receives and reviews information on individuals qualified to be recommended to the full Board as nominees for election as Trustees, including any recommendations by shareholders. Shareholders may recommend candidates for Board positions by forwarding their correspondence by U.S. mail or courier service to the Funds' Secretary for the attention of the Chairman of the Nominating and Governance Committee, Two International Place, Boston, Massachusetts 02110-4103. Suggestions for candidates must include a resume of the candidate.

The Nominating and Governance Committee's principal criterion for selection of candidates is their ability to carry out the responsibilities of the Board. In addition, the following factors are taken into consideration: (a) the Board collectively should represent a broad cross section of backgrounds, functional disciplines and experience to enable the Board to provide effective oversight of a Fund's regulatory and business issues, (b) candidates should exhibit high standards of personal integrity, commitment to representing shareholders and independence of thought and judgment, and (c) candidates should commit to dedicate sufficient time, energy and attention to ensure the diligent performance of all duties, including attendance at meetings of the Board and committees on which the Board member serves and review in advance of all meeting materials.

### CONTRACT REVIEW COMMITTEE

The Contract Review Committee, which consists entirely of Independent Trustees, oversees the annual contract review process. The members of the Contract Review Committee are Paul K. Freeman (Chair), John W. Ballantine, Donald L. Dunaway, William McClayton and Robert H. Wadsworth. The Contract Review Committee held two meetings during fiscal year 2006.

### VALUATION COMMITTEE

The Valuation Committee reviews Valuation Procedures adopted by the Board, determines fair value of the Funds' securities as needed in accordance with the Valuation Procedures and performs such other tasks as the full Board deems

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

necessary. Currently, the members of the Valuation

9

Committee are John W. Ballantine (Chair), Robert H. Wadsworth, Donald L. Dunaway (alternate) and William McClayton (alternate). The Valuation Committee held one meeting during fiscal year 2006.

### OPERATIONS COMMITTEE

The Operations Committee oversees the operations of the Funds, such as reviewing each Fund's administrative fees and expenses, portfolio transaction policies, custody and transfer agency arrangements and shareholder services. The members of the Operations Committee are Robert H. Wadsworth (Chair), John W. Ballantine and James R. Edgar. The Operations Committee held six meetings during fiscal year 2006.

### FIXED-INCOME OVERSIGHT COMMITTEE

The Fixed-Income Oversight Committee oversees investment activities of the Funds, such as investment performance and risk, expenses and services provided under the investment management agreements. The members of the Fixed-Income Oversight Committee are Donald L. Dunaway (Chair), Shirley D. Peterson and Robert H. Wadsworth. The Fixed-Income Oversight Committee held five meetings during fiscal year 2006.

### SHAREHOLDER COMMUNICATION WITH THE TRUSTEES

The Board of each Fund provides a process for shareholders to send communications to the Board. (These communications do not include shareholders' proposals described below under "Miscellaneous -- Proposals of Shareholders.") Correspondence should be sent by U.S. mail or courier service to the Funds' Secretary, Two International Place, Boston, Massachusetts 02110-4103, who will forward it to the Chairperson of the Board (currently Mr. Freeman) if addressed to the Board, or to a specific Trustee if addressed to that Trustee.

### COMPENSATION OF TRUSTEES

Each Independent Trustee receives an annual base retainer, paid quarterly, and, as applicable, an additional annual fixed fee(s) for serving as committee member, committee chairman and/or as the Independent Board chairman. The Trustees serve as board members of various other funds advised by the Advisor. The Advisor supervises the Funds' investments, pays the compensation and expenses of its personnel who serve as a Trustee or as officers on behalf of the Funds and receives a management fee for its services.

The Board of Trustees of the Funds established a deferred compensation plan for the Independent Trustees ("Deferred Compensation Plan"). Under the Deferred Compensation Plan, the Independent Trustees may defer receipt of all, or a portion, of the compensation they earn for their

10

services to the Funds, in lieu of receiving current payments of such compensation. Any deferred amount is treated as though an equivalent dollar amount has been invested in shares of one or more funds advised by the Advisor ("Shadow Shares"). Governor Edgar currently has elected to defer at least a portion of his fees. In addition, previously, Mr. Dunaway elected to defer fees

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

that were payable, which are now included under the Deferred Compensation Plan. The equivalent Shadow Shares are reflected below in the table describing the Trustees' share ownership.

Trustees who are officers, directors, employees or stockholders of the Advisor or its affiliates receive no direct compensation from the Fund, although they are compensated as employees of the Advisor, or its affiliates, and as a result may be deemed to participate in fees paid by the Fund. The Independent Trustees are not entitled to benefits under any fund pension or retirement plan.

The following table shows compensation received by each Independent Trustee from the Funds and aggregate compensation from the fund complex during the calendar year 2006.

NAME OF TRUSTEE	KHI	KMM	KTF	KSM	KST	AGGREGATE COMPENSATION FROM DWS FUND COMPLEX (2) (3) (4)		
John W. Ballantine.....	\$2,720	\$2,800	\$3,800	\$1,720	\$2,440	\$222,670		
Donald L. Dunaway.....	\$2,560	\$2,640	\$3,560	\$1,600	\$2,280	\$210,170		
James R. Edgar (1).....	\$2,200	\$2,240	\$3,040	\$1,360	\$1,960	\$180,170		
Paul K. Freeman.....	\$2,680	\$2,720	\$3,680	\$1,680	\$2,360	\$217,670		
Robert B. Hoffman.....	\$2,560	\$2,600	\$3,520	\$1,600	\$2,280	\$207,670		
William McClayton.....	\$2,370	\$2,410	\$3,270	\$1,470	\$2,120	\$193,560		
Shirley D. Peterson (5).....	\$2,960	\$3,040	\$4,120	\$1,880	\$2,640	\$242,670		
Robert H. Wadsworth....	\$2,400	\$2,440	\$3,320	\$1,480	\$2,120	\$228,250		

(1) Includes deferred fees. Pursuant to a Deferred Compensation Plan, as discussed above, deferred amounts are treated as though an equivalent dollar amount has been invested in Shadow Shares (as defined above) of funds managed by the Advisor in which compensation may be deferred by Governor Edgar. Total deferred fees (including interest thereon and the return from the assumed investment in the funds managed by the Advisor) payable from the Funds to Governor Edgar are \$18,301, \$18,020, \$27,773, \$11,376 and \$17,530 from KHI, KMM, KTF, KSM and KST, respectively.

(2) For each Trustee, except Mr. Wadsworth, total compensation includes compensation for service on the boards of 21 trusts/corporations comprised of 69 funds/portfolios. Mr. Wadsworth's total compensation was for service on the boards of 24 trusts/corporations comprised of 72 funds/portfolios. Each Trustee, except Mr. Wadsworth, currently serves on the boards of 24 trusts/corporations comprised of 63 funds/portfolios. Mr. Wadsworth currently serves on the boards of 25 trusts/corporations comprised of 66 funds/portfolios.

(3) Aggregate compensation reflects amounts paid to the Trustees for numerous special meetings of ad hoc committees of the Chicago Board in connection with reviewing the Funds' rebranding initiatives to change to the DWS Family of Funds and with respect to legal and regulatory matters. Such amounts totaled \$5,170 for each of Messrs. Ballantine, Dunaway, Edgar,

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

Freeman, Hoffman, McClayton and Ms. Peterson. These meeting fees were borne by the Advisor.

11

- (4) For calendar year 2007, John W. Ballantine, Donald L. Dunaway, James R. Edgar, Paul K. Freeman, Robert B. Hoffman, William McClayton, Shirley D. Peterson, Robert H. Wadsworth are expected to receive aggregate compensation from the DWS Fund complex in the amounts of \$215,000, \$202,500, \$190,000, \$240,000, \$185,000, \$205,000, 187,500 and \$243,250, respectively. The differences in compensation amounts from calendar year 2006 are due to the changes in Board and committee chairpersons and committee assignments that became effective January 1, 2007.
- (5) Includes \$50,000 in annual retainer fees received by Ms. Peterson as Chairperson of the Board, for which she served through December 31, 2006.

Mr. Freeman, prior to his service as an Independent Trustee of the Funds, served as a board member of certain funds in the Deutsche Bank complex ("DB Funds"). In connection with his resignation and the resignation of certain other board members as trustees of the DB Funds on July 30, 2002 (the "Effective Date"), which was part of a restructuring of the boards overseeing the DB Funds, Deutsche Asset Management, Inc. ("DAMI") agreed to recommend, and, if necessary obtain, directors and officers ("D&O") liability insurance coverage for the prior board members, including Mr. Freeman, that is at least as equivalent in scope and amount to the D&O coverage provided to the prior board members for the six-year period following the Effective Date. In the event that D&O insurance coverage is not available in the commercial marketplace on commercially reasonable terms from a conventional third party insurer, DAMI reserved the right to provide substantially equivalent protection in the form of an indemnity or financial guarantee from an affiliate of DAMI. The D&O policy in effect prior to the Effective Date provided aggregate coverage of \$25,000,000, subject to a \$250,000 per claim deductible.

