

DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST
Form N-Q
April 25, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: 811-05767

Deutsche Strategic Municipal Income Trust

(Exact name of registrant as specified in charter)

345 Park Avenue
New York, NY 10154-0004

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue
New York, NY 10154-0004

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 250-3220

Date of fiscal year end: 11/30

Date of reporting period: 2/28/2018

ITEM 1. SCHEDULE OF INVESTMENTS

Investment Portfolio

as of February 28, 2018 (Unaudited)

Deutsche Strategic Municipal Income Trust

	Principal Amount (\$)	Value (\$)
Municipal Bonds and Notes 140.0%		
Alabama 0.3%		
Alabama, UAB Medicine Finance Authority Revenue, Series B2, 5.0%, 9/1/2041	325,000	370,695
Arizona 1.4%		
Maricopa County, AZ, Pollution Control Corp. Revenue, El Paso Electric Co. Project, Series B, 7.25%, 4/1/2040	1,570,000	1,656,601
Tempe, AZ, Industrial Development Authority Revenue, Mirabella at ASU Project, Series A, 144A, 6.125%, 10/1/2047	255,000	261,577
		1,918,178
California 16.0%		
California, Golden State Tobacco Securitization Corp., Tobacco Settlement, Series A-1, 5.75%, 6/1/2047	470,000	473,525
California, Health Facilities Financing Authority Revenue, Catholic Healthcare West, Series A, Prerefunded, 6.0%, 7/1/2034	1,000,000	1,059,580
California, M-S-R Energy Authority, Series B, 7.0%, 11/1/2034, GTY: Citigroup, Inc.	1,310,000	1,839,987
California, Morongo Band of Mission Indians, Enterprise Casino Revenue, Series B,	1,000,000	1,000,000

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144A, 6.5%, 3/1/2028 California, South Bayside Waste Management Authority, Solid Waste Enterprise, Shoreway Environmental, Series A, 6.25%, 9/1/2029 California, State General Obligation:	1,425,000	1,523,297
5.0%, 11/1/2043	1,500,000	1,682,535
5.25%, 4/1/2035	1,230,000	1,383,307
5.5%, 3/1/2040	1,000,000	1,073,290
5.75%, 4/1/2031	1,000,000	1,045,700
6.0%, 4/1/2038	1,000,000	1,047,710
6.5%, 4/1/2033	1,950,000	2,056,470
California, State Public Works Board Lease Revenue, Capital Projects, Series I-1, Prerefunded, 6.375%, 11/1/2034	1,000,000	1,081,340
California, State Public Works Board Lease Revenue, Riverside Campus Project, Series B, Prerefunded, 6.125%, 4/1/2028	2,000,000	2,102,960
California, Statewide Communities Development Authority Revenue, Loma Linda University Medical Center:		
Series A, 5.25%, 12/1/2044	195,000	209,396
Series A, 144A, 5.25%, 12/1/2056	735,000	785,634
Series A, 5.5%, 12/1/2054	195,000	211,056
Riverside County, CA, Transportation Commission Toll Revenue Senior Lien, Series A, 5.75%, 6/1/2048	1,000,000	1,111,500
San Buenaventura, CA, Community Memorial Health Systems, 7.5%, 12/1/2041	500,000	559,920
San Francisco, CA, City & County Airports Commission, International Airport Revenue, Series A, AMT, 5.0%, 5/1/2044	1,000,000	1,101,690
San Joaquin Hills, CA, Transportation Corridor Agency, Toll Road Revenue,	445,000	483,163

