

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

INTERCAPITAL QUALITY MUNICIPAL SECURITIES TRUST

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*TWO WORLD TRADE CENTER
NEW YORK NY 10048
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INTERCAPITAL QUALITY MUNICIPAL SECURITIES

Two World Trade Center
New York, New York 10048

DEAR SHAREHOLDER:

Strong economic growth in the fourth quarter of 1993 and a shift in Federal Reserve Board monetary policy in February of 1994 caused the fixed-income markets to reverse direction and led to the sharpest increase in interest rates in more than six years. At the beginning of the year, market concerns about inflation developed as the economy approached full employment and commodity prices moved upward. The Federal Reserve Board responded by tightening monetary policy. Since early February, the central bank has raised the federal funds-rate -- the interest rate banks charge each other for overnight loans -- 250 basis points from 3.00 percent to 5.50 percent in six separate moves through November. Between May and November, the discount rate -- the interest rate the Federal Reserve charges member banks for loans -- increased 175 basis points to 4.75 percent.

During InterCapital Quality Municipal Securities' (NYSE symbol: IQM) fiscal year ended October 31, 1994, long-term municipal bond yields, as measured by The Bond Buyer Revenue Bond Index, * rose 139 basis points from 5.56 percent to 6.95 percent. In February and March yields jumped 89 basis points from 5.50 percent to 6.39 percent in response to the Federal Reserve Board's initial tightening and subsequent municipal bond selling pressure. A semblance of stability returned to the market between June and August. After Labor Day, however, continued economic growth, aggressive tax-loss selling, accelerated mutual-fund industry redemptions and excessive dealer inventory led to further municipal market deterioration. The total yield increase of 139 basis points during the fiscal year was equivalent to a 17 percent price decline for a 30-year municipal bond. One-third of this price decline occurred in September and October.

The municipal market was also to be influenced by supply and demand conditions. New-issue underwriting totaled a record \$290 billion in 1993. The pace of new-issue activity over the first 10 months of 1994, however, slowed 44 percent. The estimated issuance for 1994 is \$160 billion. By way of comparison, bond maturities and calls for redemption are expected to reach \$190 billion this year resulting in a reduction in the amount of municipal debt outstanding. This scarcity would normally be expected to improve the relative performance of municipal bonds under stable-to-improving interest rate conditions.

PERFORMANCE

The Trust's net asset value (NAV) declined from \$14.03 to \$10.83 per share during the fiscal year ended October 31, 1994. Based on this change and reinvestment of tax-free dividends totaling \$0.77 per share, the Trust's total return for the fiscal year was -17.63 percent. Concurrently, the Trust's market price on the New York Stock Exchange declined from \$15.125 to \$9.50 per share. Based on this market change and reinvestment of dividends, the Trust's total return for the fiscal year was -32.98 percent. The Trust began the fiscal year trading at a 7.80 percent premium to NAV and closed at a 12.28 percent discount to NAV.

PORTFOLIO STRUCTURE

As of October 31, 1994, the portfolio's long-term investments were diversified among 12 municipal sectors and 50 credits. The three largest sectors were industrial development/pollution control revenue, general obligation, and water and sewer revenue bonds, representing 38 percent of net assets. The average maturity and call protection of the Trust's long-term holdings was 22 years and 10 years, respectively. Bonds subject to the alternative minimum tax (AMT) represented approximately 8 percent of net assets. At the end of the period, the Trust had net assets in excess of \$382 million.

* The Bond Buyer Revenue Bond Index is an arithmetic average of the yields of 25 selected municipal revenue bonds with 30-year maturities. Credit ratings

of these bonds range from Aal to Baal by Moody's and AA+ to A- by Standard & Poor's.

The credit-quality ratings of the Trust's long-term portfolio as of October 31, 1994 are summarized below:

<TABLE>
<CAPTION>

Moody's or Standard & Poor's Rating	Percent
Aaa or AAA.....	23%
Aa or AA.....	34
A or A.....	43

</TABLE>

THE IMPACT OF LEVERAGING

As reported previously, the Trust's common shares are leveraged. Leverage was created through the issuance of auction rate preferred shares (ARPS). The ARPS's auction periods normally range between one week and one year. Proceeds from ARPS underwritings were used to purchase additional long-term municipal bonds. Following the payment of ARPS dividends, the common shares earn incremental income when the portfolio yield is higher than the costs of the ARPS (yield plus operating and remarketing expenses). Although rising short-term interest rates have narrowed the yield spread this year, ARPS continue to provide positive incremental income to common shareholders.