### TRUSTEE FUND OWNERSHIP

Under each Fund's Governance Procedures and Guidelines, the Independent Trustees have established the expectation that within three years of becoming a Trustee, an Independent Trustee will have invested an amount in those funds he or she oversees (which shall include amounts held under a deferred fee agreement that are valued based on "Shadow Shares" in such funds) in the aggregate in excess of \$150,000. An Interested Trustee is also encouraged to own an amount of shares (based upon his or her own individual judgment) of those funds that he or she oversees that is suitable for his or her own appropriate investment needs. The following table sets forth for each Independent Trustee and the Interested Trustee the dollar range of securities owned in each Fund and all funds in the fund complex

12

overseen by each Independent Trustee and the Interested Trustee as of December 31, 2006.

AGGREGATE

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

NAME OF TRUSTEE/NOMINEE -----						DOLLAR RANGE OF SECURITIES OWNED IN ALL FUNDS IN THE DWS FUND COMPLEX OVERSEEN BY TRUSTEE
	KHI	KMM	KTF	KSM	KST	-----
John W. Ballantine.....	0	0	0	0	0	Over \$150,000
Donald L. Dunaway.....	0	0	0	0	0	Over \$150,000 (1)
James R. Edgar.....	0	0	0	0	0	Over \$150,000 (1)
Paul K. Freeman.....	0	0	0	0	0	Over \$150,000
Robert B. Hoffman.....	0	0	0	0	0	Over \$150,000
William McClayton.....	0	0	0	0	0	\$10,001- \$50,000 (2)
Shirley D. Peterson.....	0	0	0	0	0	\$100,001- \$150,000
Axel Schwarzer (3).....	0	0	0	0	0	\$100,001- \$150,000
Robert H. Wadsworth.....	\$10,001- \$50,000	\$10,001- \$50,000	\$10,001- \$50,000	0	Over \$100,000	Over \$150,000

(1) The dollar range of shares shown includes Shadow Shares of certain DWS Family of Funds in which Mr. Dunaway and Governor Edgar are deemed to be invested pursuant to the Funds' Deferred Compensation Plan as more fully described above under "Compensation of Trustees."

(2) Mr. McClayton was appointed to the Chicago Board on December 30, 2004.

(3) Mr. Schwarzer is the Interested Trustee.

13

SHARE OWNERSHIP. The following table sets forth, for each Independent Trustee and the Interested Trustee and for the Independent Trustees, the Interested Trustee and the officers as a group, the amount of shares beneficially owned in each Fund as of December 31, 2006.

NAME OF TRUSTEE/NOMINEE -----	KHI	KMM	KTF (1)	KSM (1)	KST
-------------------------------------	-----	-----	---------	---------	-----

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

John W. Ballantine.....	0	0	0	0	0
Donald L. Dunaway.....	0	0	0	0	0
James R. Edgar.....	0	0	0	0	0
Paul K. Freeman.....	0	0	0	0	0
Robert B. Hoffman.....	0	0	0	0	0
William McClayton.....	0	0	0	0	0
Shirley D. Peterson.....	0	0	0	0	0
Axel Schwarzer(2).....	0	0	0	0	0
Robert H. Wadsworth.....	5,000	4,000	1,000	0	6,800
ALL TRUSTEES/NOMINEES AND OFFICERS AS A GROUP.....	5,000	4,000	1,000	0	6,800

-----

(1) Common Shares.

(2) Mr. Schwarzer is the Interested Trustee.

As of December 31, 2006, each executive officer, Independent Trustee and Interested Trustee individually, and the officers, Independent Trustees and Interested Trustee as a group, owned beneficially less than 1% of the outstanding shares of each Fund. As of December 31, 2006, the Independent Trustees, Interested Trustee and executive officers did not own any Preferred Shares of KTF or KSM. As of December 31, 2006, no person is known to any Fund to have owned beneficially more than 5% of any class of shares of any Fund.

AGREEMENT TO INDEMNIFY INDEPENDENT TRUSTEES FOR CERTAIN EXPENSES

In connection with litigation or regulatory action related to possible improper market timing or other improper trading activity or possible improper marketing and sales activity in the Funds (see "Regulatory and Litigation Matters" on page 15), the Advisor has agreed, subject to applicable law and regulation, to indemnify and hold harmless the Funds against any and all loss, damage, liability and expense, arising from market timing or marketing and sales matters alleged in any enforcement actions brought by governmental authorities involving or potentially affecting the Funds or the Advisor ("Enforcement Actions") or that are the basis for private actions brought by shareholders of the Funds against the Funds, their directors and officers, the Advisor and/or certain other parties ("Private Litigation"), or any proceedings or actions that may be threatened or commenced in the future by any person (including governmental authorities), arising from or similar to the matters alleged in the

Enforcement Actions or Private Litigation. In recognition of its undertaking to indemnify the Funds and in light of the rebuttable presumption generally afforded to independent directors/trustees of investment companies that they have not engaged in disabling conduct, the Advisor has also agreed, subject to applicable law and regulation, to indemnify Messrs. Ballantine, Dunaway, Edgar, Freeman and Hoffman and Ms. Peterson (each of whom is an Independent Trustee) against certain liabilities the Independent Trustees may incur from the matters alleged in any Enforcement Actions or Private Litigation or arising from or similar to the matters alleged in the Enforcement Actions or Private Litigation, and advance expenses that may be incurred by the Independent Trustees in connection with any Enforcement Actions or Private Litigation. The Advisor is

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

not, however, required to provide indemnification and advancement of expenses: (1) with respect to any proceeding or action with respect to which a Fund's Board determines that the Independent Trustee ultimately would not be entitled to indemnification or (2) for any liability of the Independent Trustee to the Funds or their shareholders to which the Independent Trustee would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the Independent Trustee's duties as a director or trustee of the Funds as determined in a final adjudication in such action or proceeding. The estimated amount of any expenses that may be advanced to the Independent Trustees or indemnity that may be payable under the indemnity agreements is currently unknown. These agreements by the Advisor will survive the termination of the investment management agreements between the Advisor and the Funds.

FUND OFFICERS

The following table presents certain information about the executive officers of each Fund as of March 1, 2007. Each individual's year of birth is set forth in parentheses after his or her name. Unless otherwise noted, each individual has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity.

NAME, DATE OF BIRTH, POSITION(S) HELD WITH THE FUND AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND OTHER DIRECTORSHIPS HELD
MICHAEL G. CLARK (1965) President, 2006-present	Managing Director(1), Deutsche Asset Management (2006-present); President of DWS family of Funds. Formerly, Director of Fund Board Relations (2004-2006) and Director of Product Development (2000-2004), Merrill Lynch Investment Managers; Senior Vice President Operations, Merrill Lynch Asset Management (1999-2000)

NAME, DATE OF BIRTH, POSITION(S) HELD WITH THE FUND AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND OTHER DIRECTORSHIPS HELD
PHILIP J. COLLORA (1945) Vice President and Assistant Secretary,	Director(1), Deutsche Asset Management



## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

1986-present PAUL H. SCHUBERT (1963) Chief Financial Officer, 2004-present, Treasurer, 2005-present	Managing Director(1), Deutsche Asset Management (since July 2004). Formerly, Executive Director, Head of Mutual Fund Services and Treasurer for UBS Family of Funds (1998-2004); Vice President and Director of Mutual Fund Finance at UBS Global Asset Management (1994- 1998)
JOHN MILLETTE (1962) Secretary, 2001-present	Director(1), Deutsche Asset Management
PATRICIA DEFILIPPIS (1963) Assistant Secretary, 2005-present	Vice President, Deutsche Asset Management (since June 2005). Formerly, Counsel, New York Life Investment Management LLC (2003-2005); Legal Associate, Lord, Abbett & Co. LLC (1998- 2003)
ELISA D. METZGER (1962) Assistant Secretary, 2005-present	Director(1), Deutsche Asset Management (since September 2005). Formerly, Counsel, Morrison and Foerster LLP (1999-2005)
CAROLINE PEARSON (1962) Assistant Secretary, 1998-present	Managing Director(1), Deutsche Asset Management
PAUL ANTOSCA (1957) Assistant Treasurer, 2007-present	Director(1), Deutsche Asset Management (since 2006). Formerly, Vice President, The Manufacturers Life Insurance Company (U.S.A.) (1990-2006)
KATHLEEN SULLIVAN D'ERAMO (1957) Assistant Treasurer, 2003-present	Director(1), Deutsche Asset Management
JASON VAZQUEZ (1972) Anti-Money Laundering Compliance Officer, 2007-present	Vice President, Deutsche Asset Management (since 2006). Formerly, AML Operations Manager for Bear Stearns (2004- 2006); Supervising Compliance Principal and Operations Manager for AXA Financial (1999-2004)
ROBERT KLOBY (1962) Chief Compliance Officer 2006-present	Managing Director(1), Deutsche Asset Management (2004- present). Formerly, Chief Compliance Officer/Chief Risk Officer, Robeco USA (2000- 2004); Vice President, The Prudential Insurance Company of America (1988-2000); E.F. Hutton and Company (1984-1988)

-----

(1) Executive title, not a board directorship.