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Series A, 5.0%, 1/15/2050		21,832,060
Colorado 3.3%		
Colorado, High Performance Transportation Enterprise Revenue, C-470 Express Lanes, 5.0%, 12/31/2056	225,000	243,347
Colorado, Park Creek Metropolitan District Revenue, Senior Ltd. Property Tax Supported, Series A, 5.0%, 12/1/2045	235,000	260,069
Colorado, Public Energy Authority, Natural Gas Purchased Revenue, 6.25%, 11/15/2028, GTY: Merrill Lynch & Co., Inc.	635,000	791,013
Colorado, Regional Transportation District, Sales Tax Revenue, Series B, 4.0%, 11/1/2035	385,000	407,130
Colorado, State Health Facilities Authority Revenue, Covenant Retirement Communities:		
Series A, 5.0%, 12/1/2033	440,000	470,202
Series A, 5.0%, 12/1/2035	250,000	272,972
Colorado, State Health Facilities Authority Revenue, School Health Systems, Series A, 5.5%, 1/1/2035	1,000,000	1,138,810
Denver City & County, CO, Special Facilities Airport Revenue, United Airlines, Inc. Project, AMT, 5.0%, 10/1/2032	200,000	216,242
Denver, CO, City & County Airport Revenue, Series A, AMT, 5.25%, 11/15/2043	600,000	662,304
		4,462,089
Connecticut 2.3%		
Connecticut, Harbor Point Infrastructure Improvement District, Special Obligation Revenue, Harbor Point Project, Series A, Prerefunded, 7.875%, 4/1/2039	2,000,000	2,251,800
	2,753,836	86,058

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Connecticut, Mashantucket Western Pequot Tribe Bond, 6.05% PIK, 7/1/2031*		
Connecticut, State Special Tax Obligation Revenue, Transportation Infrastructure Purpose, Series A, 5.0%, 1/1/2038	715,000	792,227
		3,130,085
District of Columbia 1.1% District of Columbia, Ingleside Rock Creek Project: Series A, 5.0%, 7/1/2042	130,000	135,001
Series A, 5.0%, 7/1/2052	195,000	201,000
District of Columbia, Metropolitan Airport Authority Systems Revenue: Series A, AMT, 5.0%, 10/1/2038	200,000	220,842
Series A, AMT, 5.0%, 10/1/2043	850,000	931,243
		1,488,086
Florida 12.0% Collier County, FL, Industrial Development Authority, Continuing Care Community Revenue, Arlington of Naples Project, Series A, 8.125%, 5/15/2044	500,000	554,015
Florida, Capital Region Community Development District, Capital Improvement Revenue, Series A, 7.0%, 5/1/2039	455,000	455,150
Florida, Middle Village Community Development District, Special Assessment, Series A, 6.0%, 5/1/2035	900,000	776,862
Florida, Tolomato Community Development District, Special Assessment: Series 2015-1, Step-up Coupon, 0% to 11/1/2021, 6.61% to 5/1/2040	250,000	199,667
Series 2015-2, Step-up Coupon, 0% to 11/1/2024,	150,000	98,609

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6.61% to 5/1/2040 Series A-3, Step-up Coupon, 0% to 5/1/2019,	110,000	103,163
6.61% to 5/1/2040 Series A-4, Step-up Coupon, 0% to 5/1/2022,	55,000	43,278
6.61% to 5/1/2040 5.4%, 5/1/2037	1,330,000	1,331,370
Series 1, 6.55%, 5/1/2027	10,000	10,002
Series 3, 6.55%, 5/1/2027 *	130,000	1
Series A-1, 6.55%, 5/1/2027	160,000	159,995
Series A-2, 6.61%, 5/1/2039	50,000	49,994
Series 2015-3, 6.61%, 5/1/2040 *	165,000	2
Florida, Village Community Development District No. 9, Special Assessment Revenue, 5.5%, 5/1/2042	150,000	162,247
Greater Orlando, FL, Aviation Authority Airport Facilities Revenue:		
Series A, AMT, 5.0%, 10/1/2042	620,000	691,387
Series A, AMT, 5.0%, 10/1/2047	400,000	443,656
Lake County, FL, Senior Living Revenue, Village Veranda at Lady Lake Project, Series A-1, 144A, 7.125%, 1/1/2052	400,000	385,392
Martin County, FL, Health Facilities Authority, Martin Memorial Medical Center, 5.5%, 11/15/2042	335,000	363,880
Miami Beach, FL, Health Facilities Authority, Mount Sinai Medical Center, 5.0%, 11/15/2044	500,000	528,510
Miami-Dade County, FL, Aviation Revenue:		
Series A, AMT, 5.0%, 10/1/2031	30,000	32,791

