

BLACKROCK MUNICIPAL INCOME QUALITY TRUST  
Form N-CSRS  
May 01, 2012  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21178

Name of Fund: BlackRock Municipal Income Quality Trust (BYM)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal Income Quality Trust, 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2012

Date of reporting period: 02/29/2012

Item 1 – Report to Stockholders

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February 29, 2012

## Semi-Annual Report (Unaudited)

BlackRock Municipal Bond Investment Trust (BIE)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Income Investment Quality Trust (BAF)

BlackRock Municipal Income Quality Trust (BYM)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Investment Quality Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

**Not FDIC Insured § No  
Bank Guarantee § May  
Lose Value**

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## Dear Shareholder

Risk assets were advancing at this time last year despite a wave of geopolitical revolutions, soaring oil prices and natural disasters in Japan. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5, 2011, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region's debt crisis. Investors began to reenter the markets and risk assets recovered through the month. But a lack of definitive details about Europe's rescue plan eventually raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw more political instability in Greece, unsustainable yields on Italian government bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated the markets, but investor confidence was easily tempered by sobering news flow.

Investors showed more optimism at the start of 2012. Risk assets rallied through January and February as economic data grew stronger and debt problems in Europe stabilized. In the United States, jobs data signaled solid improvement in the labor market and the Federal Reserve indicated that it would keep short-term interest rates low through 2014. In Europe, policymakers made significant progress toward securing a Greek bailout plan and restructuring the nation's debt. Nevertheless, considerable headwinds remain. Europe faces a prolonged recession, the US economy still remains somewhat shaky and the risks of additional flare ups of euro-zone debt problems and slowing growth in China weigh heavily on the future of the global economy.

Risk assets, including equities and high yield bonds, recovered their late-summer losses and posted strong returns for the 6-month period ended February 29, 2012. On a 12-month basis, US large-cap stocks and high yield bonds delivered positive results, while small-cap and emerging-market stocks finished slightly negative. International markets, which experienced some significant downturns in 2011, lagged the broader rebound. Fixed income securities, which benefited from declining yields, advanced over the 6- and 12-month periods. Despite their quality rating downgrade, US Treasury bonds performed particularly well. Municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain. For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times. Visit [blackrock.com/newworld](http://blackrock.com/newworld) for more information.

Sincerely

### **Rob Kapito**

President, BlackRock Advisors, LLC

*For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times.*

### **Rob Kapito**

President, BlackRock Advisors, LLC

Total Returns as of February 29, 2012

| 6-month | 12-month |
|---------|----------|
| 13.31%  | 5.12%    |

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|  |       |        |
|--|-------|--------|
| US large cap equities<br>(S&P 500® Index)  |       |        |
| US small cap equities<br>(Russell 2000® Index)   | 12.40 | (0.15) |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                | 4.13  | (7.45) |
| Emerging market<br>equities (MSCI Emerging<br>Markets Index)                           | 5.27  | (0.11) |
| 3-month Treasury<br>bill (BofA Merrill Lynch<br>3-Month Treasury<br>Bill Index)        | 0.00  | 0.08   |
| US Treasury securities<br>(BofA Merrill Lynch 10-<br>Year US Treasury Index)           | 3.70  | 17.22  |
| US investment grade bonds<br>(Barclays US Aggregate<br>Bond Index)                     | 2.73  | 8.37   |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                            | 5.93  | 12.88  |
| US high yield bonds<br>(Barclays US Corporate<br>High Yield 2% Issuer<br>Capped Index) | 8.62  | 6.92   |

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

### For the 12-Month Period Ended February 29, 2012

One year ago, the municipal bond market was steadily recovering from a difficult fourth quarter of 2010 that brought severe losses amid a steepening US Treasury yield curve and a flood of inflated headlines about municipal finance troubles. Retail investors had lost confidence in municipals and retreated from the market. Political uncertainty surrounding the midterm elections and tax policies exacerbated the situation. These conditions combined with seasonal illiquidity weakened willful market participation from the trading community. December 2010 brought declining demand with no comparable reduction in supply as issuers rushed their deals to market before the Build America Bond program was retired. This supply-demand imbalance led to wider quality spreads and higher yields for municipal bonds heading into 2011.

Demand is usually strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds in the first half of 2011. From the middle of November 2010, outflows persisted for 29 consecutive weeks, totaling \$35.1 billion before the trend finally broke in June 2011. However, weak demand was counterbalanced by lower supply in 2011. According to Thomson Reuters, new issuance was down 32% in 2011 as compared to the prior year. While these technical factors were improving, municipalities were struggling to balance their budgets, although the late-2010 predictions for widespread municipal defaults did not materialize. Other concerns that resonated at the beginning of the year, such as rising interest rates, weakening credits and higher rates of inflation, abated as these scenarios also did not come to fruition.

On August 5, 2011, Standard & Poor's (S&P) downgraded the US government's credit rating from AAA to AA+. While this led to the downgrade of approximately 11,000 municipal issues directly tied to the US debt rating, this represented a very small fraction of the municipal market and said nothing about the individual municipal credits themselves. In fact, demand for municipal bonds increased as severe volatility in US equities drove investors to more stable asset classes. The municipal market benefited from an exuberant Treasury market and continued muted new issuance. As supply remained constrained, demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history. The S&P Municipal Bond Index returned 10.62% in 2011, making municipal bonds a top-performing fixed income asset class for the year.

Market technicals often begin a new year quite strong, only to moderate by the end of February as increasing supply begins to satisfy demand. This theme remained intact for 2012. Overall, the municipal yield curve flattened during the period from February 28, 2011 to February 29, 2012. As measured by Thomson Municipal Market Data, yields declined by 146 basis points (bps) to 3.23% on AAA-rated 30-year municipal bonds and by 112 bps to 1.85% on 10-year bonds, while yields on 5-year issues fell 108 bps to 0.68%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 101 bps, and in the 2- to 10-year range, the spread tightened by 67 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country, while a small number of states continue to rely on a "kick-the-can" approach to close their budget shortfalls, with aggressive revenue projections and accounting gimmicks. It has been over a year since the first highly publicized interview about the fiscal problems plaguing state and local governments. Thus far, the prophecy of widespread defaults across the municipal market has not materialized. In 2011, there were fewer municipal defaults than seen in 2010. Throughout 2011 monetary defaults in the S&P Municipal Bond Index totaled roughly \$805 million, representing less than 0.48% of the index. BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

## Trust Summary as of February 29, 2012

## BlackRock Municipal Bond Investment Trust

## Trust Overview

**BlackRock Municipal Bond Investment Trust s (BIE) (the Trust )** investment objective is to provide current income exempt from regular federal income tax and Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

