

INVESTMENT GRADE MUNICIPAL INCOME FUND

Form N-8F

November 15, 2010

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

FORM N-8F

APPLICATION FILED PURSUANT TO SECTION 8(f) OF THE INVESTMENT COMPANY ACT  
OF 1940 (the "Act") AND RULE 8f-1 THEREUNDER FOR ORDER DECLARING THAT COMPANY  
HAS CEASED TO BE AN INVESTMENT COMPANY

Dated: November 15, 2010

I. General Identifying Information

1. Reason fund is applying to deregister (check only one; for descriptions, see Instruction 1):

Merger

Liquidation

Abandonment of Registration

(Note: Abandonments of Registration answer only questions 1 through 15, 24 and 25 of this form and complete verification at the end of the form.)

Election of status as a Business Development Company

(Note: Business Development Companies answer only questions 1 through 10 of this form and complete verification at the end of the form.)

2. Name of fund:

Investment Grade Municipal Income Fund Inc.

3. Securities and Exchange Commission File No.:

811-07096

4. Is this an initial Form N-8F or an amendment to a previously filed Form N-8F?

Initial Application

Amendment

5. Address of Principal Executive Office (include No. & Street, City, State Zip Code):

1285 Avenue of the Americas, 12th Floor  
New York, NY 10019-6028

6. Name, address and telephone number of individual the Commission staff should contact with any questions regarding this form:

Julien Bourgeois  
Dechert LLP  
1775 I Street, N.W.  
Washington, DC 20006-2401  
(202) 261-3451

7. Name, address and telephone number of individual or entity responsible for maintenance and preservation of fund records in accordance with Rules 31a-1 and 31a-2 under the Act [17 CFR 270.31a-1, .31a-2]:

UBS Global Asset Management (Americas) Inc.  
1285 Avenue of the Americas, 12th Floor  
New York, NY 10019-6028  
(212) 821-3000

NOTE: Once deregistered, a fund is still required to maintain and preserve the records described in rules 31a-1 and 31a-2 for the periods specified in those rules.

8. Classification of fund (check only one):

Management company

Unit investment trust; or

Face-amount certificate company.

9. Subclassification if the fund is a management company (check only one):

Open-end  Closed-end

10. State law under which the fund was organized or formed (e.g., Delaware, Massachusetts):

Maryland

11. Provide the name and address of each investment adviser of the fund (including sub-advisers) during the last five years, even if the fund's contracts with those advisers have been terminated:

UBS Global Asset Management (US) Inc.  
1285 Avenue of the Americas, 12th Floor  
New York, New York 10019-6028  
(212) 821-3000

UBS Global Asset Management (Americas) Inc.  
1285 Avenue of the Americas, 12th Floor  
New York, New York 10019-6028  
(212) 821-3000

12. Provide the name and address of each principal underwriter of the fund during the last five years, even if the fund's contracts with those underwriters have been terminated:

Not Applicable.

13. If the fund is a unit investment trust ("UIT") provide:

(a) Depositors' name(s) and address(es):

Not Applicable.

(b) Trustees' name(s) and address(es):

Not Applicable.

14. Is there a UIT registered under the Act that served as a vehicle for investment in the fund (e.g., an insurance company separate account)?

Yes  No

If Yes, for each UIT state (name, file no. and business address):

15. (a) Did the fund obtain approval from the board of directors concerning the decision to engage in a Merger, Liquidation or Abandonment of Registration?

Yes  No

If Yes, state the date on which the board vote took place:

November 30, 2009

If No, explain:

(b) Did the fund obtain approval from the shareholders concerning the decision to engage in a Merger, Liquidation or Abandonment of Registration?

Yes  No

If Yes, state the date on which the shareholder vote took place:

February 23, 2010

If No, explain:



II. Distributions to Shareholders

16. Has the fund distributed any assets to its shareholders in connection with the Merger or Liquidation?

Yes  No

(a) If Yes, list the date(s) on which the fund made those distributions:

April 16, 2010 (Series A auction preferred shares)  
April 19, 2010 (Series B auction preferred shares)  
April 20, 2010 (Series C auction preferred shares)  
May 10, 2010 (common shares)

(b) Were the distributions made on the basis of net assets?