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Series B, AMT, 5.0%, 10/1/2040	470,000	525,733
Series A, 5.5%, 10/1/2041	3,000,000	3,170,700
Miami-Dade County, FL, Health Facilities Authority Hospital Revenue, Nicklaus Children's Hospital, 5.0%, 8/1/2047	665,000	735,510
Orlando & Orange County, FL, Expressway Authority Revenue, Series C, Prerefunded, 5.0%, 7/1/2035	830,000	892,308
Tallahassee, FL, Health Facilities Revenue, Memorial Healthcare, Inc. Project, Series A, 5.0%, 12/1/2055	1,150,000	1,223,531
Tampa-Hillsborough County, FL, Expressway Authority: Series A, 5.0%, 7/1/2031	1,500,000	1,664,670
Series A, 5.0%, 7/1/2037	1,590,000	1,746,647
		16,349,070
Georgia 6.0% Americus-Sumter County, GA, Hospital Authority, Magnolia Manor Obligated Group, Series A, 6.25%, 5/15/2033	1,000,000	1,100,230
Atlanta, GA, Airport Revenue, Series C, AMT, 5.0%, 1/1/2037	375,000	406,459
Atlanta, GA, Development Authority, Senior Health Care Facilities Revenue, Proton Treatment Center, Series A-1, 6.5%, 1/1/2029	225,000	226,924
Atlanta, GA, Tax Allocation, Beltline Project, Series B, Prerefunded, 7.375%, 1/1/2031	1,000,000	1,048,800
Atlanta, GA, Water & Wastewater Revenue, Series A, Prerefunded, 6.25%, 11/1/2034	1,000,000	1,076,710
Cobb County, GA, Kennestone Hospital Authority, Revenue Anticipation Certificates, Wellstar Health System,	175,000	193,116

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Series A, 5.0%, 4/1/2047 DeKalb County, GA, Water & Sewer Revenue, Series A, 5.25%, 10/1/2036	1,000,000	1,109,550
Fulton County, GA, Development Authority Hospital Revenue, Revenue Anticipation Certificates, Wellstar Health System, Series A, 5.0%, 4/1/2047	210,000	231,739
Gainesville & Hall County, GA, Hospital Authority, Northeast Georgia Health System, Inc. Project: Series A, 5.25%, 8/15/2049	100,000	112,872
Series A, 5.5%, 8/15/2054	180,000	206,989
Georgia, Main Street Natural Gas, Inc., Gas Project Revenue, Series A, 5.5%, 9/15/2024, GTY: Merrill Lynch & Co., Inc.	1,220,000	1,421,032
Georgia, Medical Center Hospital Authority Revenue, Anticipation Certificates, Columbus Regional Healthcare System, Prerefunded, 6.5%, 8/1/2038, INS: AGC	1,000,000	1,020,950
		8,155,371
Guam 1.8% Guam, Government General Obligation, Series A, Prerefunded, 7.0%, 11/15/2039	1,000,000	1,088,900
Guam, International Airport Authority Revenue, Series C, AMT, 6.375%, 10/1/2043	215,000	244,973
Guam, Power Authority Revenue, Series A, Prerefunded, 5.5%, 10/1/2030	1,000,000	1,095,790
		2,429,663
Hawaii 1.7% Gainesville & Hall County, GA, Development Authority Retirement Community Revenue, ACTS Retirement Life Community, Series A-2, Prerefunded, 6.625%, 11/15/2039	1,000,000	1,082,110

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Hawaii, State Airports Systems Revenue, Series A, AMT, 5.0%, 7/1/2041	695,000	769,914
Hawaii, State Department of Budget & Finance, Special Purpose Revenue, Hawaiian Electric Co., Inc., 6.5%, 7/1/2039	500,000	528,290
		2,380,314
Idaho 0.2% Idaho, Health Facilities Authority Revenue, St. Luke's Regional Medical Center, 6.75%, 11/1/2037	305,000	314,464
Illinois 9.2% Chicago, IL, Airport Revenue, O'Hare International Airport, Senior Lien, Series D, AMT, 5.0%, 1/1/2047	415,000	453,670
Chicago, IL, Board of Education: Series H, 5.0%, 12/1/2036	245,000	247,999
Series H, 5.0%, 12/1/2046	140,000	140,097
Chicago, IL, General Obligation, Series A, 6.0%, 1/1/2038	455,000	516,675
Chicago, IL, O'Hare International Airport Revenue: Series C, AMT, 5.0%, 1/1/2046	1,000,000	1,089,750
Series B, Prerefunded, 6.0%, 1/1/2041	2,000,000	2,238,400
Illinois, Finance Authority Revenue, The Admiral at Lake Project, Series A, Prerefunded, 8.0%, 5/15/2040	1,000,000	1,135,140
Illinois, Metropolitan Pier & Exposition Authority Revenue, McCormick Place Expansion Project, Series A, 5.0%, 6/15/2057	135,000	143,697
Illinois, Metropolitan Pier & Exposition Authority, Dedicated State Tax Revenue, Capital Appreciation-McCormick, Series A, Zero Coupon,	3,000,000	1,253,430