## Performance

For the six months ended February 29, 2012, the Trust returned 17.53% based on market price and 13.50% based on net asset value ( NAV ). For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter-term rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health, transportation and education sectors experienced the strongest price appreciation.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

## Trust Information

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange ( NYSE )                                   | BIE            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of February 29, 2012 (\$16.19) <sup>1</sup> | 6.00%          |
| Tax Equivalent Yield <sup>2</sup>  | 9.23%          |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0810       |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.9720       |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 38%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Variable Rate Demand Preferred Shares ( VRDP Shares ) and tender option bond trusts ( TOBs ) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

|                 |                |                |               |             |            |
|-----------------|----------------|----------------|---------------|-------------|------------|
|                 | <b>2/29/12</b> | <b>8/31/11</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
| Market Price    | \$16.19        | \$14.22        | 13.85%        | \$16.60     | \$14.18    |
| Net Asset Value | \$16.13        | \$14.67        | 9.95%         | \$16.19     | \$14.67    |

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

**Sector Allocations**

|  | 2/29/12 | 8/31/11 |
|--|---------|---------|
| Transportation                               | 21%     | 21%     |
| County/City/Special District/School District | 21      | 17      |
| Utilities                                    | 17      | 19      |
| Health                                       | 15      | 23      |
| State  | 10      | 6       |
| Education                                    | 9       | 7       |
| Housing                                      | 5       | 5       |
| Corporate                                    | 1       | 1       |
| Tobacco                                      | 1       | 1       |

**Credit Quality Allocations<sup>5</sup>**

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| AAA/Aaa   | 11%     | 10%     |
| AA/Aa     | 64      | 62      |
| A         | 19      | 21      |
| BBB/Baa   | 5       | 6       |
| BB/Ba     |         | 1       |
| Not Rated | 1       |         |

<sup>5</sup> Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.



## Trust Summary as of February 29, 2012

BlackRock Municipal Bond Trust

## Trust Overview

**BlackRock Municipal Bond Trust s (BBK) (the Trust )** investment objective is to provide current income exempt from regular federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from regular federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its assets in municipal bonds that are investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

## Performance

For the six months ended February 29, 2012, the Trust returned 17.13% based on market price and 14.84% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, the Trust benefited from the declining interest rate environment (bond prices rise when interest rates fall), the flattening of the yield curve (long-term interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Trust s exposure to zero-coupon bonds and the health sector had a significant impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening during the period.

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## Trust Information

|  |                |
|--|----------------|
| Symbol on NYSE   | BBK            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of February 29, 2012 (\$16.81) <sup>1</sup> | 6.32%          |
| Tax Equivalent Yield <sup>2</sup>  | 9.72%          |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0885       |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$1.0620       |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 35%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Variable Rate Muni Term Preferred Shares ( VMTP Shares ) and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$16.81 | \$14.86 | 13.12% | \$17.44 | \$14.80 |
| Net Asset Value | \$16.06 | \$14.48 | 10.91% | \$16.10 | \$14.48 |

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

**Sector Allocations**

|  | 2/29/12 | 8/31/11 |
|--|---------|---------|
| Health                                       | 20%     | 21%     |
| State  | 15      | 14      |
| Education                                    | 13      | 10      |
| County/City/Special District/School District | 13      | 12      |
| Transportation                               | 12      | 10      |
| Housing                                      | 10      | 14      |
| Corporate                                    | 9       | 10      |
| Utilities                                    | 5       | 7       |
| Tobacco                                      | 3       | 2       |

**Credit Quality Allocations<sup>5</sup>**

|                        | 2/29/12 | 8/31/11 |
|------------------------|---------|---------|
| AAA/Aaa                | 6%      | 11%     |
| AA/Aa                  | 39      | 35      |
| A                      | 25      | 18      |
| BBB/Baa                | 18      | 22      |
| BB/Ba                  | 5       | 1       |
| B                      | 1       | 6       |
| CCC/Caa                |         | 1       |
| Not Rated <sup>6</sup> | 6       | 6       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 29, 2012 and August 31, 2011, the market value of these securities was \$3,120,455, representing 1%, and \$4,646,558, representing 2%, respectively, of the Trust's long-term investments.

## Trust Summary as of February 29, 2012

## BlackRock Municipal Income Investment Quality Trust

**Trust Overview**

**BlackRock Municipal Income Investment Quality Trust s (BAF) (the Trust )** investment objective is to provide current income exempt from federal income tax, including the alternative minimum tax and Florida intangible property tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its assets in municipal bonds exempt from federal income taxes, including the alternative minimum tax. The Trust also invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

**Performance**

For the six months ended February 29, 2012, the Trust returned 16.65% based on market price and 13.40% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter-term rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health, transportation and education sectors experienced the strongest price appreciation.

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**Trust Information**

|  |                  |
|--|------------------|
| Symbol on NYSE   | BAF              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of February 29, 2012 (\$15.76) <sup>1</sup> | 5.67%            |
| Tax Equivalent Yield <sup>2</sup>  | 8.72%            |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0745         |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.8940         |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 35%              |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$15.76 | \$13.92 | 13.22% | \$16.17 | \$13.76 |
| Net Asset Value | \$15.96 | \$14.50 | 10.07% | \$16.01 | \$14.50 |

The following charts show the sector and credit quality allocations of the Trust s long-term investments:

**Sector Allocations**

|  | <b>2/29/12</b> | <b>8/31/11</b> |
|--|----------------|----------------|
| County/City/Special District/School District | 29%            | 34%            |
| Utilities                                    | 29             | 22             |
| Transportation                               | 17             | 16             |
| Health                                       | 11             | 9              |
| Education                                    | 6              | 9              |
| State  | 6              | 8              |
| Housing                                      | 1              | 1              |
| Tobacco                                      | 1              | 1              |

**Credit Quality Allocations<sup>5</sup>**

|         | <b>2/29/12</b> | <b>8/31/11</b> |
|---------|----------------|----------------|
| AAA/Aaa | 7%             | 14%            |
| AA/Aa   | 78             | 70             |
| A       | 14             | 12             |
| BBB/Baa | 1              | 4              |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

## Trust Summary as of February 29, 2012

## BlackRock Municipal Income Quality Trust

## Trust Overview

**BlackRock Municipal Income Quality Trust s (BYM) (the Trust )** investment objective is to provide current income exempt from federal income taxes, including the alternative minimum tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its assets in municipal bonds exempt from federal income taxes, including the alternative minimum tax. The Trust also invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

## Performance

For the six months ended February 29, 2012, the Trust returned 17.33% based on market price and 13.28% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, the Trust benefited from the declining interest rate environment (bond prices rise when interest rates fall), the flattening of the yield curve (long-term interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Trust s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening during the period.