The leveraged capital structure of closed-end municipal bond funds additionally impacts NAV. ARPS normally account for one-third of a fund's underwritten capital structure. This produces a volatility factor for common shares of 1.5 times the price change of bonds held in the portfolio. The common stock's NAV per share reflects the full price change of the portfolio's investments since the value of the preferred shares does not fluctuate.

As the bond market has eroded, the degree of leverage and volatility has increased. The purchase and retirement of ARPS counteracts this trend. During the fiscal year, IQM purchased and retired \$38 million in par amount of ARPS so that \$137 million in ARPS remain outstanding. Additional ARPS purchases may occur if the degree of leverage increases or ARPS profitability (spread) declines significantly.

DIVIDEND RESERVES

At the end of the fiscal year, IQM had undistributed net investment income of \$0.066 per share available for future distributions. This dividend reserve or "cushion" helped sustain the Trust's current monthly dividend. Higher yields in future ARPS auctions and ARPS retirements may further erode the cushion. Declines in the dividend reserve may cause the Trust to adjust the common share dividend.

LOOKING AHEAD

The overall direction of interest rates will primarily be determined by the strength of the economy, the trend of inflation and the Federal Reserve Board's responses. These conditions may continue to move interest rates higher through mid-1995. Investor demand for municipal securities should be sustained by significant bond maturities, calls for redemption and diminished new-issue supply. Changing market conditions and the profitability of ARPS are among the factors that will determine the Trust's future level of income and influence the direction of the common stock market price.

The Trust's procedure for reinvestment of all dividends and distributions on common shares is by purchase in the open market. This method helps to support the market value of the Trust's shares. In addition, the Trustees have approved a procedure whereby the Trust, when appropriate, purchases shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase. The Trust may also utilize procedures to reduce or eliminate the amount of outstanding ARPS, including their purchase in the open market or in privately negotiated

transactions. Over the fiscal year, the Trust purchased 1,144,000 shares of common stock at a weighted average discount of 6.36 percent.

We appreciate your ongoing support of InterCapital Quality Municipal Securities and look forward to continuing to serve your investment needs.

Very truly yours,

Charles A. Fiunefreddo
Chairman of the Board

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
PORTFOLIO OF INVESTMENTS October 31, 1994

<TABLE> <CAPTION>				
Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
	MUNICIPAL BONDS (88.3%)			
	GENERAL OBLIGATION (12.1%)			
\$ 10,000	Florida Board of Education, Cap Outlay Refg 1993 Ser D.....	5.125%	6/ 1/18	\$ 8,044,500
5,000	De Kalb County, Georgia, Refg 1993.....	5.25	1/ 1/20	4,081,700
10,000	Washington Suburban Sanitation District, Maryland, Gen Constr Refg 1993 Second Ser.....	5.25	6/ 1/14	8,430,200
10,000	New York City, New York, 1994 Ser D.....	5.75	8/15/08	8,887,800
5,000	1994 Ser C.....	5.50	10/ 1/10	4,243,800
15,000	Seattle, Washington, Refg Ser 1993.....	5.65	1/ 1/20	12,726,150
55,000				46,414,150
	EDUCATIONAL FACILITIES REVENUE (6.3%)			
3,500	Georgetown University, District of Columbia, Ser 1993.....	5.25	4/ 1/13	2,886,800
4,695	Illinois Educational Facilities Authority, Illinois Wesleyan University Ser 1993.....	5.70	9/ 1/23	3,867,835
4,955	Northwestern University Refg Ser 1993.....	5.375	12/ 1/21	3,957,410
10,000	Massachusetts Health & Educational Facilities Authority, Boston College Ser K.....	5.25	6/ 1/18	8,140,300
3,000	Wentworth Institute of Technology Ser B (Connie Lee Insured).....	5.50	10/ 1/23	2,435,370
3,500	Pennsylvania Higher Educational Facilities Authority, Thomas Jefferson University 1993 Ser A.....	5.30	11/ 1/15	2,903,600
29,650				24,191,315
	ELECTRIC REVENUE (6.4%)			
5,900	South Carolina Public Service Authority, 1993 Refg Ser A (MBIA Insured).....	5.50	7/ 1/21	4,885,731
12,000	Chelan County Public Utility District #1, Washington, Hydro Refg Ser 1993 G.....	5.375	6/ 1/18	9,692,160
12,000	Snohomish County Public Utilities District #1, Washington, Ser 1993 B (AMT).....	5.80	1/ 1/24	9,974,040
29,900				24,551,931
	HOSPITAL REVENUE (7.8%)			
8,000	Indiana Health & Educational Facilities Authority, Wellborn Memorial Baptist Hospital Refg Ser 1993.....	5.50	7/ 1/14	6,630,880
3,980	Maine Health & Higher Educational Facilities Authority, Ser 1993 D (FSA Insured).....	5.50	7/ 1/18	3,270,207
10,000	Missouri Health & Educational Facilities Authority, Barnes Jewish Inc/Christian Health Services Ser 1993 A.....	5.25	5/15/14	8,299,200