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6/15/2036, INS: NATL Illinois, Railsplitter Tobacco Settlement Authority, Prerefunded, 6.0%, 6/1/2028	365,000	413,129
Illinois, State Finance Authority Revenue, OSF Healthcare Systems, Series A, 5.0%, 11/15/2045	525,000	568,522
Illinois, State Finance Authority Revenue, Park Place of Elmhurst Project, Series C, 2.0%, 5/15/2055*	150,000	8,222
Illinois, State Finance Authority Revenue, Three Crowns Park Obligated Group, 5.25%, 2/15/2047	325,000	342,056
Illinois, State Finance Authority Revenue, Trinity Health Corp., Series L, Prerefunded, 5.0%, 12/1/2030	1,000,000	1,113,500
Illinois, State General Obligation:		
Series D, 5.0%, 11/1/2027	500,000	523,380
Series D, 5.0%, 11/1/2028	500,000	520,580
5.0%, 2/1/2029	225,000	232,843
Series A, 5.0%, 12/1/2038	350,000	357,287
Series A, 5.0%, 12/1/2039	750,000	765,022
Springfield, IL, Electric Revenue, Senior Lien, 5.0%, 3/1/2040, INS: AGMC	385,000	421,067
		12,484,466
Indiana 3.7%		
Indiana, Finance Authority Hospital Revenue, Deaconess Hospital Obligation, Series A, Prerefunded, 6.75%, 3/1/2039	525,000	551,749
Indiana, State Finance Authority Revenue, BHI Senior Living Obligated Group, Series A, 5.25%, 11/15/2046	365,000	396,554
Indiana, State Finance Authority Revenue, Community Foundation of Northwest Indiana, 5.0%, 3/1/2041	1,000,000	1,067,270
	460,000	520,444

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Indiana, State Finance Authority Revenue, Greencroft Obligation Group, Series A, 7.0%, 11/15/2043		
Indiana, State Finance Authority Revenue, Stadium Project, Series A, 5.25%, 2/1/2037	1,330,000	1,545,793
Valparaiso, IN, Exempt Facilities Revenue, Pratt Paper LLC Project, AMT, 7.0%, 1/1/2044, GTY: Pratt Industries (U.S.A.)	780,000	921,905
		5,003,715
Kansas 0.2% Lenexa, KS, Health Care Facility Revenue, Lakeview Village, Inc. Project, Prerefunded, 7.25%, 5/15/2039	300,000	320,214
Kentucky 3.3% Kentucky, Economic Development Finance Authority, Hospital Facilities Revenue, Owensboro Medical Health Systems, Series A, Prerefunded, 6.5%, 3/1/2045	2,000,000	2,206,520
Kentucky, Economic Development Finance Authority, Louisville Arena Project Revenue, Series A-1, Prerefunded, 6.0%, 12/1/2033, INS: AGC	365,000	369,274
Kentucky, Public Transportation Infrastructure Authority Toll Revenue, 1st Tier-Downtown Crossing, Series A, 6.0%, 7/1/2053	1,440,000	1,610,625
Kentucky, State Economic Development Finance Authority, Owensboro Health, Inc. Obligated Group: Series A, 5.0%, 6/1/2045	130,000	137,587
Series A, 5.25%, 6/1/2041	190,000	206,969
		4,530,975
Louisiana 1.8% Louisiana, New Orleans Aviation Board, General Airport North Terminal,	140,000	154,041