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Each Board, including the Independent Trustees, has selected Ernst & Young LLP ("E&Y") to act as independent registered public accounting firm to audit the books and records of each Fund for the current fiscal year. E&Y has served each Fund in this capacity since the Fund was organized and has no direct or indirect financial interest in any Fund except as the independent registered public accounting firm. E&Y will not be represented at the Meeting.

In connection with the audit of the 2005 and 2006 financial statements, the Funds entered into an engagement letter with E&Y. The terms of the engagement letter required by E&Y, and agreed to by the Audit Committee, include provisions in which the parties consent to the sole jurisdiction of federal courts in New York, Boston or the Northern District of Illinois, as well as a waiver of right to a trial by jury and an exclusion of punitive damages.

The following table shows fees billed by E&Y to each Fund during that Fund's two most recent fiscal years: (i) for audit and non-audit services provided to the Fund, and (ii) for engagements for non-audit services pre-approved by the Audit Committee for the Advisor and certain entities controlling, controlled by, or under common control with the Advisor that provide ongoing services to the Fund (collectively, the "Advisor Entities"), which engagements relate directly to the operations and financial reporting of the Fund. The Audit Committee of each Board has reviewed whether E&Y's receipt of non-audit fees from the Fund, DeIM and all Advisor Entities is compatible with maintaining E&Y's independence.

NAME OF FUND	AUDIT FEES (1)	AUDIT RELATED FEES (2)		TAX FEES (3)		ALL OTHER FEES (4)	
		FUND	ADVISOR ENTITIES	FUND	ADVISOR ENTITIES	FUND	ADVISOR ENTITIES
DWS High							
Income Trust							
2005.....	\$45,576	\$0	\$406,000	\$6,215	\$ 70,570	\$0	\$0
2006.....	\$46,499	\$0	\$ 80,000	\$6,341	\$316,254	\$0	\$0
DWS Multi-Market							
Income Trust							
2005.....	\$45,593	\$0	\$406,000	\$6,217	\$ 70,570	\$0	\$0
2006.....	\$46,574	\$0	\$ 80,000	\$6,351	\$316,254	\$0	\$0
DWS Municipal							
Income Trust							
2005.....	\$47,134	\$0	\$406,000	\$6,427	\$ 70,570	\$0	\$0
2006.....	\$49,067	\$0	\$ 80,000	\$6,691	\$316,254	\$0	\$0

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

NAME OF FUND	AUDIT	AUDIT RELATED		TAX FEES (3)		ALL OTHER	
	FEES (1)	FEES (2)	FEES (2)	FEES (3)	FEES (3)	FEES (4)	FEES (4)
	FUND	FUND	ADVISOR ENTITIES	FUND	ADVISOR ENTITIES	FUND	ADVISOR ENTITIES
DWS Strategic Municipal Income Trust							
2005.....	\$45,248	\$0	\$406,000	\$6,170	\$ 70,570	\$0	\$0
2006.....	\$46,590	\$0	\$ 80,000	\$6,353	\$316,254	\$0	\$0
DWS Strategic Income Trust							
2005.....	\$44,789	\$0	\$406,000	\$6,108	\$ 70,570	\$0	\$0
2006.....	\$45,860	\$0	\$ 80,000	\$6,254	\$316,254	\$0	\$0

- 
- "Audit Fees" are the aggregate fees billed for professional services for the audit of each Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
  - "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees." They were for services in connection with an assessment of internal controls and additional related procedures.
  - "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance and tax planning. Fees billed were for tax compliance and tax return preparation.
  - "All Other Fees" are the aggregate fees billed for products and services other than "Audit Fees," "Audit Related Fees" and "Tax Fees."

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must pre-approve (i) all services to be performed for a Fund by a Fund's independent registered public accounting firm and (ii) all non-audit services to be performed by a Fund's independent registered public accounting firm for the Advisor Entities with respect to operations and financial reporting of the Fund, except that the Chairman of the Audit Committee may grant the pre-approval for non-audit services described in items (i) and (ii) above for non-prohibited services for engagements of less than \$100,000. All such delegated pre-approvals shall be presented to the Audit Committee no later than the next Audit Committee meeting.

All Non-Audit Fees. The table below shows the aggregate non-audit fees billed by E&Y for services rendered to the Funds and to the Advisor Entities for the two most recent fiscal years for each Fund. In assessing E&Y's independence, the Audit Committee considers the opinions of Fund management.

KHI	KMM	KTF	KSM	KST
-----	-----	-----	-----	-----

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

2005.....	\$ 117,371	\$ 117,373	\$ 117,583	\$ 117,326	\$ 117,264
2006.....	\$1,271,215	\$1,271,225	\$1,271,565	\$1,271,227	\$1,271,128

In 2005, E&Y advised the Audit Committee that various E&Y member firms provided certain non-audit services to Deutsche Bank entities and

18

affiliates (collectively, the "DB entities") between 2003 and 2005 that raise issues under the SEC auditor independence rules. The DB entities are within the "Investment Company Complex" (as defined by SEC rules) and therefore covered by the SEC auditor independence rules applicable to the Funds.

First, E&Y advised the Audit Committee that in connection with providing permitted expatriate tax compliance services for DB entities during 2003 and 2004, member firms in China and Japan ("E&Y China" and "E&Y Japan," respectively) received funds from the DB entities that went into E&Y "representative bank trust accounts" and were used to pay the foreign income taxes of the expatriates. E&Y has advised the Audit Committee that handling those funds was in violation of Rule 2-01 of Regulation S-X. (Rule 2-01(c)(4)(viii) provides that an accountant's independence is impaired if the accountant has custody of assets of the audit client.)

Second, E&Y advised the Audit Committee that in connection with providing monthly payroll services to employees of certain DB entities from May 2003 to February 2005, a member firm in Chile ("E&Y Chile") received funds from the DB entities that went into an E&Y trust account and were used to pay the net salaries and social security taxes of executives of the DB entities. E&Y has advised the Audit Committee that handling those taxes was in violation of Rule 2-01 of Regulation S-X.

Third, E&Y advised the Audit Committee that in connection with providing certain services in assisting a DB entity with various regulatory reporting requirements, a member firm in France ("E&Y France") entered into an engagement with the DB entity that resulted in E&Y France staff functioning under the direct responsibility and direction of a DB entity supervisor. E&Y advised the Audit Committee that, although the services provided were "permitted services" under Rule 2-01 of Regulation S-X, the structure of the engagement was in violation of Rule 2-01 of Regulation S-X. (Rule 2-01(c)(4)(vi) provides that an accountant's independence is impaired if the accountant acts as an employee of an audit client.)

The Audit Committee was informed that E&Y China received approximately \$1,500, E&Y Japan received approximately \$41,000, E&Y Chile received approximately \$11,724 and E&Y France received approximately \$100,000 for the services they provided to the DB entities. E&Y advised the Audit Committee that it conducted an internal review of the situation and, in view of the fact that similar expatriate tax compliance services were provided to a number of E&Y audit clients unrelated to DB or the Funds, E&Y advised the SEC and the Public Company Accounting Oversight Board of the independence issues arising from those services. E&Y advised the Audit Committee that E&Y believes its independence as registered public accounting firm for the Funds was not impaired during the period the services were provided. In reaching this conclusion, E&Y

19

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

noted a number of factors, including that none of the E&Y personnel who provided the non-audit services to the DB entities were involved in the provision of audit services to the Funds, the E&Y professionals responsible for the Funds' audits were not aware that these non-audit services took place, and that the fees charged are not significant to E&Y overall or to the fees charged to the Investment Company Complex. E&Y also noted that E&Y China, E&Y Japan and E&Y Chile are no longer providing these services and that the E&Y France engagement has been restructured.

### MISCELLANEOUS

SECTION 16 BENEFICIAL OWNERSHIP REPORTING COMPLIANCE. Section 30(h) of the 1940 Act and Section 16(a) of the Securities Exchange Act of 1934 require each Fund's officers and Trustees, the Advisor, affiliated persons of the Advisor and persons who own more than ten percent of a registered class of the Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the NYSE. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based solely upon its review of the copies of such forms received by it, and written representations from certain reporting persons that no year-end reports were required for those persons, each Fund believes that during the fiscal year ended November 30, 2006, all filings were timely, except that Mr. Wadsworth filed a late Form 4 for both the DWS Multi-Market Income Trust and the DWS Strategic Income Trust.

INVESTMENT MANAGER. Deutsche Investment Management Americas Inc., 345 Park Avenue, New York, New York 10154, serves as each Fund's Advisor and manager pursuant to an investment management agreement.