10,000	Fairfax County Industrial Development Authority, Virginia, Inova Health System Foundation Refg Ser 1993 A.....	5.25	8/15/19	7,807,000
4,500	Wisconsin Health & Educational Facilities Authority, Catholic Health Corp Ser 1993.....	5.375	11/15/13	3,691,845
-----				-----
36,480				29,699,132
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</TABLE>

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

<TABLE>				
<CAPTION>				
Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
-----		-----	-----	-----
<C>	<S>	<C>	<C>	<C>
	INDUSTRIAL DEVELOPMENT/POLLUTION CONTROL REVENUE (14.2%)			
\$ 10,000	Valdez, Alaska, BP Pipeline Inc Ser 1993 B.....	5.50 %	10/ 1/28	\$ 7,988,900
10,000	Hawaii Department of Budget & Finance, Hawaiian Electric Co Inc Ser 1993 (AMT) (MBIA Insured).....	5.45	11/ 1/23	8,138,900
5,000	Petersburg, Indiana, Indianapolis Power & Light Co Ser 1993 B.....	5.40	8/ 1/17	4,080,650
4,000	Calvert County, Maryland, Baltimore Gas & Electric Co Refg Ser 1993.....	5.55	7/15/14	3,441,720
12,000	New York State Energy Research & Development Authority, Consolidated Edison Co of New York Inc Refg Ser 1993 B.....	5.25	8/15/20	9,471,240
5,000	Brazos River Authority, Texas, Houston Lighting & Power Co Ser 1993 (MBIA Insured).....	5.60	12/ 1/17	4,295,200
7,750	Marshall County, West Virginia, Ohio Power Co Ser B (MBIA Insured).....	5.45	7/ 1/14	6,527,050
10,000	Weston, Wisconsin, Wisconsin Public Service Co Refg Ser 1993 A.....	6.90	2/ 1/13	10,183,900
-----				-----
63,750				54,127,560
-----				-----
	MORTGAGE REVENUE - MULTI-FAMILY (4.1%)			
5,000	Illinois Housing Development Authority, 1993 Ser A....	5.90	7/ 1/12	4,504,900
13,310	Wisconsin Housing & Economic Development Authority, 1993 Ser A.....	5.55	11/ 1/15	11,364,344
-----				-----
18,310				15,869,244
-----				-----
	MORTGAGE REVENUE - SINGLE FAMILY (5.0%)			
10,000	Alaska Housing Finance Corporation, Insured 1993 First Ser	5.90	12/ 1/33	8,363,000
3,830	Connecticut Housing Finance Authority, 1993 Subseries F-1.....	5.60	5/15/11	3,447,804
8,700	Kentucky Housing Corporation, Federally Insured or Guaranteed Loans 1993 Ser B.....	5.40	7/ 1/14	7,430,409
-----				-----
22,530				19,241,213
-----				-----
	PUBLIC FACILITIES REVENUE (8.6%)			
12,000	California Public Works Board, Correctional 1993 Ser D COPs	5.375	6/ 1/18	9,519,120
4,000	Maine Municipal Bond Bank, 1993 Ser E.....	5.30	11/ 1/13	3,302,320
5,000	St Paul Housing & Redevelopment Authority, Minnesota, Civic Center Ser 1993.....	5.45	11/ 1/13	4,285,700
7,000	Kansas City School District Building Corporation, Missouri, Elementary Ser 1993 D (FGIC Insured).....	5.00	2/ 1/14	5,702,620
	Regional Convention & Sports Complex Authority, Missouri, Refg Ser B 1993.....	5.50	8/15/13	1,661,380
2,000		5.60	8/15/17	8,485,400
10,000	Refg Ser A 1993.....			
-----				-----