Yes  No

(c) Were the distributions made pro rata based on share ownership?

Yes  No

(d) If No to (b) or (c) above, describe the method of distributions to shareholders. For Mergers, provide the exchange ratio(s) used and explain how it was calculated:

(e) Liquidations only:

Were any distributions to shareholders made in kind?

Yes  No

If Yes, indicate the percentage of fund shares owned by affiliates or any other affiliation of shareholders:

17. Closed-end funds only:

Has the fund issued senior securities?

Yes  No

If Yes, describe the method of calculating payments to senior securityholders and distributions to other shareholders:

The fund's outstanding auction preferred shares were redeemed in full on April 16, 2010, April 19, 2010 and April 20, 2010. Each preferred shareholder received (i) the liquidation preference of \$50,000 per share plus (ii) accumulated but unpaid dividends up to and including the applicable redemption date. Following the redemption of the auction preferred shares, the remaining net assets of the fund were distributed on a pro rata basis to the fund's common shareholders.

18. Has the fund distributed all of its assets to the fund's shareholders?

Yes  No

If No,

(a) How many shareholders does the fund have as of the date this form is filed?

(b) Describe the relationship of each remaining shareholder to the fund:

19. Are there any shareholders who have not yet received distributions in complete liquidation of their interests?

Yes  No

If Yes, describe briefly the plans (if any) for distributing to, or preserving the interests of, those shareholders:

### III. Assets and Liabilities

20. Does the fund have any assets as of the date this form is filed?

Yes  No

If Yes,

(a) Describe the type and amount of each asset retained by the fund as of the date this form is filed:

(b) Why has the fund retained the remaining assets?

(c) Will the remaining assets be invested in securities?

Yes  No

21. Does the fund have any outstanding debts (other than face-amount certificates if the fund is a face-amount certificate company) or any other liabilities?

Yes  No

If yes,

(a) Describe the type and amount of each debt or other liability:

(b) How does the fund intend to pay these outstanding debts or other liabilities?

### IV. Information About Event(s) Leading to Request For Deregistration

22. (a) List the expenses incurred in connection with the Merger or Liquidation:

(i) Legal expenses: \$ 230,000

(ii) Accounting expenses: \$ 0

(iii) Other expenses (list and identify separately):

Printing: \$ 12,000

Postage: \$ 7,000

Transfer agency expenses: \$ 12,000

Miscellaneous: \$ 2,000

(iv) Total expenses (sum of lines (i) - (iii) above): \$ 263,000

(b) How were those expenses allocated?

Those expenses were allocated to the fund.

(c) Who paid those expenses?

As indicated above, the fund paid those expenses.

(d) How did the fund pay for unamortized expenses (if any)?

Not Applicable.

23. Has the fund previously filed an application for an order of the Commission regarding the Merger or Liquidation?

Yes  No

If Yes, cite the release number of the Commission's notice and order or, if no notice or order has been issued, the file number and date the application was filed:

V. Conclusion of Fund Business

24. Is the fund a party to any litigation or administrative proceeding?

Yes  No

If Yes, describe the nature of any litigation or proceeding and the position taken by the fund in that litigation:

25. Is the fund now engaged, or intending to engage, in any business activities other than those necessary for winding up its affairs?

Yes  No

If Yes, describe the nature and extent of those activities:

VI. Mergers Only

Not applicable.

26. (a) State the name of the fund surviving the Merger:

(b) State the Investment Company Act file number of the fund surviving the Merger:

(c) If the merger or reorganization agreement has been filed with the Commission, state the file number(s), form type used and date the agreement was filed:

(d) If the merger or reorganization agreement has not been filed with the Commission, provide a copy of the agreement as an exhibit to this form.



VERIFICATION

The undersigned states that (i) he has executed this Form N-8F application for an order under Section 8(f) of the Investment Company Act of 1940, as amended, on behalf of Investment Grade Municipal Fund Inc., (ii) he is the Vice President and Assistant Secretary of Investment Grade Municipal Fund Inc. and (iii) all actions by shareholders, directors, and any other body necessary to authorize the undersigned to execute and file this Form N-8F application have been taken. The undersigned also states that the facts set forth in this Form N-8F application are true to the best of his knowledge, information, and belief.

/s/ Keith Weller  
Keith Weller