Deutsche Asset Management ("DeAM") is the marketing name in the U.S. for the asset management activities of Deutsche Bank AG, DeIM, DAMI, Deutsche Bank Trust Company Americas and DWS Trust Company. DeAM is a global asset management organization that offers a wide range of investing expertise and resources, including hundreds of portfolio managers and analysts and an office network that reaches the world's major investment centers. This global investment platform brings together a wide variety of experience and investment insight, across industries, regions, asset classes and investing styles. DeIM is an indirect, wholly-owned subsidiary of Deutsche Bank AG. Deutsche Bank AG is a major global banking institution that is engaged in a wide range of financial services, including investment management, mutual fund, retail, private and commercial banking, investment banking and insurance.

REGULATORY AND LITIGATION MATTERS. On December 21, 2006, DeAM settled proceedings with the SEC and the New York Attorney General on behalf of DAMI and DeIM, the investment advisors to many of the DWS Scudder funds, regarding allegations of improper trading at DeAM and at the legacy

Scudder and Kemper organizations prior to their acquisition by DeAM in April 2002. These regulators alleged that although the prospectuses for certain funds in the regulators' view indicated that the funds did not permit market timing, DAMI and DeIM breached their fiduciary duty to those funds in that their efforts to limit trading activity in the funds were not effective at certain times. The regulators also alleged that DAMI and DeIM breached their fiduciary duty to certain funds by entering into certain market timing arrangements with investors. These trading arrangements originated in businesses that existed prior to the currently constituted DeAM organization, which came together as a

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

result of various mergers of the legacy Scudder, Kemper and Deutsche fund groups, and all of the arrangements were terminated prior to the start of the regulatory investigations that began in the summer of 2003. No current DeAM employee approved these trading arrangements. Under the terms of the settlements, DAMI and DeIM neither admit nor deny any wrongdoing.

The terms of the SEC settlement, which identified improper trading in the legacy Deutsche and Kemper mutual funds only, provide for payment of disgorgement in the amount of \$17.2 million. The terms of the settlement with the New York Attorney General provide for payment of disgorgement in the amount of \$102.3 million, which is inclusive of the amount payable under the SEC settlement, plus a civil penalty in the amount of \$20 million. The total amount payable by DeAM, approximately \$122.3 million, would be distributed to funds and/or shareholders of the affected funds in accordance with a distribution plan to be developed by a distribution consultant. The funds' investment advisors do not believe these amounts will have a material adverse financial impact on them or materially affect their ability to perform under their investment management agreements with the DWS funds. The above-described amounts are not material to Deutsche Bank, and have already been reserved.

Among the terms of the settled orders, DeAM is subject to certain undertakings regarding the conduct of its business in the future, including: formation of a Code of Ethics Oversight Committee to oversee all matters relating to issues arising under the advisors' Code of Ethics; establishment of an Internal Compliance Controls Committee having overall compliance oversight responsibility of the advisors; engagement of an Independent Compliance Consultant to conduct a comprehensive review of the advisors' supervisory compliance and other policies and procedures designed to prevent and detect breaches of fiduciary duty, breaches of the Code of Ethics and federal securities law violations by the advisors and their employees; and commencing in 2008, the advisors shall undergo a compliance review by an independent third party.

In addition, DeAM is subject to certain further undertakings relating to the governance of the mutual funds, including that: at least 75% of the members of the Boards of Trustees/Directors overseeing the DWS Funds

21

continue to be independent of DeAM; the Chairmen of the DWS Funds' Boards of Trustees/Directors continue to be independent of DeAM; DeAM maintain existing management fee reductions for certain funds for a period of five years and not increase management fees for certain funds during this period; the funds retain a senior officer (or independent consultants) responsible for assisting in the review of fee arrangements and monitoring compliance by the funds and the investment advisors with securities laws, fiduciary duties, codes of ethics and other compliance policies, the expense of which shall be borne by DeAM; and periodic account statements, fund prospectuses and the mutual funds' web site contain additional disclosure and/or tools that assist investors in understanding the fees and costs associated with an investment in the funds and the impact of fees and expenses on fund returns.

DeAM has also settled proceedings with the Illinois Secretary of State regarding market timing matters. The terms of the Illinois settlement provide for investor education contributions totaling approximately \$4 million and a payment in the amount of \$2 million to the Securities Audit and Enforcement Fund.

Additionally, on September 28, 2006, the SEC and the National Association of Securities Dealers ("NASD") announced final agreements in which DeIM, DAMI and Scudder Distributors, Inc. ("SDI") (now known as DWS Scudder Distributors, Inc.) settled administrative proceedings regarding disclosure of brokerage allocation

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

practices in connection with sales of the Scudder Funds' (now known as the DWS Scudder Funds) shares during 2001-2003. The agreements with the SEC and NASD are reflected in orders which state, among other things, that DeIM and DAMI failed to disclose potential conflicts of interest to the fund Boards and to shareholders relating to SDI's use of certain funds' brokerage commissions to reduce revenue sharing costs to broker-dealer firms with whom it had arrangements to market and distribute Scudder Fund shares. These directed brokerage practices were discontinued in October 2003.

Under the terms of the settlements, in which DeIM, DAMI and SDI neither admitted nor denied any of the regulators' findings, DeIM, DAMI and SDI agreed to pay disgorgement, prejudgment interest and civil penalties in the total amount of \$19.3 million. The portion of the settlements distributed to the funds was approximately \$17.8 million and was paid to the funds as prescribed by the settlement orders based upon the amount of brokerage commissions from each fund used to satisfy revenue sharing agreements with broker-dealers who sold fund shares.

As part of the settlements, DeIM, DAMI and SDI also agreed to implement certain measures and undertakings relating to revenue sharing payments including making additional disclosures in the fund Prospectuses or Statements of Additional Information, adopting or modifying

22

relevant policies and procedures and providing regular reporting to the fund Boards.

The matters alleged in the regulatory settlements described above also serve as the general basis of a number of private class action lawsuits involving the DWS funds. These lawsuits name as defendants various persons, including certain DWS funds, the funds' investment advisors and their affiliates, and certain individuals, including in some cases fund Trustees/Directors, officers, and other parties. Each DWS fund's investment advisor has agreed to indemnify the applicable DWS funds in connection with these lawsuits, or other lawsuits or regulatory actions that may be filed making similar allegations.

With respect to the lawsuits, based on currently available information, the funds' investment advisors believe the likelihood that the pending lawsuits will have a material adverse financial impact on a DWS fund is remote and such actions are not likely to materially affect their ability to perform under their investment management agreements with the DWS funds.

**SOLICITATION OF PROXIES.** The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and Proxy Statement and all other costs in connection with solicitation of proxies will be paid by the Funds, including any additional solicitation made by letter, telephone, facsimile or made electronically. In addition to solicitation by mail, certain officers and representatives of the Funds, officers and employees of the Advisor and certain financial services firms and their representatives, who will receive no extra compensation for their services, may solicit proxies electronically, by telephone, by telegram or personally. Proxies that are obtained telephonically or electronically will be recorded in accordance with the procedures believed by the Funds to be reasonably designed to ensure that both the identity of the shareholder casting the vote and the voting instructions of the shareholder are accurately determined.

If a shareholder wishes to participate in the Meeting, but does not wish to give a proxy by telephone or electronically, the shareholder may still submit the proxy card(s) originally sent with this Proxy Statement or attend in person.

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

Should shareholders require additional information regarding the proxy or replacement proxy card(s), they may call 1-800-561-3991. Any proxy given by a shareholder is revocable until voted at the Meeting.

PROPOSALS OF SHAREHOLDERS. It is currently anticipated that the 2008 annual meeting of shareholders will be held in May. A shareholder wishing to submit a proposal for inclusion in a Fund's proxy statement for the 2008 annual meeting of shareholders pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 should send such written proposal to the Secretary of the Fund within a reasonable time before the solicitation of proxies for such meeting. A Fund will treat any such proposal received no

23

later than December 12, 2007 as timely. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) to a Fund of a proposal submitted outside of the process of Rule 14a-8 must submit such written notice to the Secretary of the Fund within a reasonable time before the solicitation of proxies for such meeting. A Fund will treat any such notice received no later than February 25, 2008 as timely. The timely submission of a proposal, however, does not guarantee its inclusion under either rule.

OTHER MATTERS TO COME BEFORE THE MEETING. The Boards are not aware of any matters that will be presented for action at the Meeting other than the Proposal set forth herein. Should any other matters requiring a vote of shareholders arise, the proxy in the accompanying form will confer upon the person or persons entitled to vote the shares represented by such proxy the discretionary authority to vote the shares with respect to any such other matters.

VOTING, QUORUM. Each valid proxy will be voted in accordance with the instructions on the proxy and as the persons named in the proxy determine on such other business as may come before the Meeting. If no instructions are given, the proxy will be voted in favor of the election of the Trustees. Shareholders who execute proxies may revoke them at any time before they are voted, either by writing to the Fund or in person at the time of the Meeting.