40,000

32,956,540

</TABLE>

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
 PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

Principal Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
	RESOURCE RECOVERY REVENUE (2.1%)			
\$ 9,000	Northeast Maryland Waste Disposal Authority, Montgomery County Ser 1993 A (AMT).....	6.30 %	7/ 1/16	\$ 8,180,550
	TRANSPORTATION FACILITIES REVENUE (7.9%)			
15,000	Chicago, Illinois, Chicago-O'Hare Intl Airport Refg 1993 Ser A.....	5.00	1/ 1/16	11,614,500
5,000	Wayne County, Michigan, Detroit Metropolitan Wayne County Airport Sub Lien Ser 1993 C (MBIA Insured)....	5.25	12/ 1/13	4,159,100
4,000	Rhode Island Port Authority & Economic Development Corporation, TF Green State Airport 1993 Ser A (AMT) (FSA Insured).....	5.25	7/ 1/23	3,094,240
10,000	Texas Turnpike Authority, Dallas North Tollway Refg Ser 1993 (MBIA Insured).....	5.00	1/ 1/20	7,714,900
4,175	Virginia Transportation Board, US Route 58 Corridor Ser 1993 B.....	5.50	5/15/18	3,554,887
38,175				30,137,627
	WATER & SEWER REVENUE (11.6%)			
6,500	Phoenix Civic Improvement Corporation, Arizona, Wastewater Refg Ser 1993.....	5.00	7/ 1/18	5,049,850
5,000	Los Angeles County Sanitation Districts Financing Authority, California, 1993 Ser A.....	5.25	10/ 1/19	3,989,450
5,000	Atlanta, Georgia, Water & Sewer Ser 1993.....	5.00	1/ 1/15	4,019,250
3,000	Louisville & Jefferson County Metropolitan Sewer District, Kentucky, Ser 1993 A (MBIA Insured).....	5.50	5/15/21	2,507,490
5,000	Ser 1993 B (MBIA Insured).....	5.50	5/15/23	4,158,350
10,000	Massachusetts Water Resources Authority, 1993 Ser C....	5.25	12/ 1/20	7,964,500
5,000	New York City Municipal Water Finance Authority, New York, 1994 Ser B.....	5.50	6/15/19	4,109,700
10,000	Philadelphia, Pennsylvania, Water & Wastewater Ser 1993 (CGIC Insured).....	5.50	6/15/14	8,524,900
5,000	Norfolk, Virginia, Water Ser 1993 (AMBAC Insured).....	5.375	11/ 1/23	4,044,000
54,500				44,367,490
	OTHER REVENUE (2.2%)			
10,000	New York Local Government Assistance Corporation, Ser 1993 C.....	5.50	4/ 1/18	8,354,100
407,295	TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$400,457,601).....			338,090,852

</TABLE>

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
 PORTFOLIO OF INVESTMENTS October 31, 1994 (continued)

<TABLE>
 <CAPTION>
 Principal

Amount (in thousands)		Coupon Rate	Maturity Date	Value
<C>	<S>	<C>	<C>	<C>
	SHORT-TERM MUNICIPAL OBLIGATIONS (7.3%)			
\$ 14,800	Louisiana Offshore Terminal Authority, LOOP Inc Ser 1992 A (Tender 11/1/94)	3.60 %*	9/ 1/08	\$ 14,800,000
13,000	West Side Calhoun County Development Corporation, Texas, SOHIO Chem Co / BP - North America Ser 1985 (Tender 11/1/94)	3.40 *	12/ 1/15	13,000,000
27,800	TOTAL SHORT-TERM MUNICIPAL OBLIGATIONS (IDENTIFIED COST \$27,800,000)			27,800,000
\$435,095	TOTAL INVESTMENTS (IDENTIFIED COST \$428,257,601) (a)		95.6%	365,890,852
	CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES		4.4	16,687,255
	NET ASSETS		100.0%	\$382,578,107

</TABLE>

AMT Alternative Minimum Tax.

