

Scudder Strategic Municipal Income Trust

SCUDDER
INVESTMENTS

All fund data as of 2/28/03

FEB
2003

Investment style: Tax-free income

Investment objective

The Scudder Strategic Municipal Income Trust seeks a high level of current income exempt from federal income tax by investing in a diversified portfolio of investment grade tax-exempt securities. The Fund will invest at least 50% of its assets in investment grade municipal securities or unrated municipal securities of comparable quality, and may invest up to 50% of its assets in high-yield municipal securities that are below investment grade.

Fund statistics

Total net assets	\$130,012,646
	*includes \$70,000 in preferred shares
Shares outstanding	10,757,035
Ticker symbol	KSM
Primary exchange	NYSE
Dividend reinvestment & cash purchase plan	Yes
Annualized expense ratio*** (11/02)	0.86%
Cusip	811234103
Inception date	3/1/89

***Includes preferred share equity

Portfolio characteristics

Number of issues	121
Average maturity/duration	
Average maturity (years)	12.93
Average duration (years)	7.74
Alternative minimum tax exposure	6.14%
Average coupon	6.19%
Callables over next 5 years	
Callables	% of total market value
2/28/03-12/31/03	2.72%
12/31/03-12/31/04	5.07%
12/31/04-12/31/05	2.64%
12/31/05-12/31/06	4.31%
12/31/06-12/31/07	4.00%
12/31/07-12/31/08	2.86%

Portfolio characteristics are subject to change.

Yield information

Annualized dividend yield^B (as of 2/28/03)

Market Yield	NAV Yield
6.97%	6.95%

Yields fluctuate and are not guaranteed.

Performance history

Average annual total returns as of 2/28/03

Based on	3-mon	1-year	3-year	5-year	10-year	Life of fund
Annualized						
Market price	4.09%	10.06%	14.05%	4.85%	6.23%	7.33%
Net asset value^A	3.82	8.39	10.51	6.49	6.97	7.99

Performance and any rankings/ratings are historical and do not guarantee future results.

Please call (800) 349-4281 for the Fund's most up-to-date performance.

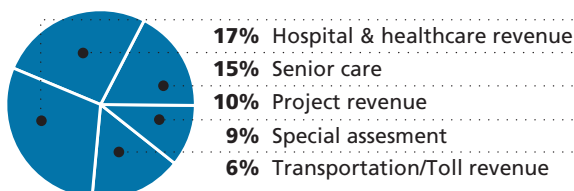
Fund diversification

Credit quality^d

AAA***	28.0%
AA	7.0
A	12.0
BBB	19.0
Below BBB	1.0
Nonrated	33.0

**Includes cash equivalents.

Largest sector holdings



Top five state allocations

Top five states	% of total mkt value
Texas	15.90
New York	9.12
Illinois	6.36
California	5.30
Maryland	4.67

Market & net asset value data

Month end	Market price	NAV
Feb-03	\$12.05	\$12.09
Jan-03	\$11.89	\$11.91
Dec-02	\$11.93	\$12.11
Nov-02	\$11.78	\$11.84
Oct-02	\$11.63	\$11.89
Sep-02	\$12.18	\$12.33
Aug-02	\$12.25	\$12.12
Jul-02	\$11.90	\$12.07
Jun-02	\$11.62	\$11.99
May-02	\$11.54	\$11.92
Apr-02	\$11.30	\$11.89
Mar-02	\$11.20	\$11.69
Feb-02	\$11.72	\$11.94
Jan-02	\$11.68	\$11.79
Dec-01	\$11.45	\$11.63
Nov-01	\$12.01	\$11.83
Oct-01	\$11.98	\$12.06
Sep-01	\$11.81	\$11.96

Dividends & capital gain distributions

Payable date	Ordinary income	ST gains	LT gains
28-Feb-03	\$0.0700	—	—
31-Jan-03	\$0.0700	—	—
31-Dec-02	\$0.0700	—	—
29-Nov-02	\$0.0700	—	—
31-Oct-02	\$0.0675	—	—
30-Sep-02	\$0.0675	—	—
30-Aug-02	\$0.0675	—	—
31-Jul-02	\$0.0675	—	—
28-Jun-02	\$0.0675	—	—
31-May-02	\$0.0625	—	—
30-Apr-02	\$0.0625	—	—
28-Mar-02	\$0.0625	—	—
28-Feb-02	\$0.0625	—	—

⁴Total investment returns reflect changes in net asset value per share during each period and assume that dividends and capital gain distributions, if any, were reinvested. These percentages are not an indication of the performance of a shareholder's investment in the Fund based on market price.

⁵Annualized dividend yield is the latest monthly dividend shown as an annualized percentage of net asset value/market price at month end. Annualized dividend yield simply measures the level of dividends and is not a complete measure of performance. Market price, annualized dividend yield, net asset value and returns are historical and will fluctuate and do not guarantee future results.

Performance is historical, assumes reinvestment of dividends and capital gains, and is not indicative of future results. Investment return and principal value will fluctuate.

Sector diversification, top 10 holdings and security type are subject to change.

Fund shares are not FDIC-insured and are not deposits or other obligations of, or guaranteed by, any bank. Fund shares involve investment risk, including possible loss of principal.

Investments in funds involve risk. Some funds have more risk than others. These include funds that allow exposure to or otherwise concentrate investments in certain sectors, geographic regions, security types, market capitalization or foreign securities (e.g., political or economic instability, which can be accentuated in emerging market countries).

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