Election of Trustees for a Fund requires a plurality vote of the shares of such Fund voting at the Meeting. As noted previously, the holders of the Preferred Shares of KTF and KSM, voting as a separate class for each respective Fund, are entitled to elect two Trustees and the holders of the Common Shares and Preferred Shares of KTF and KSM, voting together as a single class for each Fund, are entitled to elect the seven remaining Trustees. Broker non-votes will have no effect; the persons receiving the largest number of votes will be elected.

At least 30% of the shares of a Fund must be present, in person or by proxy, in order to constitute a quorum for that Fund. Thus, the meeting for a particular Fund could not take place on its scheduled date if less than 30% of the shares of that Fund were represented. In the event that the necessary quorum to transact business is not present at the Meeting with respect to one or more Funds, the persons named as proxies may vote those proxies that have been received to adjourn the Meeting to a later date with respect to those Funds. Adjournment will subject a Fund to additional expenses. In the event that a quorum is present with respect to a Fund but sufficient votes in favor of the Proposal have not been received, the persons named as proxies may propose one or more adjournments of the Meeting as to that Fund to permit further solicitation of proxies. Any adjournment of the Meeting with respect to one or more Funds for the further solicitation of proxies will require the affirmative vote of a majority of the shares for such



Fund present in person or by proxy at the session of the Meeting to be adjourned. The persons named as proxies will vote those proxies they are entitled to vote in their discretion as to any such adjournment. A shareholder vote may be taken on the Proposal prior to such adjournment. Such vote will be considered final regardless of whether the Meeting is adjourned for one or more Funds to permit additional solicitation with respect to the Proposal. For purposes of determining the presence of a quorum for transacting business at the Meeting, broker "non-votes" will be treated as shares that are present but which have not been voted. Broker non-votes are proxies received by a Fund from brokers or nominees when the broker or nominee has not received instructions from the beneficial owner or other persons entitled to vote. Accordingly, shareholders are urged to forward their voting instructions promptly.

HOUSEHOLDING INFORMATION. Each Fund provides periodic reports to its shareholders that highlight relevant information, including investment results and a review of portfolio changes. In order to reduce the amount of mail you receive and to help reduce expenses of the Funds, we generally send a single copy of annual reports and proxy statements to each household. If you do not want the mailing of these documents to be combined with those for other members of your household, or if you are receiving multiple copies of these documents and you want to request delivery of a single copy, please contact the Advisor at (800) 621-1048, or write to the Advisor at 222 South Riverside Plaza, Chicago, Illinois 60606.

A COPY OF A FUND'S ANNUAL REPORT IS AVAILABLE WITHOUT CHARGE UPON REQUEST BY WRITING TO SUCH FUND, 222 SOUTH RIVERSIDE PLAZA, CHICAGO, ILLINOIS 60606 OR BY CALLING (800) 621-1048.

THE BOARD OF EACH FUND RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE TRUSTEES.

PLEASE COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD(S) (OR TAKE ADVANTAGE OF AVAILABLE ELECTRONIC OR TELEPHONIC VOTING PROCEDURES) PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

By order of the Boards,

-s- John Millette

John Millette  
Secretary

DWS FUNDS  
(CHICAGO BOARD)

AUDIT COMMITTEE CHARTER  
AS AMENDED, MARCH 9, 2005

I. PURPOSE

The Audit Committee is a committee of the Board of the Fund. Its primary

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

function is to assist the Board(1) in fulfilling certain of its responsibilities. This Charter sets forth the duties and responsibilities of the Audit Committee.

The Audit Committee serves as an independent and objective party to monitor the Fund's accounting policies, financial reporting and internal control system, as well as the work of the independent auditors. The Audit Committee assists Board oversight of (1) the integrity of the Fund's financial statements; (2) the Fund's compliance with legal and regulatory requirements; (2) (3) the independent auditors's qualifications and independence; and (4) the performance of the Fund's independent auditors. The Audit Committee also serves to provide an open avenue of communication among the independent auditors, the Adviser's internal audit department, Fund management, and the Board.(3)

- Fund management has the primary responsibility to establish and maintain systems for accounting, reporting and internal control.
- The independent auditors have the primary responsibility to plan and implement a proper audit, including consideration of the Fund's accounting, reporting and internal control practices.

- 
- (1) To the extent the Fund is organized as a Massachusetts business trust, any references to "directors" or "board members" shall be deemed to mean "trustees."
  - (2) The Board has delegated to other committees oversight of various legal and regulatory requirements. The Audit Committee's function is limited to the activities set out in Section IV.
  - (3) If the Fund is listed on the New York Stock Exchange, the Corporate Governance Standards require the Audit Committee's charter to address, as one of the Committee's purposes, that it assist Board oversight of "the performance of the company's internal audit function." Since the Fund has no internal audit function, this has not been included as one of the purposes of the Committee, although the Committee does serve to provide an open avenue of communication with the Adviser's internal audit department, and reviews the scope, resources and findings and recommendations of the Adviser's internal audit department as set forth in Section IV.B.2.

A1-1

The Audit Committee may have additional functions and responsibilities as deemed appropriate by the Board and the Audit Committee.(4)

Although the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Fund's financial statements are complete and accurate and have been prepared in accordance with generally accepted accounting principles.

## II. COMPOSITION

The Audit Committee shall be comprised of three or more board members as determined by the Board, each of whom shall be an independent board member, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. For purposes of the Audit Committee, a board member is independent if:

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

- he or she is not an "interested person" of the Fund as that term is defined in the Investment Company Act of 1940; and
- he or she does not accept, directly or indirectly, any consulting, Advisory, or other compensatory fee from the Fund (except in the capacity as a Board or committee member).

Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment (or must become financially literate within a reasonable time after his or her appointment to the Audit Committee). The Audit Committee will review the qualifications of its members and determine whether any of its members qualify as an "audit committee financial expert" (5) as defined

-----

- (4) If the Fund is a listed closed-end investment company, the Audit Committee also has as a purpose the preparation of an audit committee report to be included in the annual proxy statement. This report is described in footnote 12.
- (5) An "audit committee financial expert" of a company is defined as a person who has all of the following attributes: (1) an understanding of generally accepted accounting principles ("GAAP") and financial statements; (2) the ability to assess the general application of GAAP in connection with the accounting for estimates, accruals and reserves; (3) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities; (4) an understanding of internal controls and procedures for financial reporting; and (5) an understanding of audit committee functions. An audit committee financial expert must have acquired such attributes through any one or more of the following: (1) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions (or active supervision of such persons); or (2) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (3) other relevant experience.

A1-2

in Form N-CSR. (6) The Audit Committee will submit such determination to the Board for its final determination.

The members and Chairman of the Audit Committee shall be elected by the Board annually and serve until their successors shall be duly elected and qualified.

No member of the Audit Committee shall serve on the audit committee of three or more public companies (or three or more investment company complexes) in addition to his or her service on the Audit Committee of the Fund (excluding service on the audit committees of other funds in the fund complex), unless the Board determines that such simultaneous service would not impair the ability of the Audit Committee member to serve effectively on the Audit Committee.

### III. MEETINGS

The Audit Committee shall meet six times annually, or more frequently as

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

circumstances dictate. Special meetings (including telephone meetings) may be called by the Chairman or a majority of the members of the Audit Committee upon reasonable notice to the other members of the Audit Committee.

As part of its job to foster open communication, the Audit Committee shall meet annually with senior Fund management responsible for accounting and financial reporting, the independent auditors, and representatives of the Adviser's internal audit department in separate executive sessions to discuss any matters that the Audit Committee, or any of such other persons, believes should be discussed privately.

### IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

#### A. Charter.

Review this Charter, annually, and recommend changes, if any, to the Board.

#### B. Internal Controls.

1. Review, annually, with Fund management and the independent auditors:

(a) the organizational structure, reporting relationship, adequacy of resources and qualifications of the senior

-----

(6) If the Fund is listed on the New York Stock Exchange, at least one member of the Audit Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

A1-3

Fund management personnel responsible for accounting and financial reporting; and

(b) their separate evaluation of the adequacy and effectiveness of the Fund's system of internal controls, including those of the Fund's service providers.

2. Review, with Fund management, the independent auditors and the Adviser's internal audit department:

(a) the Adviser's internal audit department's internal audit scope and plan related to the Fund's systems for accounting, reporting and internal controls;

(b) the responsibilities, resources and staffing of the Adviser's internal audit department with respect to the activities in IV.B.2.(a) above; and

(c) any significant internal audit findings or recommendations related to the Fund's systems for accounting, reporting and internal controls and Fund management's response.

3. Establish procedures for the receipt, retention and treatment of complaints received by the Fund and/or the Audit Committee

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by officers and directors of the Fund or employees of the Adviser, principal underwriter and any provider of accounting-related services to the Fund of concerns regarding questionable accounting or auditing matters.

4. Review, annually, with Fund management and the independent auditors, policies for valuation of Fund portfolio securities, and the frequency and magnitude of pricing errors.