COPs Certificates of Participation.

* Variable or floating rate securities. Coupon rate shown reflects current rate.

(a) The aggregate cost for federal income tax purposes is \$428,257,601; the aggregate gross and net unrealized depreciation is \$62,366,749.
See Notes to Financial Statements

GEOGRAPHIC SUMMARY OF INVESTMENTS
Based on Market Value as a Percent of Net Assets
October 31, 1994

<S>	<C>
Alaska	4.3%
Arizona	1.3
California	3.5
Connecticut	0.9
District of Columbia	0.8
Florida	2.1
Georgia	2.1
Hawaii	2.1%
Illinois	6.3
Indiana	2.8
Kentucky	3.7
Louisiana	3.9
Maryland	5.2
Massachusetts	4.8
Maine	1.7%
Michigan	1.1
Minnesota	1.1
Missouri	6.3
New York	9.2
Pennsylvania	3.0
Rhode Island	0.8
South Carolina	1.3%
Texas	6.5
Virginia	4.0
Washington	8.5
Wisconsin	6.6
West Virginia	1.7

Total..... 95.6%
=====

</TABLE>

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
FINANCIAL STATEMENTS

<TABLE>

<S> <C>

STATEMENT OF ASSETS AND LIABILITIES
October 31, 1994

ASSET:
Investments in securities, at value
(identified cost \$428,257,601) (Note 1).. \$ 365,890,852
Cash..... 158,585
Receivable for:
Investments sold..... 10,265,697
Interest..... 7,621,773
Deferred organizational expenses (Note 1).. 28,171
Prepaid expenses..... 40,652

TOTAL ASSETS..... 384,005,730

LIABILITIES:
Payable for:
Shares of beneficial interest purchased:
Preferred..... 850,000
Common..... 373,640
Investment management fee (Note 2)..... 121,599
Accrued expenses (Note 3)..... 82,384

TOTAL LIABILITIES..... 1,427,623

NET ASSETS:
Preferred shares of beneficial interest
(1,000,000 shares authorized of non-
participating \$.01 par value, 2,744
shares outstanding) (Note 4)..... 137,200,000

Common shares of beneficial interest
(unlimited shares authorized of \$.01
par value, 22,663,113 shares outstanding)
(Note 5)..... 318,093,801
Unrealized depreciation on investments.... (62,366,749)
Accumulated undistributed net investment
income..... 1,501,903
Accumulated net realized loss on
investments..... (11,850,848)

NET ASSETS APPLICABLE TO COMMON
SHAREHOLDERS..... 245,378,107

TOTAL NET ASSETS..... \$ 382,578,107
=====

NET ASSET VALUE PER COMMON SHARE,
(\$245,378,107 divided by 22,663,113
common shares outstanding)..... \$10.83
=====

STATEMENT OF OPERATIONS

For the year ended October 31, 1994

INVESTMENT INCOME:
INTEREST INCOME..... \$ 25,716,909

EXPENSES
Investment management fee (Note 2)..... 1,599,422

Auction commission fees.....	335,274
Professional fees.....	158,283
Transfer agent fees and expenses (Note 3).....	128,769
Auction agent fees.....	80,000
Shareholder reports and notices.....	56,148
Registration fees.....	38,149
Trustees' fees and expenses (Note 3)...	30,033
Organizational expenses (Note 1).....	7,198
Other.....	17,349

TOTAL EXPENSES..... 2,450,625

NET INVESTMENT INCOME..... 23,266,284

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS (Note 1):

Net realized loss on investments..... (11,850,848)

Net change in unrealized depreciation on investments..... (61,511,487)

NET LOSS ON INVESTMENTS..... (73,362,335)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS..... \$ (50,096,051)

</TABLE>

See Notes to Financial Statements

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES FINANCIAL STATEMENTS (continued)