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## Trust Information

|  |                  |
|--|------------------|
| Symbol on NYSE   | BYM              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of February 29, 2012 (\$15.75) <sup>1</sup> | 5.87%            |
| Tax Equivalent Yield <sup>2</sup>  | 9.03%            |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0770         |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.9240         |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 36%              |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The Monthly Distribution per Common Share, declared on March 1, 2012, was increased to \$0.0780 per share. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

| 2/29/12 | 8/31/11 | Change | High | Low |
|---------|---------|--------|------|-----|
|---------|---------|--------|------|-----|

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|                 |         |         |        |         |         |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$15.75 | \$13.85 | 13.72% | \$15.86 | \$13.76 |
| Net Asset Value | \$15.47 | \$14.09 | 9.79%  | \$15.52 | \$14.09 |

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

**Sector Allocations**

|  | 2/29/12 | 8/31/11 |
|--|---------|---------|
| Transportation                               | 23%     | 24%     |
| County/City/Special District/School District | 20      | 18      |
| Utilities                                    | 18      | 21      |
| State  | 15      | 14      |
| Health                                       | 9       | 8       |
| Education                                    | 6       | 6       |
| Tobacco                                      | 5       | 6       |
| Corporate                                    | 3       | 2       |
| Housing                                      | 1       | 1       |

**Credit Quality Allocations<sup>5</sup>**

|         | 2/29/12 | 8/31/11 |
|---------|---------|---------|
| AAA/Aaa | 28%     | 21%     |
| AA/Aa   | 49      | 58      |
| A       | 14      | 13      |
| BBB/Baa | 9       | 8       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

## Trust Summary as of February 29, 2012

## BlackRock Municipal Income Trust II

## Trust Overview

**BlackRock Municipal Income Trust II s (BLE) (the Trust )** investment objective is to provide current income exempt from regular federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

## Performance

For the six months ended February 29, 2012, the Trust returned 15.47% based on market price and 13.99% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Among contributing factors, the most significant were the Trust s duration profile (sensitivity to interest rate movements) and yield curve positioning, both of which were designed to benefit in an environment where interest rates moved broadly lower and, more specifically, where long-term municipal yields decline relative to short-term yields. Security selection and sector allocation also provided meaningful contributions to the Trust s performance. Most notably, the Trust s holdings in transportation, health and tobacco boosted returns as these sectors outperformed the broader market during the period. The Trust s investments in local municipalities and school districts within the tax-backed sector were a modest drag on returns as these segments tended to underperform the overall market.

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## Trust Information

|  |               |
|--|---------------|
| Symbol on NYSE Amex  | BLE           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of February 29, 2012 (\$15.77) <sup>1</sup> | 6.35%         |
| Tax Equivalent Yield <sup>2</sup>  | 9.77%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$ 0.0835     |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$ 1.0020     |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 38%           |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The Monthly Distribution per Common Share, declared on March 1, 2012, was increased to \$0.0850 per share. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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The table below summarizes the changes in the Trust's market price and NAV per share:

|                 | 2/29/12  | 8/31/11  | Change | High     | Low     |
|-----------------|----------|----------|--------|----------|---------|
| Market Price    | \$ 15.77 | \$ 14.13 | 11.61% | \$ 16.05 | \$13.85 |
| Net Asset Value | \$ 15.38 | \$ 13.96 | 10.17% | \$ 15.40 | \$13.96 |

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Health                       | 19%     | 21%     |
| Transportation               | 17      | 13      |
| State                        | 16      | 16      |
| Utilities                    | 14      | 13      |
| Corporate                    | 9       | 10      |
| County/City/Special District | 9       | 10      |
| Education                    | 8       | 8       |
| Tobacco                      | 5       | 4       |
| Housing                      | 3       | 5       |

### Credit Quality Allocations<sup>5</sup>

|                        | 2/29/12 | 8/31/11 |
|------------------------|---------|---------|
| AAA/Aaa                | 10%     | 10%     |
| AA/Aa                  | 34      | 32      |
| A                      | 27      | 26      |
| BBB/Baa                | 17      | 16      |
| BB/Ba                  | 2       | 5       |
| B                      | 3       | 4       |
| Not Rated <sup>6</sup> | 7       | 7       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 29, 2012 and August 31, 2011, the market value of these securities was \$15,304,944, representing 3%, and \$11,677,703, representing 2%, respectively, of the Trust's long-term investments.



## Trust Summary as of February 29, 2012

## BlackRock MuniHoldings Investment Quality Fund

**Trust Overview**

**BlackRock MuniHoldings Investment Quality Fund s (MFL) (the Trust )** investment objective is to provide shareholders with current income exempt from federal income tax and to provide shareholders with the opportunity to own shares the value of which is exempt from Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

**Performance**

For the six months ended February 29, 2012, the Trust returned 14.18% based on market price and 13.02% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As the yield curve flattened during the period (longer-term interest rates fell more than shorter-term rates), rising bond prices in the long end of the municipal curve contributed positively to the Trust s performance. The Trust s longer-dated holdings in the health, transportation and education sectors experienced the strongest price appreciation.

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**Trust Information**

|  |                    |
|--|--------------------|
| Symbol on NYSE   | MFL                |
| Initial Offering Date  | September 26, 1997 |
| Yield on Closing Market Price as of February 29, 2012 (\$15.31) <sup>1</sup> | 6.00%              |
| Tax Equivalent Yield <sup>2</sup>  | 9.23%              |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0765           |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.9180           |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 39%                |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

| 2/29/12 | 8/31/11 | Change | High | Low |
|---------|---------|--------|------|-----|
|---------|---------|--------|------|-----|

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|                 |          |          |        |          |         |
|-----------------|----------|----------|--------|----------|---------|
| Market Price    | \$ 15.31 | \$ 13.84 | 10.62% | \$ 15.39 | \$13.20 |
| Net Asset Value | \$ 15.33 | \$ 14.00 | 9.50%  | \$ 15.40 | \$14.00 |

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

|  | 2/29/12 | 8/31/11 |
|--|---------|---------|
| Transportation                               | 24%     | 25%     |
| Utilities                                    | 21      | 25      |
| County/City/Special District/School District | 21      | 18      |
| State  | 11      | 10      |
| Health                                       | 10      | 11      |
| Education                                    | 9       | 6       |
| Housing                                      | 3       | 4       |
| Tobacco                                      | 1       | 1       |

### Credit Quality Allocations<sup>5</sup>

|                        | 2/29/12 | 8/31/11 |
|------------------------|---------|---------|
| AAA/Aaa                | 9%      | 12%     |
| AA/Aa                  | 76      | 72      |
| A                      | 14      | 12      |
| BBB/Baa                | 1       | 2       |
| Not Rated <sup>6</sup> |         | 2       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 29, 2012 and August 31, 2011, the market value of these securities was \$1,114,020 and \$3,979,631, each representing less than 1%, respectively, of the Trust's long-term investments.