### C. Independent Auditors.

1. Approve, and recommend to the Board, the appointment, retention or termination of the independent auditors, and approve the fees and other compensation to be paid to the independent auditors. Such selection shall be pursuant to a written engagement letter approved by the Audit Committee, which shall provide that:

- (a) the Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight (such oversight shall include resolving disagreements between Fund management and the independent

A1-4

auditors regarding financial reporting) of the independent auditors; and

- (b) the independent auditors shall report directly to the Audit Committee.

2. Pre-approve any engagement of the independent auditors to provide any services to the Fund, including the fees and other compensation to be paid to the independent auditors. Notwithstanding the above, the independent auditors shall not perform any of the following non-audit services for the Fund ("prohibited non-audit services"):

- (a) bookkeeping or other services related to the accounting records or financial statements of the Fund;
- (b) financial information systems design and implementation;
- (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- (d) actuarial services;
- (e) internal audit outsourcing services;
- (f) management functions or human resources;
- (g) broker or dealer, investment adviser, or investment banking services;
- (h) legal services and expert services unrelated to the audit; and
- (i) any other services that the Public Company Accounting Oversight Board determines are impermissible.

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

3. Pre-approve any engagement of the independent auditors, including the fees and other compensation to be paid to the independent auditors, to provide any non-audit services to the Adviser (or any "control affiliate" (7) of the Adviser providing ongoing services to the Fund), if the engagement relates directly to the operations and financial reporting of the Fund.
  - The Chairman of the Audit Committee (or, in his absence, any member of the Audit Committee) may grant the pre-approval referenced in Sections IV.C. 2 and 3 above for non-prohibited services for engagements of less than \$100,000.

-----  
(7) "Control affiliate" means any entity controlling, controlled by, or under common control with the Adviser.

A1-5

All such delegated pre-approvals shall be presented to the Audit Committee no later than the next Audit Committee meeting.

- Pre-approval of non-audit services for the Fund pursuant to Section IV.C. 2 above is not required, if:
    - (a) the aggregate amount of all non-audit services provided to the Fund is less than 5% of the total fees paid by the Fund to the independent auditors during the fiscal year in which the non-audit services are provided; and
    - (b) the services were not recognized by Fund management at the time of the engagement as non-audit services; and
    - (c) such services are promptly brought to the attention of the Audit Committee by Fund management and the Audit Committee approves them (which may be by delegation) prior to the completion of the audit.
  - Pre-approval of non-audit services for the Adviser (or any affiliate of the Adviser providing ongoing services to the Fund) pursuant to Section IV.C.3 above is not required, if:
    - (i) the aggregate amount of all non-audit services provided is less than 5% of the total fees paid by the Fund, the Adviser and any "control affiliate" of the Adviser providing ongoing services to the Fund to the independent auditors during the fiscal year in which the non-audit services are provided;
    - (ii) the services were not recognized by Fund management at the time of the engagement as non-audit services; and
    - (iii) such services are promptly brought to the attention of the Audit Committee by Fund management and the Audit Committee approves them (which may be by delegation) prior to the completion of the audit.
4. On an annual basis, request, receive in writing and review a report by the independent auditors describing:
    - (a) the independent auditors' internal quality-control

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

procedures;

- (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigations by governmental or professional authorities, within the preceding five years, respecting one or more

A1-6

independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and

- (c) all relationships between the independent auditors and the Fund, so as to assess the auditors' independence, including identification of all relationships the independent auditors have with the Fund and all significant relationships the independent auditors have with the Adviser (and any "control affiliate" of the Adviser) and any material service provider the Fund (including, but not limited to, disclosures regarding the independent auditors' independence required by Independence Standards Board Standard No. 1 and compliance with the applicable independence provisions of Rule 2-01 of Regulation S-X).

In assessing the auditors' independence, the Audit Committee shall take into account the opinions of Fund management and the Adviser's internal audit department. The Committee will present its conclusions with respect to the independent auditors to the Board, and recommend that the Board take appropriate action, if any, in response to the independent auditors' report to satisfy itself of the independent auditors' independence.

- 5. On an annual basis, review and evaluate the lead audit partner (such review to include consideration of whether, in addition to the regular rotation of the lead audit partner as required by law, in order to assure continuing auditor independence, there should be regular consideration of rotation of the firm serving as independent auditors).
- 6. On an annual basis, meet with the independent auditors and Fund management to review the arrangements for and scope of the proposed audit for the current year and the audit procedures to be utilized.
- 7. Review the management letter prepared by the independent auditors and Fund management's response.

### D. Financial Reporting Processes.

- 1. If the Fund is a listed closed-end investment company,
  - (a) review with Fund management and the independent auditors, the Fund's audited financial statements and recommend to the Board, if appropriate, that the audited financial statements be included in the Fund's annual report to shareholders required by Section 30(e) of the Investment Company Act of 1940 and Rule 30d-1 thereunder;

A1-7

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

- (b) review with Fund management and the independent auditors the Fund's semi-annual financial statements; and
  - (c) review the Fund's policy and procedures with respect to declaring dividends and issuing dividend announcements and related press releases, as well as financial information and dividend guidance provided to analysts and rating agencies.
2. Review with Fund management and the independent auditors the matters that auditing professional standards require to be communicated to the Audit Committee, including, but not limited to, the matters required to be discussed by Statement on Auditing Standards No. 61, including:
- the independent auditors' judgments about the quality, and not just the acceptability, of the Fund's accounting principles as applied in its financial reporting;
  - the process used by Fund management in formulating estimates and the independent auditors' conclusions regarding the reasonableness of those estimates;
  - all significant adjustments arising from the audit, whether or not recorded by the Fund;
  - when the independent auditors are aware that Fund management has consulted with other accountants about significant accounting and auditing matters, the independent auditors' views about the subject of the consultation;
  - any disagreements with Fund management regarding accounting or reporting matters;
  - any difficulties encountered in the course of the audit, including any restrictions on the scope of the independent auditors' activities or on access to requested information; and
  - significant deficiencies in the design or operation of internal controls.
3. The independent auditors shall report, within 90 days prior to the filing of the Fund's annual financial statements with the SEC, to the Audit Committee:
- (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within GAAP for policies and practices related to

A1-8

material items that have been discussed with Fund management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

- (c) other material written communications between the independent auditors and Fund management including, but not limited to,



## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

any management letter or schedule of unadjusted differences;  
and

- (d) all non-audit services provided to an entity in the "investment company complex" (8) as defined in paragraph (f) (14) of Rule 2-01 of Regulation S-X that were not pre-approved by the Audit Committee.

4. Review, annually, with Fund management and the independent auditors, the Fund's "disclosure controls and procedures" (9) and the Fund's "internal control over financial reporting" (10) as defined in Rule 30a-3(c) and (d) under the Investment Company Act of 1940.

- 
- (8) "Investment company complex" includes: (1) an investment company and its investment adviser or sponsor; (2) any entity controlled by or controlling an investment adviser or sponsor in (1) above, or any entity under common control with any investment adviser or sponsor in (1) above if the entity: (A) is an investment adviser or sponsor or (B) is engaged in the business of providing administrative, custodian, underwriter, or transfer agent services to any investment company, investment adviser, or sponsor; and (3) an investment company or entity that would be an investment company but for the exclusions provided by Section 3(c) of the 1940 Act that has an investment adviser or sponsor included in (1) and (2) above. Investment adviser does not include a subadviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser. Sponsor is an entity that establishes a unit investment trust.
- (9) "Disclosure controls and procedures" means controls and other procedures of a registered management investment company that are designed to ensure that information required to be disclosed by the investment company on Form N-CSR and Form N-Q is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an investment company in the reports that it files or submits on Form N-CSR and Form N-Q is accumulated and communicated to the investment company's management, including its principal executive officer or officers and principal financial officer or officers, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure.
- (10) "Internal control over financial reporting" is a process designed by, or under the supervision of, the Fund's principal executive and principal financial officers, or persons performing similar functions, and effected by the Fund's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:
1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Fund;
  2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Fund are being made only in accordance with authorization of management and directors of the Fund; and

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

5. Review with Fund management and the independent auditors a report by Fund management covering any Form N-CSR and Form N-Q filed, and any required certification of such filing, along with the results of Fund management's most recent evaluation of the Fund's "disclosure controls and procedures" and "internal control over financial reporting."

### E. Process Improvements.

Review with the independent auditors and Fund management significant changes or improvements in accounting and auditing processes that have been implemented.

### F. Legal and Compliance.

1. Review any legal or regulatory matters that arise that could have a material impact on the Fund's financial statements.
2. Review policies and procedures with respect to financial statement risk assessment and risk management, including the steps Fund management has taken to monitor and control such risk exposures.(11)
3. Establish clear hiring policies for the Fund with respect to employees or former employees of the independent auditors.