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	For the year ended October 31, 1994	For the period September 29, 1993 through October 31, 1993 (Note 1)
<S>	<C>	<C>
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net investment income.....	\$ 23,266,284	\$ 678,364
Net realized loss on investments.....	(11,850,848)	--
Net change in unrealized depreciation on investments.....	(61,511,487)	(855,262)
Net decrease in net assets resulting from operations.....	(50,096,051)	(176,898)
Dividends to preferred shareholders from net investment income.....	(4,439,878)	--
Dividends to common shareholders from net investment income.....	(18,002,867)	--
Total dividends.....	(22,442,745)	--
Net increase (decrease) from transactions in shares of beneficial interest (Notes 4 & 5):		
Common.....	(16,066,208)	334,060,000
Preferred.....	137,200,000	--
Total transactions.....	121,133,792	334,060,000
Total increase.....	48,594,996	333,883,102

NET ASSETS:

Beginning of period.....	333,983,111	100,009
	-----	-----
END OF PERIOD (including undistributed net investment income of \$1,501,903 and \$678,364, respectively).....	\$ 382,578,107	\$ 333,983,111
	=====	=====

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See Notes to Financial Statements

INTERCAPITAL QUALITY MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND ACCOUNTING POLICIES -- InterCapital Quality Municipal Securities (the "Trust") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Trust was organized as a Massachusetts business trust on March 3, 1993 and had no operations other than those relating to organizational matters and the issuance of 7,113 common shares of beneficial interest to Dean Witter InterCapital Inc. (the "Investment Manager") for \$100,009. The Trust commenced operations on September 29, 1993.

The following is a summary of significant accounting policies:

A. Valuation of Investments -- Portfolio securities are valued for the Trust by an outside independent pricing service approved by the Trustees. The pricing service has informed the Trust that in valuing the Trust's portfolio securities, it uses both a computerized matrix of tax-exempt securities and evaluations by its staff, in each case based on information concerning market transactions and quotations from dealers which reflect the bid side of the market each day. The Trust's portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other securities believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant. Short-term debt securities having a maturity date of more than sixty days at time of purchase are valued on a mark-to-market basis until sixty days prior to maturity and thereafter at amortized cost based on their value on the 61st day. Short-term debt securities having a maturity date of sixty days or less at the time of purchase are valued at amortized cost.

B. Accounting for Investments -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on security transactions are determined on the identified cost method. The Trust amortizes premiums and discounts on securities purchased over the life of the respective securities. Interest income is accrued daily.

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

D. Dividends and Distributions to Shareholders -- The Trust records dividends and distributions to its shareholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for financial reporting purposes but not for tax purposes are reported as dividends in excess of net investment income or distributions in excess of net realized capital gains. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

E. Organizational and Offering Expenses -- The Investment Manager paid the organizational and offering expenses of the Trust's common shares in the amounts of \$36,000 and \$537,034,

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS (continued)

respectively, and \$332,829 in offering expenses of the Trust's preferred shares. The organizational expenses have been reimbursed by the Trust for the full amount thereof. Such expenses are being amortized by the straight-line method over a period not to exceed five years from the commencement of operations. Offering expenses have been reimbursed by the Trust and were charged to capital at the time of issuance of the Trust's respective shares.

2. INVESTMENT MANAGEMENT AGREEMENT -- Pursuant to an Investment Management Agreement, the Trust pays its Investment Manager a management fee, calculated weekly and payable monthly, by applying the annual rate of 0.35% to the Trust's average weekly net assets.

Under the terms of the Agreement, the Investment Manager maintains certain of the Trust's books and records and furnishes, at its own expense, office space, facilities, equipment, clerical, bookkeeping and certain legal services and pays the salaries of all personnel, including officers of the Trust who are employees of the Investment Manager. The Investment Manager also bears the cost of telephone services, heat, light, power and other utilities provided to the Trust.

3. SECURITY TRANSACTIONS AND TRANSACTIONS WITH AFFILIATES -- The cost of purchases and proceeds from sales of portfolio securities, excluding short-term investments, for the year ended October 31, 1994 aggregated \$292,298,260 and \$85,022,159, respectively.

Dean Witter Trust Company, an affiliate of the Investment Manager, is the Trust's transfer agent. At October 31, 1994, the Trust had transfer agent fees and expenses payable of approximately \$12,800.

On January 1, 1994, the Trust adopted an unfunded noncontributory defined benefit pension plan covering all independent Trustees of the Trust who will have served as an independent Trustee for at least five years at the time of retirement. Benefits under this plan are based on years of service and compensation during the last five years of service. Aggregate pension costs for the year ended October 31, 1994, included in Trustees' fees and expenses in the Statement of Operations amounted to \$9,946. At October 31, 1994, the Trust had an accrued pension liability of \$9,920 which is included in accrued expenses in the Statement of Assets and Liabilities.