## Trust Summary as of February 29, 2012

BlackRock MuniVest Fund, Inc.

**Trust Overview**

**BlackRock MuniVest Fund, Inc. s (MVF) (the Trust )** investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, primarily in long term municipal obligations rated investment grade at the time of investment and invests primarily in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

**Performance**

For the six months ended February 29, 2012, the Trust returned 14.27% based on market price and 11.65% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 14.97% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, municipal bond prices generally rose as the yield curve flattened (longer-term interest rates fell more than shorter-term rates) and credit spreads tightened. Given these market conditions, the Fund s exposure to longer-maturity bonds and lower-quality investment grade bonds had a significant positive impact on the Fund s performance. The Fund s exposure to zero-coupon bonds and the health sector also boosted returns as these types of bonds derived the greatest benefit from the decline in interest rates and spread tightening during the period.

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**Trust Information**

|  |                    |
|--|--------------------|
| Symbol on NYSE Amex  | MVF                |
| Initial Offering Date  | September 29, 1988 |
| Yield on Closing Market Price as of February 29, 2012 (\$10.73) <sup>1</sup> | 6.60%              |
| Tax Equivalent Yield <sup>2</sup>  | 10.15%             |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$ 0.0590          |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$ 0.7080          |
| Economic Leverage as of February 29, 2012 <sup>4</sup>                       | 40%                |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

The table below summarizes the changes in the Trust s market price and NAV per share:

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|                 | 2/29/12  | 8/31/11 | Change | High     | Low     |
|-----------------|----------|---------|--------|----------|---------|
| Market Price    | \$ 10.73 | \$ 9.73 | 10.28% | \$ 10.99 | \$ 9.63 |
| Net Asset Value | \$ 10.29 | \$ 9.55 | 7.75%  | \$ 10.32 | \$ 9.55 |

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

## Sector Allocations

|  | 2/29/12 | 8/31/11 |
|--|---------|---------|
| Health                                       | 23%     | 23%     |
| Transportation                               | 19      | 17      |
| Corporate                                    | 12      | 13      |
| Utilities                                    | 12      | 12      |
| County/City/Special District/School District | 9       | 9       |
| Education                                    | 9       | 9       |
| State  | 8       | 8       |
| Housing                                      | 6       | 7       |
| Tobacco                                      | 2       | 2       |

## Credit Quality Allocations<sup>5</sup>

|                        | 2/29/12 | 8/31/11 |
|------------------------|---------|---------|
| AAA/Aaa                | 12%     | 12%     |
| AA/Aa                  | 47      | 46      |
| A                      | 24      | 22      |
| BBB/Baa                | 14      | 15      |
| BB/Ba                  | 1       | 1       |
| B                      | 1       | 1       |
| Not Rated <sup>6</sup> | 2       | 3       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 29, 2012 and August 31, 2011, the market value of these securities was \$19,911,457 and \$22,724,541, each representing 2%, respectively, of the Trust's long-term investments.

## The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and NAV of their common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

To obtain leverage, the Trusts issue Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP Shares ) and previously issued and had outstanding Auction Market Preferred Shares ( AMPS ) (VRDP Shares, VMTP Shares, and as applicable AMPS, are collectively referred to as Preferred Shares ). Preferred Shares pay dividends at prevailing short-term interest rates, and the Trusts invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's shareholders will benefit from the incremental net income.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares ( Preferred Shareholders ) are significantly lower than the income earned on the Trust's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Trust pays higher short-term interest rates whereas the Trust's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Trusts' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Trusts' Preferred Shares and/or debt securities does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAVs positively or negatively in addition to the impact on Trust performance from leverage from Preferred Shares and borrowings discussed above.

The Trusts may also leverage their assets through the use of tender option bond trusts ( TOBs ), as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Trusts with economic benefits in periods of declining short-term interest rates, but expose the Trusts to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Trusts, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Trust's NAV per share.

The use of leverage may enhance opportunities for increased income to the Trusts and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Trusts' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Trust's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Trust to incur losses. The use of leverage may limit each Trust's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Trusts. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by the Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Trusts are permitted to issue senior securities in the form of equity securities (e.g., Preferred Shares) up to 50% of their total managed assets (each Trust's net assets plus the proceeds of any outstanding borrowings). In addition, each Trust voluntarily limits its economic leverage to 45% of its total managed assets for Trusts with VRDP Shares or VMTP Shares. As of February 29, 2012, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

|     | <b>Percent of<br/>Economic<br/>Leverage</b> |
|-----|---|
| BIE | 38%   |
| BBK | 35%   |
| BAF | 35%   |
| BYM | 36%   |
| BLE | 38%   |
| MFL | 39%   |
| MVF | 40%   |

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Schedule of Investments February 29, 2012 (Unaudited)

BlackRock Municipal Bond Investment Trust (BIE)  
(Percentages shown are based on Net Assets)

| Municipal Bonds  | Par<br>(000)         | Value        |
|--|----------------------|--------------|
| <b>Alabama 0.3%</b>  |                      |              |
| Selma IDB, RB, International Paper Co. Project, Series A, 5.38%, 12/01/35  | \$ 145               | \$ 151,883   |
| <b>Alaska 0.3%</b>   |                      |              |
| Northern Tobacco Securitization Corp., RB, Asset-Backed Series A, 5.00%, 6/01/46                                   | 180                  | 131,441      |
| <b>California 10.6%</b>  |                      |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38      | 700                  | 798,672      |
| California Health Facilities Financing Authority, RB, Scripps Health, Series A, 5.00%, 11/15/40                    | 90                   | 97,782       |
| California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39 | 120                  | 137,341      |
| Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45                               | 950                  | 998,412      |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38                          | 1,660                | 1,892,782    |
| San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36   | 850                  | 943,067      |
| State of California, GO, Various Purpose, 6.00%, 3/01/33   | 685                  | 820,048      |
|  |                      | 5,688,104    |
| <b>Colorado 1.2%</b>   |                      |              |
| Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34                  | 580                  | 640,256      |
| <b>Delaware 1.3%</b>   |                      |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40                             | 655                  | 705,468      |
| <b>District of Columbia 1.4%</b>   |                      |              |
| District of Columbia Water & Sewer Authority, RB, Series A, 5.25%, 10/01/29  | 640                  | 747,418      |
| <b>Florida 1.7%</b>  |                      |              |
| Orange County Health Facilities Authority, RB, The Nemours Foundation Project, Series A, 5.00%, 1/01/29            | 415                  | 453,076      |
| Village Community Development District No. 9, RB, Special Assessment Revenue, 5.25%, 5/01/31                       | 475                  | 480,491      |
|  |                      | 933,567      |
| <b>Municipal Bonds</b>   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Georgia 1.2%</b>  |                      |              |
| Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23                   | \$ 555               | \$ 667,837   |
| <b>Illinois 11.7%</b>  |                      |              |
| Chicago Board of Education Illinois, GO, Series A: 5.50%, 12/01/39   | 500                  | 566,100      |
| 5.00%, 12/01/41  | 565                  | 609,285      |