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Series B, AMT, 5.0%, 1/1/2048 Louisiana, Public Facilities Authority Revenue, Ochsner Clinic Foundation Project, 5.0%, 5/15/2046	1,000,000	1,085,930
Louisiana, State Local Government Environmental Facilities & Community Development Authority Revenue, Westlake Chemical Corp. Project, 3.5%, 11/1/2032	1,010,000	991,981
Louisiana, Tobacco Settlement Financing Corp. Revenue, Series A, 5.25%, 5/15/2035	180,000	195,300
		2,427,252
Maine 0.8% Maine, Health & Higher Educational Facilities Authority Revenue, Maine General Medical Center, 6.75%, 7/1/2036	1,000,000	1,089,770
Maryland 2.8% Maryland, Economic Development Corp., Pollution Control Revenue, Potomac Electric Power Co., 6.2%, 9/1/2022	1,500,000	1,567,230
Maryland, State Health & Higher Educational Facilities Authority Revenue, Adventist Healthcare Obligated Group, Series A, 5.5%, 1/1/2046	375,000	417,660
Maryland, State Health & Higher Educational Facilities Authority Revenue, Anne Arundel Health Systems, Series A, Prerefunded, 6.75%, 7/1/2039	500,000	532,995
Maryland, State Health & Higher Educational Facilities Authority Revenue, Meritus Medical Center Obligated Group, 5.0%, 7/1/2040	1,000,000	1,067,520
Rockville, MD, Mayor & Council Economic Development Revenue, Ingelside at King Farm Project:		

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Series B, 5.0%, 11/1/2042	90,000	98,178
Series B, 5.0%, 11/1/2047	135,000	146,682
		3,830,265
Massachusetts 2.3% Massachusetts, State Development Finance Agency Revenue, Linden Ponds, Inc. Facility:		
Series B, 11/15/2056*	505,485	32,113
Series A-2, 5.5%, 11/15/2046	100,000	100,027
Series A-1, 6.25%, 11/15/2039	1,903,948	1,980,125
Massachusetts, State Development Finance Agency Revenue, NewBridge Charles, Inc., 144A, 5.0%, 10/1/2057	100,000	105,045
Massachusetts, State Health & Educational Facilities Authority Revenue, Milford Regional Medical Center, Series E, 5.0%, 7/15/2037	950,000	952,071
		3,169,381
Michigan 5.9% Dearborn, MI, Economic Development Corp. Revenue, Limited Obligation, Henry Ford Village, 144A, 7.5%, 11/15/2044	500,000	497,065
Detroit, MI, Water & Sewerage Department, Sewerage Disposal System Revenue, Series A, 5.25%, 7/1/2039	280,000	303,027
Detroit, MI, Water Supply Systems Revenue, Series A, 5.75%, 7/1/2037	1,000,000	1,111,330
Kalamazoo, MI, Economic Development Corp. Revenue, Limited Obligation, Heritage Community, 5.5%, 5/15/2036	1,000,000	1,000,200
Michigan, State Building Authority Revenue, Facilities Program:		
Series I, 5.0%, 4/15/2038	775,000	872,541
Series I-A, 5.5%, 10/15/2045	2,000,000	2,226,880

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Michigan, State Finance Authority Revenue, Detroit Water & Sewer, Series C-3, 5.0%, 7/1/2033, INS: AGMC	180,000	200,281
Michigan, State Finance Authority Revenue, Detroit Water & Sewer Department, Series C, 5.0%, 7/1/2035	90,000	98,536
Royal Oak, MI, Hospital Finance Authority Revenue, William Beaumont Hospital, Prerefunded, 8.25%, 9/1/2039	1,000,000	1,034,180
Tawas City, MI, Hospital Finance Authority, St. Joseph Health Services, Series A, ETM, 5.75%, 2/15/2023	735,000	737,154
		8,081,194
Minnesota 0.8% Minneapolis, MN, Health Care Systems Revenue, Fairview Health Services, Series A, Prerefunded, 6.75%, 11/15/2032	1,000,000	1,037,260
Mississippi 1.1% Lowndes County, MS, Solid Waste Disposal & Pollution Control Revenue, Weyerhaeuser Co. Project, Series A, 6.8%, 4/1/2022	250,000	287,780
Mississippi, Business Finance Corp., Pollution Control Revenue, Systems Energy Resources, Inc. Project, 5.875%, 4/1/2022	620,000	639,499
Mississippi, State Business Finance Corp., Solid Waste Disposal Revenue, Waste Pro U.S.A., Inc. Project, AMT, 144A, 5.0%, 2/1/2036	145,000	150,690