Dean Witter Distributors Inc., the Trust's principal underwriter and an affiliate of the Investment Manager, has informed the Trust that it received \$2,625,000 in underwriting discounts and commissions in connection with the offering of the preferred shares.

4. PREFERRED SHARES OF BENEFICIAL INTEREST -- The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of \$.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. On November 16, 1993, the Trust issued 3,500 shares of Auction Rate Preferred Shares ("Preferred Shares") consisting of 700 shares each of Series 1 through 5 for gross total proceeds of \$175,000,000. Underwriting discounts and commissions were charged to capital at the time of issuance. The preferred shares have a liquidation value of \$50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends (whether or not declared) thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of \$50,000 per share plus accumulated but unpaid dividends (whether or not declared) thereon to the date of redemption.

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During the year ended October 31, 1994, the Trust purchased and retired preferred shares as follows:

<TABLE>
 <CAPTION>

Series	Shares	Amount
1	256	\$12,800,000
2	100	5,000,000
3	300	15,000,000
4	100	5,000,000
Total	756	\$37,800,000

</TABLE>

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

<TABLE>
 <CAPTION>

Shares*	Series	Rate*	Reset Date	Range of Dividend Rates**
444	1	3.00 %	11/7/94	1.00 % - 3.47 %
600	2	3.233	11/1/94	2.00 - 3.39
400	3	3.33	11/2/94	1.84 - 3.625
600	4	3.41	2/6/95	2.699 - 3.41
700	5	3.624	11/7/94	2.90 - 3.624

</TABLE>

* As of October 31, 1994.

** For the period ended October 31, 1994.

Subsequent to October 31, 1994 and up through December 12, 1994, the Trust paid dividends to each of the Series 1, 2, 3, and 5 at rates ranging from 2.875% to 3.05%, 3.00% to 3.80%, 2.875% to 3.59% and 3.19% to 3.803%, respectively, and Series 4 at a rate of 3.41%, in the aggregate amount of \$558,595.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

The preferred shares, which are entitled to one vote per share, generally vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

5. COMMON SHARES OF BENEFICIAL INTEREST -- Transactions in common shares of beneficial interest were as follows:

<TABLE>
 <CAPTION>

	Shares	Par Value	Capital Paid in Excess of Par Value
Balance (Note 1).....	7,113	\$ 71	\$ 99,938

Shares issued at close of public offering on September 29, 1993*.....	21,000,000	210,000	294,482,000
Shares issued on October 12, 1993 and October 27, 1993 to cover over-allotment.....	2,800,000	28,000	39,340,000
Balance, October 31, 1993.....	23,807,113	238,071	333,921,938
Adjustment to estimated offering costs associated with the initial public offering of the common shares.....			30,966
Offering costs and underwriting discounts associated with the issuance of preferred shares.....			(2,957,829)
Treasury shares purchased and retired (weighted average discount 6.36%)**.....	(1,144,000)	(11,440)	(13,127,905)
Balance, October 31, 1994.....	22,663,113	\$ 226,631	\$ 317,867,170

</TABLE>

* Net of estimated offering costs of \$568,000.

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

6. FEDERAL INCOME TAX STATUS -- At October 31, 1994, the Trust had a net capital loss carryover of approximately \$11,851,000 which will be available through October 31, 2002 to offset future capital gains, to the extent provided by regulations.

7. DIVIDENDS TO COMMON SHAREHOLDERS -- The Trust has declared the following dividends from net investment income --

<TABLE>
<CAPTION>

Declaration Date	Amount per Share	Record Date	Payable Date
November 1, 1994	\$0.07	November 11, 1994	November 25, 1994
November 29, 1994	\$0.07	December 9, 1994	December 23, 1994

</TABLE>

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
NOTES TO FINANCIAL STATEMENTS (continued)