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|  |       |           |
|--|-------|-----------|
| Chicago Transit Authority, RB, Sales Tax Receipts Revenue, 5.25%, 12/01/36                                     | 165   | 183,629   |
| City of Chicago Illinois, RB:  |       |           |
| O Hare International Airport Revenue, General, Third Lien, Series C, (AGM), 6.50%, 1/01/41                     | 1,590 | 1,913,629 |
| Sales Tax Revenue, Series A, 5.25%, 1/01/38  | 205   | 229,737   |
| Illinois Finance Authority, RB:  |       |           |
| Carle Foundation, Series A, 6.00%, 8/15/41   | 750   | 823,162   |
| Navistar International, Recovery Zone, 6.50%, 10/15/40   | 270   | 289,478   |
| Northwestern Memorial Hospital, 6.00%, 8/15/39   | 1,000 | 1,148,040 |
| Railsplitter Tobacco Settlement Authority, RB:   |       |           |
| 5.50%, 6/01/23   | 365   | 420,400   |
| 6.00%, 6/01/28   | 105   | 117,482   |
|  |       | 6,300,942 |
| <b>Indiana 5.4%</b>  |       |           |
| Indiana Finance Authority Wastewater Utility, RB, First Lien, CWA Authority Project, Series A, 5.25%, 10/01/31 | 770   | 880,965   |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39   | 1,190 | 1,353,208 |
| Indianapolis Local Public Improvement Bond Bank, RB, Series K (AGM), 5.00%, 6/01/25                            | 605   | 688,599   |
|  |       | 2,922,772 |
| <b>Iowa 0.2%</b>   |       |           |
| Iowa Tobacco Settlement Authority, RB, Asset-Backed, Series C, 5.63%, 6/01/46                                  | 140   | 107,930   |
| <b>Kansas 1.9%</b>   |       |           |
| Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29                          | 900   | 1,038,420 |
| <b>Kentucky 3.8%</b>   |       |           |
| Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40 | 350   | 392,501   |

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|              |   |
|--------------|---|
| <b>AGC</b>   | Assured Guaranty Corp.                  |
| <b>AGM</b>   | Assured Guaranty Municipal Corp.        |
| <b>AMBAC</b> | American Municipal Bond Assurance Corp. |
| <b>AMT</b>   | Alternative Minimum Tax (subject to)    |
| <b>BHAC</b>  | Berkshire Hathaway Assurance Corp.      |
| <b>CAB</b>   | Capital Appreciation Bonds              |
| <b>CIFG</b>  | CDC IXIS Financial Guaranty             |
| <b>COP</b>   | Certificates of Participation           |
| <b>EDA</b>   | Economic Development Authority          |
| <b>EDC</b>   | Economic Development Corp.              |
| <b>ERB</b>   | Education Revenue Bonds                 |
| <b>FGIC</b>  | Financial Guaranty Insurance Co.        |
| <b>FHA</b>   | Federal Housing Administration          |
| <b>GARB</b>  | General Airport Revenue Bonds           |
| <b>GO</b>    | General Obligation Bonds                |
| <b>HDA</b>   | Housing Development Authority           |
| <b>HFA</b>   | Housing Finance Agency                  |
| <b>HRB</b>   | Housing Revenue Bonds                   |
| <b>IDA</b>   | Industrial Development Authority        |



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|                |   |
|----------------|---|
| <b>IDB</b>     | Industrial Development Board            |
| <b>ISD</b>     | Independent School District             |
| <b>MRB</b>     | Mortgage Revenue Bonds                  |
| <b>NPFGC</b>   | National Public Finance Guarantee Corp. |
| <b>PSF-GTD</b> | Permanent School Fund Guaranteed        |
| <b>Q-SBLF</b>  | Qualified School Bond Loan Fund         |
| <b>RB</b>      | Revenue Bonds                           |
| <b>S/F</b>     | Single Family                           |
| <b>SBPA</b>    | Stand-by Purchase Agreement             |
| <b>VRDN</b>    | Variable Rate Demand Notes              |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Municipal Bond Investment Trust (BIE)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Municipal Bonds</b>  |              |            |
| <b>Kentucky (concluded)</b>   |              |            |
| Louisville & Jefferson County Metropolitan Government,<br>RB, Jewish Hospital & St. Mary's HealthCare, 6.13%,<br>2/01/37                              | \$ 675       | \$ 723,114 |
| Louisville & Jefferson County Metropolitan Government<br>Parking Authority, RB, Series A, 5.75%, 12/01/34   | 800          | 928,360    |
|   |              | 2,043,975  |
| <b>Louisiana 0.8%</b>   |              |            |
| Louisiana Local Government Environmental Facilities &<br>Community Development Authority, RB, Westlake<br>Chemical Corp., Series A-1, 6.50%, 11/01/35 | 380          | 424,498    |
| <b>Maine 1.5%</b>   |              |            |
| Maine Health & Higher Educational Facilities Authority,<br>RB, Maine General Medical Center, 7.50%, 7/01/32   | 675          | 776,763    |
| <b>Massachusetts 1.3%</b>   |              |            |
| Massachusetts Development Finance Agency,<br>Refunding RB, Trustees of Deerfield Academy,<br>5.00%, 10/01/40  | 375          | 427,144    |
| Massachusetts State College Building Authority, RB,<br>Series A, 5.50%, 5/01/39   | 250          | 279,777    |
|   |              | 706,921    |
| <b>Michigan 3.4%</b>  |              |            |
| Lansing Board of Water & Light, RB, Series A, 5.50%,<br>7/01/41   | 485          | 561,678    |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program, Series I, 6.00%, 10/15/38   | 500          | 570,175    |
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding RB, William Beaumont Hospital,<br>8.25%, 9/01/39  | 530          | 667,599    |
|   |              | 1,799,452  |
| <b>Multi-State 6.1%</b>   |              |            |
| Centerline Equity Issuer Trust, 7.20%, 11/15/52 (a)(b)  | 3,000        | 3,274,380  |
| <b>Nevada 7.9%</b>  |              |            |
| City of Las Vegas Nevada, GO, Limited Tax, Performing<br>Arts Center, 6.00%, 4/01/34  | 1,000        | 1,162,530  |
| County of Clark Nevada, RB:<br>Motor Vehicle Fuel Tax, 5.00%, 7/01/28   | 1,130        | 1,265,193  |
| Series B, 5.75%, 7/01/42  | 1,630        | 1,827,214  |
|   |              | 4,254,937  |
| <b>New Jersey 7.1%</b>  |              |            |
| New Jersey EDA, Refunding RB, School Facilities<br>Construction, Series AA, 5.50%, 12/15/29   | 750          | 850,433    |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, S/F Housing, Series CC, 5.25%, 10/01/29  | 620          | 665,818    |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:<br>Series A, 5.88%, 12/15/38  | 695          | 794,906    |
| Series A, 5.50%, 6/15/41  | 500          | 571,055    |
| Series B, 5.25%, 6/15/36  | 850          | 952,068    |
|   |              | 3,834,280  |
| <b>New York 6.9%</b>  |              |            |