### G. Other Responsibilities.

1. Review, annually, the performance of the Audit Committee.
2. If the Fund is a listed closed-end investment company, prepare a report of the Audit Committee as required to be included in the annual proxy statement.(12)
3. Investigate any other matter brought to its attention within the scope of its duties, and have the authority in its discretion

- 
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Fund's assets that could have a material effect on the financial statements.

(11) The Board has delegated to other committees oversight related to investment risks.

(12) Item 306 of Regulation S-K requires each proxy statement relating to a shareholder meeting at which directors are to be elected to include a report, followed by the name of each Audit Committee member, stating whether: (1) the Committee has reviewed and discussed the audited financial statements with management, (2) the Committee has discussed with the independent auditors the matters required to be discussed by SAS 61, (3) the Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, and has discussed with the independent auditors their independence, and (4) based on the review and discussions referred to in paragraphs (1) through (3), the Audit Committee recommended to the Board that the audited financial statements be included in the Fund's annual report to shareholders required by Section 30(e) of the Investment Company Act of

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

1940 and Rule 30d-1 thereunder.

A1-10

to retain legal, accounting or other experts or consultants to advise the Audit Committee, at the expense of the Fund, if, in the Committee's judgment, that is appropriate.

4. Perform any other activities consistent with this Charter, the Fund's Charter, By-Laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.
5. Maintain minutes of Committee meetings; report its significant activities to the Board; and make such recommendations to the Board as the Audit Committee may deem necessary or appropriate.

### V. FUNDING

The Audit Committee shall receive appropriate funding, as determined by the Audit Committee, for payment of (i) compensation to the independent auditors for approved audit or non-audit services for the Fund; (ii) compensation to any legal, accounting or other experts or consultants retained by the Audit Committee pursuant to Section IV.G.3 above and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

A1-11

APPENDIX 2

### DWS FUNDS (CHICAGO BOARD)

#### NOMINATING AND GOVERNANCE COMMITTEE CHARTER AS AMENDED, FEBRUARY 17, 2006

### I. PURPOSE

The Nominating and Governance Committee is a committee of the Board of the Fund. Its primary function is to identify and recommend individuals for membership on the Board and oversee the administration of the Board Governance and Procedures Guidelines. It is also intended to serve as the Fund's "qualified legal compliance committee" ("QLCC").

### II. COMPOSITION

The Nominating and Governance Committee shall be comprised of three or more board members(1) as determined by the Board, each of whom shall be an independent board member, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Nominating and Governance Committee. For purposes of the Nominating and Governance Committee, a board member is independent if he or she is not an "interested person" of the Fund as that term is defined in the Investment Company Act of 1940. In addition, so long as the Nominating and Governance Committee serves as the Fund's QLCC, at least one member of the Nominating and Governance Committee shall also be a member of the Fund's Audit Committee.

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

The members and Chairman of the Nominating and Governance Committee shall be elected by the Board annually and serve until their successors shall be duly elected and qualified.

### III. MEETINGS

The Nominating and Governance Committee shall meet three times annually, or more frequently as circumstances dictate. Special meetings (including telephone meetings) may be called by the Chairman or a majority of the members of the Nominating and Governance Committee upon reasonable notice to the other members of the Nominating and Governance Committee.

-----

- (1) To the extent the Fund is organized as a Massachusetts business trust, any references to "directors" or "board members" shall be deemed to mean "trustees."

A2-1

### IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties as the Nominating and Governance Committee, the Committee shall:

#### A. Board Nominations and Functions.

1. Identify and recommend individuals for membership on the Board. Candidates shall be selected based upon a thorough identification and evaluation process that is designed to recruit and retain well-qualified Board members who will enhance the Board's ability to serve the interests of shareholders. In addition, the following factors are taken into consideration:
  - (a) The Board collectively should represent a broad cross section of backgrounds, functional disciplines and experience to enable the Board to provide effective oversight of the Fund's regulatory and business issues.
  - (b) Candidates should exhibit high standards of personal integrity, commitment to representing shareholders and independence of thought and judgment.
  - (c) Candidates should commit to dedicate sufficient time, energy and attention to ensure the diligent performance of all duties, including attendance at meetings of the Board and committees on which the Board member serves and review in advance of all meeting materials.
2. Evaluate candidates recommended for membership on the Board. Recommendations for candidates may come from shareholders, from other directors or from the Fund's investment manager. Shareholders may recommend candidates for Board positions by forwarding their correspondence by U.S. mail or courier service to the Fund's Secretary for the attention of the Chairman of the Nominating and Governance Committee. Suggestions for candidates must include a resume of the candidate.
3. Retain any search firm to identify Board member candidates, at the

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

expense of the Fund, if, in the Committee's judgment, this is appropriate.

4. Periodically review the composition of the Board to determine whether it may be appropriate to add individuals with different backgrounds or skill sets from those already on the Board.

A2-2

5. Review the Board Governance Procedures and Guidelines, annually, and recommend changes, if any, to the Board.
6. Review annually Independent Director compensation, including compensation deferral programs and Fund ownership criteria, and recommend any appropriate changes to the Independent Directors as a group.
7. Coordinate with legal counsel to the Independent Directors an annual evaluation of the performance of the Board.
8. Oversee the development and implementation by the Fund's investment manager and legal counsel for the Independent Directors of a program for the orientation of new Independent Directors and ongoing education for Independent Directors.

### B. Committee Nominations and Functions.

1. Identify and recommend individuals for membership on all committees and review committee assignments at least annually.
2. Review as necessary the responsibilities of any committees of the Board, whether there is a continuing need for each committee, whether there is a need for additional committees of the Board, and whether committees should be combined or reorganized.

### C. Insurance.

1. At least annually, review the Fund's fidelity bond for appropriateness of the type and amount of coverage as well as the premium. Review the terms of any joint allocation agreement.
2. At least annually, review the Fund's directors and officers and errors and omissions insurance coverage for appropriateness of the type and amount of coverage as well as the premium. Review the terms of any joint allocation agreement.
3. At least annually, review other insurance policies and assess needs for other types of coverage.

### D. Proxy Voting.

1. At least annually, review the proxy voting policies and procedures.
2. Review quarterly reports regarding proxy voting conflicts.

A2-3

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

### E. Compliance and Legal Matters.

1. Review compliance with the relevant codes of ethics and consider any proposed changes to the codes of ethics.
2. Review Fund governance structure for compliance with legal requirements.
3. Monitor the performance of legal counsel employed by the Fund and the Independent Directors, and be responsible for the supervision of counsel to the Independent Directors.
4. As needed, review Fund litigation matters.

### V. QUALIFIED LEGAL COMPLIANCE COMMITTEE

The Nominating and Governance Committee shall serve as the Fund's QLCC within the meaning of the rules of the Securities and Exchange Commission codified in Part 205 in Title 17 of the Code of Federal Regulations. To fulfill its responsibilities and duties as the QLCC, the Nominating and Governance Committee shall:

#### A. Receipt, Retention and Consideration of Reports.

1. Adopt written procedures for the confidential receipt, retention and consideration of any reports of evidence of a material violation of any federal or state securities laws, a material breach of a fiduciary duty arising under any federal or state laws or a similar material violation of any federal or state law by the Fund or any of its officers, trustees, employees or agents (a "Report of Material Violation").
2. Consider, on a confidential basis, the appropriate treatment of a Report of Material Violation.

#### B. Investigation of Reports of Material Violation.

1. Upon receipt of a Report of Material Violation, the Nominating and Governance Committee shall:
  - (a) Inform the Fund's President of the report, unless the Nominating and Governance Committee determines such notification would be futile;
  - (b) Determine whether an investigation is necessary.
2. If after considering the Report of Material Violation, the Nominating and Governance Committee determines an investigation is necessary or appropriate, it shall:
  - (a) Notify the full Board of the Fund;

A2-4

- (b) Initiate an investigation, which may be conducted by the Nominating and Governance Committee, by counsel, by the Fund's Chief Compliance Officer or by another party authorized by the Nominating and Governance Committee; and

## Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

- (c) Retain such additional experts or personnel as the Nominating and Governance Committee deems necessary.

### C. Making Recommendations for Adoption of Appropriate Response.

At the conclusion of any such investigation, the Nominating and Governance Committee shall:

1. Recommend that the Fund implement an appropriate response to evidence of a material violation, which may include:
  - (a) A finding that no material violation has occurred, is ongoing or is about to occur;
  - (b) The adoption of appropriate remedial measures, including appropriate steps or sanctions to stop any material violations that are ongoing, to prevent any material violation that has yet to occur and to remedy or otherwise appropriately address any material violation that has already occurred and to minimize the likelihood of its recurrence; or
  - (c) A report, after the retention or direction of counsel to review the reported evidence of a material violation, that either (i) the Fund has substantially implemented any remedial recommendations made by such counsel after a reasonable investigation and evaluation of the reported evidence or (ii) the Fund may, consistent with a conclusion not in conflict with such counsel's professional obligations, assert a colorable defense on behalf of the Fund, its officers, directors, employees or agents, in an investigation or judicial or administrative proceeding relating to the reported evidence of a material violation.
2. Inform the President and the Board of the Fund of the results of any such investigation and the appropriate remedial measures to be adopted.