8. SELECTED QUARTERLY FINANCIAL DATA -- (unaudited)

<TABLE>
<CAPTION>

	Quarters Ended*							
	10/31/94		7/31/94		4/30/94		1/31/94	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Total investment income.....	\$ 6,554	\$ 0.28	\$ 6,635	\$ 0.28	\$ 6,744	\$ 0.29	\$ 5,784	\$ 0.24
Net investment income.....	5,902	0.25	6,025	0.26	6,121	0.26	5,218	0.22
Net realized and unrealized gain (loss) on investments.....	(30,689)	(1.31)	4,029	0.17	(57,675)	(2.43)	10,973	0.46

</TABLE>

<TABLE>
<CAPTION>

Quarter Ended*

	Total	Per Share
<S>	<C>	<C>
Total investment income.....	\$ 809	\$ 0.03
Net investment income.....	678	0.03
Unrealized loss on investments.....	(855)	(0.04)

* Totals expressed in thousands of dollars.

** For the period September 29, 1993 (commencement of operations) through October 31, 1993.

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
FINANCIAL HIGHLIGHTS

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

<TABLE>
<CAPTION>

	For the year ended October 31, 1994**	For the period September 29, 1993* through October 31, 1993**
<S>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period.....	\$ 14.03	\$ 14.06
Net investment income.....	0.99	0.03
Net realized and unrealized loss on investments.....	(3.11)	(0.04)
Total from investment operations.....	(2.12)	(0.01)
Less dividends and other charges:		
Dividends from net investment income.....	(0.77)	--
Common share equivalent of dividends paid to preferred shareholders.....	(0.19)	--
Offering costs charged against capital.....	(0.12)	(0.02)
Total dividends and other charges.....	(1.08)	(0.02)
Net asset value, end of period.....	\$ 10.83	\$ 14.03
Market value, end of period.....	\$ 9.50	\$ 15.125
TOTAL INVESTMENT RETURN+.....	(32.98)%	0.83%(1)
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of period (in thousands).....	\$ 382,578	\$ 333,983
Ratios to average net assets of common shareholders:		
Total expenses.....	0.83%	0.48%(2)
Net investment income before preferred stock dividends.....	7.85%	2.51%(2)
Preferred stock dividends.....	1.50%	N/A
Net investment income available to common shareholders.....	6.35%	2.51%(2)
Asset coverage on preferred shares at end of period....	278%	N/A
Portfolio turnover rate.....	21%	0%(1)

* Commencement of operations.

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

+ Total investment return is based upon the current market value on the last day of each period reported. Dividends and distributions are assumed to be reinvested at the prices obtained under the Trust's dividend reinvestment plan. Total investment return does not reflect sales charges or brokerage commissions.

(1) Not annualized.

(2) Annualized.

See Notes to Financial Statements

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INTERCAPITAL QUALITY MUNICIPAL SECURITIES
REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Trustees of InterCapital Quality Municipal Securities

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of InterCapital Quality Municipal Securities (the "Trust") at October 31, 1994, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and for the period September 29, 1993 (commencement of operations) through October 31, 1993, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at October 31, 1994 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
New York, New York
December 12, 1994

1994 FEDERAL TAX NOTICE (unaudited)

During the year ended October 31, 1994, the Trust paid the following per share amounts from tax-exempt income: \$0.77 to common shareholders, \$1,206 to series 1 preferred shareholders, \$1,221 to series 2 preferred shareholders, \$1,221 to series 3 preferred shareholders, \$1,376 to series 4 preferred shareholders, and \$1,420 to series 5 preferred shareholders.

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TRUSTEES
Jack F. Bennett
Michael Bozic
Charles A. Fiumefreddo
Edwin J. Garn
John R. Haire

Dr. Manuel H. Johnson
Paul Kolton
Michael E. Nugent
Philip J. Purcell
John L. Schroeder

OFFICERS

Charles A. Fiumefreddo
Chairman and Chief Executive Officer

Sheldon Curtis
Vice President, Secretary and General Counsel

James F. Willison
Vice President

Thomas F. Caloia
Treasurer

TRANSFER AGENT

Dean Witter Trust Company
Harborside Financial Center - Plaza Two
Jersey City, New Jersey 07311

INDEPENDENT ACCOUNTANTS

Price Waterhouse LLP
1177 Avenue of the Americas
New York, New York 10036

INVESTMENT MANAGER

Dean Witter InterCapital Inc.
Two World Trade Center
New York, New York 10048

INTERCAPITAL

QUALITY
MUNICIPAL
SECURITIES

Annual Report
October 31, 1994