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|   |       |           |
|---|-------|-----------|
| Hudson New York Yards Infrastructure Corp., RB,<br>Series A, 5.75%, 2/15/47   | 145   | 163,833   |
| New York City Transitional Finance Authority, RB:<br>Building Aid, Sub-Series 1A, 5.25%, 7/15/37  | 1,000 | 1,130,290 |
| Fiscal 2009, Series S-3, 5.25%, 1/15/39   | 1,000 | 1,098,420 |
| New York Liberty Development Corp., Refunding RB,<br>Second Priority, Bank of America Tower at One<br>Bryant Park Project, 6.38%, 7/15/49 | 325   | 352,680   |
| Triborough Bridge & Tunnel Authority, RB, General,<br>Series A-2, 5.38%, 11/15/38   | 840   | 952,770   |
|   |       | 3,697,993 |

| Municipal Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Pennsylvania 8.1%</b>  |              |            |
| Pennsylvania Economic Development Financing<br>Authority, RB, American Water Co. Project, 6.20%,<br>4/01/39   | \$ 300       | \$ 346,380 |
| Pennsylvania Turnpike Commission, RB:<br>Sub-Series A, 5.63%, 12/01/31  | 1,000        | 1,135,580  |
| Sub-Series A, 6.00%, 12/01/41   | 1,500        | 1,663,440  |
| Sub-Series C (AGC), 6.25%, 6/01/38  | 500          | 594,895    |
| Philadelphia Hospitals & Higher Education Facilities<br>Authority, RB, Children s Hospital of Philadelphia,<br>Series D, 5.00%, 7/01/32                                     | 575          | 635,939    |
|   |              | 4,376,234  |
| <b>Texas 12.0%</b>  |              |            |
| Central Texas Regional Mobility Authority, RB, Senior<br>Lien, 6.00%, 1/01/41   | 890          | 954,863    |
| Conroe ISD Texas, GO, School Building, Series A, 5.75%,<br>2/15/35  | 470          | 573,499    |
| Harris County Cultural Education Facilities Finance<br>Corp., RB, Texas Children s Hospital Project, 5.25%,<br>10/01/29   | 340          | 387,607    |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare System,<br>Series B, 7.13%, 12/01/31  | 250          | 301,412    |
| Lamar Texas Consolidated Independent School District,<br>GO, Refunding RB, Schoolhouse Improvements,<br>Series A, 5.00%, 2/15/45 (c)  | 350          | 395,083    |
| North Texas Tollway Authority, RB, Special Projects<br>System, Series A, 5.50%, 9/01/41   | 900          | 1,035,837  |
| North Texas Tollway Authority, Refunding RB, System,<br>First Tier, Series K-1 (AGC), 5.75%, 1/01/38  | 250          | 279,743    |
| Tarrant County Cultural Education Facilities Finance<br>Corp., RB, Scott & White Healthcare, 6.00%,<br>8/15/45  | 1,020        | 1,165,982  |
| Texas Private Activity Bond Surface Transportation<br>Corp., RB, Senior Lien, NTE Mobility Partners LLC,<br>North Tarrant Express Managed Lanes Project, 6.88%,<br>12/31/39 | 500          | 566,705    |
| University of Texas System, Refunding RB, Financing<br>System Bonds, Series B, 5.00%, 8/15/43 (c)   | 715          | 820,420    |
|   |              | 6,481,151  |
| <b>Virginia 1.6%</b>  |              |            |
| Virginia Public School Authority, RB, School Financing,<br>6.50%, 12/01/35  | 750          | 882,300    |
| <b>Washington 3.7%</b>  |              |            |
| Port of Seattle, Refunding RB, Intermediate Lien,<br>Series A, 5.00%, 8/01/32 (c)   | 1,000        | 1,137,520  |
|   | 730          | 829,703    |

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University of Washington, Refunding, RB, Series A,  
5.00%, 7/01/41 (c)

1,967,223

**Wisconsin 1.8%**

Wisconsin Health & Educational Facilities Authority, RB,  
Froedtert & Community Health, 5.25%, 4/01/39

890

962,615

**Total Municipal Bonds 103.2%**

55,518,760

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## Schedule of Investments (continued)

**BlackRock Municipal Bond Investment Trust (BIE)**  
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (d)   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>California 19.3%</b>   |              |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39 | \$ 1,005     | \$ 1,133,489 |
| Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40                          | 1,300        | 1,419,340    |
| Los Angeles Community College District California, GO, Election of 2008:                                      |              |              |
| Series A, 6.00%, 8/01/33  | 2,079        | 2,482,119    |
| Series C, 5.25%, 8/01/39  | 1,410        | 1,616,283    |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34                                  | 200          | 221,030      |
| San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39                       | 2,234        | 2,571,339    |
| University of California, RB, Series O, 5.75%, 5/15/34  | 810          | 947,141      |
|   |              | 10,390,741   |
| <b>District of Columbia 3.5%</b>  |              |              |
| District of Columbia, RB, Series A, 5.50%, 12/01/30   | 735          | 879,810      |
| District of Columbia Water & Sewer Authority, RB, Series A, 5.50%, 10/01/39                                   | 899          | 1,016,294    |
|   |              | 1,896,104    |
| <b>Illinois 7.4%</b>  |              |              |
| Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38                               | 1,500        | 1,773,735    |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33   | 2,000        | 2,190,333    |
|   |              | 3,964,068    |
| <b>Massachusetts 1.6%</b>   |              |              |
| Massachusetts School Building Authority, RB, Senior Lien, Series B, 5.00%, 10/15/41                           | 790          | 886,807      |
| <b>Nevada 3.2%</b>  |              |              |
| Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38                                      | 1,500        | 1,743,840    |
| <b>New Hampshire 1.2%</b>   |              |              |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39        | 585          | 664,618      |
| <b>New Jersey 2.0%</b>  |              |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32    | 1,000        | 1,079,640    |
| <b>New York 9.7%</b>  |              |              |
| New York City Municipal Water Finance Authority, RB: Fiscal 2009, Series A, 5.75%, 6/15/40                    | 750          | 870,539      |
| Series FF-2, 5.50%, 6/15/40   | 990          | 1,141,631    |
| New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38   | 1,000        | 1,111,700    |
| New York State Liberty Development Corp., RB, 1 World Trade Center Project, 5.25%, 12/15/43                   | 1,170        | 1,312,681    |
| New York State Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51         | 680          | 772,596      |
|   |              | 5,209,147    |
| <b>Ohio 1.7%</b>  |              |              |