A2-5

### D. Authority to Notify the SEC.

The Nominating and Governance Committee shall take all other action that it deems appropriate, including notifying the Securities and Exchange Commission, in the event that the Fund fails in any material respect to implement an appropriate response that the Nominating and Governance Committee, as the QLCC, has recommended the Fund take.

### E. Reporting to the Board of the Fund.

The Nominating and Governance Committee shall report periodically to the Board. This report will include a review of the Reports of Material Violation received, the investigation conducted, conclusions reached and responses recommended by the Nominating and Governance Committee acting as the QLCC and other matters that the Nominating and Governance Committee acting as the QLCC deems appropriate or as requested by the Board of the Fund.

### F. Procedures.

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

The Nominating and Governance Committee acting as the QLCC may act only by majority vote.

VI. OTHER POWERS AND RESPONSIBILITIES

- A. Review this Charter, annually, and recommend changes, if any, to the Board.
- B. Investigate any other matter brought to its attention within the scope of its duties, with the power to retain outside counsel or other experts for this purpose at the expense of the Fund, if, in its judgment, that is appropriate.
- C. Perform any other activities consistent with this Charter, the Fund's Charter, By-Laws and governing law, as the Nominating and Governance Committee or the Board deems necessary or appropriate.
- D. Maintain minutes of Committee meetings, report its significant activities to the Board, and make such recommendations to the Board as the Nominating and Governance Committee deems necessary or appropriate.

A2-6

PROXY

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

---

DWS MUNICIPAL INCOME TRUST--PREFERRED SHARES

FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS  
MAY 24, 2007

The signer(s) of this proxy hereby appoint Philip J. Collora, Patricia DeFilippis, John Millette and Caroline Pearson, and each of them, attorneys and proxies, with power of substitution in each, to vote all shares for the signer(s) at the Joint Annual Meeting of Shareholders to be held at the offices of Deutsche Investment Management Americas Inc., Two International Place, Boston, Massachusetts 02110 on May 24, 2007, at 3:00 p.m. Eastern time and at any adjournments or postponements thereof, as specified herein and on any matters incident to the conduct of this meeting or any other business that may properly come before this meeting. I hereby revoke any and all proxies with respect to such shares previously given by me. I acknowledge receipt of the Proxy Statement relating to the Joint Annual Meeting.

This instruction may be revoked at any time prior to its exercise at the Joint Annual Meeting by execution of a subsequent proxy card, by written notice to the Fund's secretary or by voting in person at the Joint Annual Meeting.

YOUR VOTE IS NEEDED! PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE REQUIRED.

PLEASE BE SURE TO SIGN AND DATE THIS PROXY ON THE REVERSE SIDE.

(CONTINUED, AND TO BE SIGNED, ON THE REVERSE SIDE.)

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE



Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

[X] PLEASE MARK  
VOTES AS IN  
THIS EXAMPLE.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES. THE PROPOSAL HAS  
BEEN PROPOSED BY THE FUND. THE BOARD OF TRUSTEES RECOMMENDS A VOTE "FOR" THE  
ELECTION OF THE TRUSTEES.

VOTE ON THE PROPOSAL:

1. To elect nine Trustees to the Board of the Fund:		WITHHOLD	FOR ALL
01) John W. Ballantine,	02) Donald L. Dunaway,	FOR ALL	ALL
03) James R. Edgar,	04) Paul K. Freeman,	[ ]	[ ]
05) Robert B. Hoffman,	06) William McClayton,		[ ]
07) Shirley D. Peterson,	08) Axel Schwarzer,		
09) Robert H. Wadsworth			

TO WITHHOLD AUTHORITY TO VOTE  
FOR ANY INDIVIDUAL NOMINEE, MARK  
THE "FOR ALL EXCEPT" BOX AND  
WRITE THE NOMINEE'S NUMBER ON  
THE LINE PROVIDED BELOW.

ALL PROPERLY EXECUTED PROXIES WILL BE  
VOTED AS DIRECTED. IF NO INSTRUCTIONS  
ARE INDICATED ON A PROPERLY EXECUTED  
PROXY, THE PROXY WILL BE VOTED AS  
RECOMMENDED BY THE BOARD OF TRUSTEES.

Date \_\_\_\_\_, 2007

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (if held jointly)

Note: All registered owners of accounts  
shown above must sign. Please sign  
exactly as your name appears on this  
Proxy. If signing for a corporation,  
estate or trust, please indicate your  
capacity or title.

PROXY

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

DWS MUNICIPAL INCOME TRUST--COMMON SHARES

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS  
MAY 24, 2007

The signer(s) of this proxy hereby appoint Philip J. Collora, Patricia DeFilippis, John Millette and Caroline Pearson, and each of them, attorneys and proxies, with power of substitution in each, to vote all shares for the signer(s) at the Joint Annual Meeting of Shareholders to be held at the offices of Deutsche Investment Management Americas Inc., Two International Place, Boston, Massachusetts 02110 on May 24, 2007, at 3:00 p.m. Eastern time and at any adjournments or postponements thereof, as specified herein and on any matters incident to the conduct of this meeting or any other business that may properly come before this meeting. I hereby revoke any and all proxies with respect to such shares previously given by me. I acknowledge receipt of the Proxy Statement relating to the Joint Annual Meeting.

This instruction may be revoked at any time prior to its exercise at the Joint Annual Meeting by execution of a subsequent proxy card, by written notice to the Fund's secretary or by voting in person at the Joint Annual Meeting.

YOUR VOTE IS NEEDED! IF NOT VOTING ELECTRONICALLY, PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE REQUIRED.

PLEASE BE SURE TO SIGN AND DATE THIS PROXY ON THE REVERSE SIDE.

TO VOTE BY TOUCH-TONE PHONE OR INTERNET, SEE INSTRUCTIONS ON REVERSE SIDE.

(CONTINUED, AND TO BE SIGNED, ON THE REVERSE SIDE.)

DWS MUNICIPAL INCOME TRUST--COMMON SHARES OFFERS SHAREHOLDERS OF RECORD  
THREE WAYS TO SUBMIT YOUR PROXY

TELEPHONE PROXY	INTERNET PROXY	PROXY BY MAIL
This method of submitting a proxy is available for residents of the U.S., Puerto Rico and Canada. On a touch tone telephone, call TOLL FREE 1-800-786-8302, 24 hours a day, 7 days a week. Have this proxy card ready, then follow the prerecorded instructions. Your vote will be confirmed and cast as you have directed. Available 24 hours a day, 7 days a week until 5:00 p.m. Eastern Time on May 23, 2007.	Visit the Internet voting Web site at <a href="http://proxy.georgeson.com">http://proxy.georgeson.com</a> . Have this proxy card ready and follow the instructions on your screen. You will incur only your usual Internet charges. Available 24 hours a day, 7 days a week until 5:00 p.m. Eastern Time on May 23, 2007.	Simply sign and date your proxy card and return it in the postage-paid envelope to Georgeson Inc., Wall Street Station, P.O. Box 1102, New York, NY 10269-0646. If you are submitting your proxy by telephone or the Internet, please do not mail your proxy card.

--

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

Edgar Filing: DWS MUNICIPAL INCOME TRUST - Form DEF 14A

---

[X] PLEASE MARK  
VOTES AS IN  
THIS EXAMPLE.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF TRUSTEES. THE PROPOSAL HAS BEEN PROPOSED BY THE FUND. THE BOARD OF TRUSTEES RECOMMENDS A VOTE "FOR" THE ELECTION OF THE TRUSTEES.

VOTE ON THE PROPOSAL:

1. To elect seven Trustees to the Board of the Fund:	WITHHOLD	FOR ALL
01) John W. Ballantine,	FOR ALL	ALL
02) Donald L. Dunaway,		EXCEPT
03) James R. Edgar,	[ ]	[ ]
04) Paul K. Freeman,	[ ]	[ ]
05) Robert B. Hoffman,		
06) William McClayton,		
07) Shirley D. Peterson,		

TO WITHHOLD AUTHORITY TO VOTE  
FOR ANY INDIVIDUAL NOMINEE, MARK  
THE "FOR ALL EXCEPT" BOX AND  
WRITE THE NOMINEE'S NUMBER ON  
THE LINE PROVIDED BELOW.

---

ALL PROPERLY EXECUTED PROXIES WILL BE VOTED AS DIRECTED. IF NO INSTRUCTIONS ARE INDICATED ON A PROPERLY EXECUTED PROXY, THE PROXY WILL BE VOTED AS RECOMMENDED BY THE BOARD OF TRUSTEES.

Date \_\_\_\_\_, 2007

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (if held jointly)

Note: All registered owners of accounts shown above must sign. Please sign exactly as your name appears on this Proxy. If signing for a corporation, estate or trust, please indicate your capacity or title.