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|   |       |           |
|---|-------|-----------|
| County of Allen Ohio, Refunding RB, Catholic Healthcare,<br>Series A, 5.25%, 6/01/38          | 840   | 894,902   |
| <b>Puerto Rico 1.0%</b>   |       |           |
| Puerto Rico Sales Tax Financing Corp., RB, Sales Tax<br>Revenue, Series C, 5.25%, 8/01/40     | 460   | 510,858   |
| <b>South Carolina 2.1%</b>  |       |           |
| South Carolina State Public Service Authority, RB,<br>Santee Cooper, Series A, 5.50%, 1/01/38 | 1,005 | 1,138,665 |

| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (d)</b>   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Texas 5.2%</b>   |                      |              |
| City of San Antonio Texas, Refunding RB, Series A,<br>5.25%, 2/01/31  | \$ 1,050             | \$ 1,205,613 |
| Harris County Cultural Education Facilities Finance<br>Corp., RB, Hospital, Texas Children s Hospital Project,<br>5.50%, 10/01/39 | 1,450                | 1,616,199    |
|   |                      | 2,821,812    |
| <b>Virginia 1.0%</b>  |                      |              |
| Fairfax County IDA Virginia, Refunding RB, Health Care,<br>Inova Health System, Series A, 5.50%, 5/15/35                          | 460                  | 512,868      |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 58.9%</b>   |                      | 31,714,070   |
| <b>Total Long-Term Investments<br/>(Cost \$78,705,048) 162.1%</b>   |                      | 87,232,830   |

| <b>Short-Term Securities</b>                                    | <b>Shares</b> |               |
|---|---------------|---------------|
| FFI Institutional Tax-Exempt Fund, 0.01% (e)(f)                 | 3,025,425     | 3,025,425     |
| <b>Total Short-Term Securities<br/>(Cost \$3,025,425) 5.6%</b>  |               | 3,025,425     |
| <b>Total Investments (Cost \$81,730,473) 167.7%</b>             |               | 90,258,255    |
| <b>Liabilities in Excess of Other Assets (5.2)%</b>             |               | (2,808,624)   |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |               |               |
| <b>Expense and Fees Payable (29.4)%</b>                         |               | (15,825,594)  |
| <b>VRDP Shares, at Liquidation Value (33.1)%</b>                |               | (17,800,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>            |               | \$ 53,824,037 |

- (a) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

| <b>Counterparty</b>   | <b>Value</b> | <b>Unrealized<br/>Appreciation</b> |
|-----------------------|--------------|------------------------------------|
| Barclays Capital Inc. | \$ 829,703   | \$ 5,606                           |
| JPMorgan Securities   | \$ 1,137,520 | \$ 3,280                           |
| Morgan Keegan & Co.   | \$ 395,083   | \$ 1,491                           |
| Morgan Stanley Co.    | \$ 820,420   | \$ 7,279                           |

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- (d) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--------------------------------------|--------------------------------------|-----------------|--|--------|
| FFI Institutional<br>Tax-Exempt Fund | 2,198,525                            | 826,900         | 3,025,425                              | \$ 231 |

- (f) Represents the current yield as of report date.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 18        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$ 2,362,781   | \$ (13,815)             |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1      | Level 2       | Level 3 | Total         |
|------------------------------------|--------------|---------------|---------|---------------|
| <b>Assets:</b>                     |              |               |         |               |
| Investments:                       |              |               |         |               |
| Long-Term Investments <sup>1</sup> |              | \$ 87,232,830 |         | \$ 87,232,830 |
| Short-Term Securities              | \$ 3,025,425 |               |         | 3,025,425     |
| <b>Total</b>                       | \$ 3,025,425 | \$ 87,232,830 |         | \$ 90,258,255 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                              | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (13,815) |         |         | \$ (13,815) |



- <sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

## Schedule of Investments February 29, 2012 (Unaudited)

BlackRock Municipal Bond Trust (BBK)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Alabama 4.1%</b>  |              |              |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children s Hospital (AGC):  |              |              |
| 6.00%, 6/01/34   | \$ 1,150     | \$ 1,321,614 |
| 6.00%, 6/01/39   | 450          | 514,256      |
| Birmingham Water Works Board, RB, 4.75%, 1/01/36   | 2,100        | 2,214,597    |
| Hoover City Board of Education, GO, Refunding, 4.25%,<br>2/15/40   | 2,750        | 2,857,277    |
|  |              | 6,907,744    |
| <b>Arizona 8.4%</b>  |              |              |
| Arizona Sports & Tourism Authority, RB, Multipurpose<br>Stadium Facilities, Series A (NPFGC), 5.00%, 7/01/31                       | 1,750        | 1,764,315    |
| Arizona State University, RB, Series D, 5.50%, 7/01/26   | 200          | 240,894      |
| County of Pinal Arizona Election District No. 3,<br>Refunding RB, 4.75%, 7/01/31   | 3,750        | 3,955,237    |
| Mohave County Unified School District No. 20 Kingman,<br>GO, School Improvement Project of 2006, Series C<br>(AGC), 5.00%, 7/01/26 | 200          | 225,954      |
| Pima County IDA, Refunding IRDB, Tucson Electric<br>Power, 5.75%, 9/01/29  | 900          | 940,212      |
| Salt Verde Financial Corp., RB, Senior:  |              |              |
| 5.00%, 12/01/32  | 1,500        | 1,509,540    |
| 5.00%, 12/01/37  | 2,065        | 2,064,835    |
| San Luis Facility Development Corp., RB, Senior Lien,<br>Regional Detention Center Project:  |              |              |
| 6.25%, 5/01/15   | 245          | 240,597      |
| 7.00%, 5/01/20   | 300          | 300,513      |
| 7.25%, 5/01/27   | 600          | 553,608      |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM), 5.00%, 10/01/29  | 750          | 821,768      |
| University Medical Center Corp. Arizona, RB:   |              |              |
| 6.00%, 7/01/39   | 900          | 996,165      |
| 6.50%, 7/01/39   | 500          | 566,885      |
|  |              | 14,180,523   |
| <b>California 17.9%</b>  |              |              |
| California County Tobacco Securitization Agency, RB,<br>CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)                          | 4,500        | 52,470       |
| California Educational Facilities Authority, RB, Santa<br>Clara University, 5.00%, 2/01/40   | 1,000        | 1,092,120    |
| California Health Facilities Financing Authority,<br>Refunding RB, Sutter Health, Series B, 5.88%,<br>8/15/31                      | 1,900        | 2,249,353    |
| California HFA, RB, Home Mortgage, Series G, AMT,<br>5.05%, 2/01/29  | 2,285        | 2,194,468    |
| Carlsbad Unified School District, GO, Election of 2006,<br>Series B, 6.09%, 5/01/34 (b)  | 1,000        | 741,600      |
| City of San Jose California, RB, San Jose Airport,<br>Series A1, AMT, 5.75%, 3/01/34   | 2,000        | 2,206,800    |
| Dinuba Unified School District, GO, Election of<br>2006 (AGM):   |              |              |

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|   |       |           |
|---|-------|-----------|
| 5.63%, 8/01/31  | 250   | 286,740   |
| 5.75%, 8/01/33  | 500   | 576,135   |
| Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.46%, 8/01/34 (b)             | 1,650 | 1,089,611 |
| Norwalk-La Mirada Unified School District California, GO, CAB, Election of 2002, Series E (AGC), 6.47%, 8/01/38 (a) | 8,000 | 1,873,600 |
| Palomar Community College District, GO, CAB, Election of 2006, Series B:  |       |           |
| 6.09%, 8/01/30 (a)  | 1,500 | 614,865   |
| 6.15%, 8/01/33 (a)  | 4,000 | 1,100,040 |
| 6.44%, 8/01/39 (b)  | 2,000 | 1,066,180 |
| San Diego Community College District California, GO, CAB, Election of 2002, 6.24%, 8/01/19 (b)                      | 2,800 | 2,095,772 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>California (concluded)</b>  |              |              |
| San Jose Evergreen Community College District, GO, Election of 2010, Series B, 3.50%, 8/01/32                  | \$ 1,200     | \$ 1,165,788 |
| State of California, GO, Various Purpose:  |              |              |
| 5.75%, 4/01/31   | 2,000        | 2,330,760    |
| 6.00%, 3/01/33   | 1,000        | 1,197,150    |
| 6.50%, 4/01/33   | 1,950        | 2,398,246    |
| 5.50%, 3/01/40   | 2,350        | 2,604,716    |
| State of California, GO, Refunding:  |              |              |
| (CIFG), 4.50%, 8/01/28   | 500          | 523,335      |
| Veterans, AMT, 5.05%, 12/01/36   | 1,000        | 1,015,200    |
| Val Verde Unified School District California, Special Tax Bonds, Refunding, Junior Lien, 6.25%, 10/01/28       | 1,585        | 1,616,431    |
|  |              | 30,091,380   |
| <b>Colorado 1.2%</b>   |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33               | 1,070        | 1,241,767    |
| Park Creek Metropolitan District, Refunding RB, Limited Property Tax (AGM), 6.00%, 12/01/38                    | 750          | 850,350      |
|  |              | 2,092,117    |
| <b>Connecticut 2.3%</b>  |              |              |
| Connecticut State Health & Educational Facilities Authority, RB:   |              |              |
| Hartford Healthcare, Series A, 5.00%, 7/01/32  | 1,390        | 1,491,762    |
| Lawrence & Memorial Hospital, Series F, 5.00%, 7/01/36   | 1,100        | 1,163,855    |
| Sacred Heart University, Series G, 5.38%, 7/01/31  | 400          | 435,976      |
| Western Connecticut Health, Series M, 5.38%, 7/01/41   | 700          | 762,391      |
|  |              | 3,853,984    |
| <b>Delaware 0.8%</b>   |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40                         | 1,200        | 1,292,460    |
| <b>District of Columbia 1.5%</b>   |              |              |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40            | 2,500        | 2,521,325    |
| <b>Florida 6.1%</b>  |              |              |
| County of Lee Florida, Refunding RB, Lee Airport, Series A, AMT (AGM), 5.00%, 10/01/28                         | 2,000        | 2,141,580    |
| Palm Beach County Housing Finance Authority, HRB, Indian Trace Apartments, Series A, AMT (AGM), 5.63%, 1/01/44 | 7,255        | 7,259,643    |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%,                  | 925          | 791,338      |

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|  |       |            |
|--|-------|------------|
| 5/01/35  |       | 10,192,561 |
| <b>Idaho 1.2%</b>  |       |            |
| Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/33 | 1,750 | 2,066,033  |
| <b>Illinois 7.5%</b>   |       |            |
| Chicago Transit Authority, RB, 5.25%, 12/01/40   | 665   | 738,369    |
| Illinois Finance Authority, RB:  |       |            |
| MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (c)(d)                             | 425   | 42,500     |
| Navistar International, Recovery Zone, 6.50%, 10/15/40   | 1,285 | 1,377,700  |
| Roosevelt University Project, 6.50%, 4/01/44   | 1,000 | 1,086,480  |
| Rush University Medical Center, Series C, 6.63%, 11/01/39  | 650   | 770,569    |
| Illinois Finance Authority, Refunding RB, Series A:  |       |            |
| Friendship Village Schaumburg, 5.63%, 2/15/37  | 210   | 180,655    |
| OSF Healthcare System, 6.00%, 5/15/39  | 1,040 | 1,164,966  |
| Railsplitter Tobacco Settlement Authority, RB:   |       |            |
| 6.25%, 6/01/24   | 1,000 | 1,114,910  |
| 6.00%, 6/01/28   | 1,150 | 1,286,712  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Municipal Bond Trust (BBK)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Illinois (concluded)</b>  |              |              |
| Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC), 6.23%, 1/01/36 (a)   | \$ 21,065    | \$ 4,858,221 |
|  |              | 12,621,082   |
| <b>Indiana 1.9%</b>  |              |              |
| Indiana Finance Authority, Refunding RB:<br>5.25%, 10/01/38  | 2,000        | 2,226,060    |
| Improvement, U.S. Steel Corp., 6.00%, 12/01/26   | 1,000        | 1,020,090    |
|  |              | 3,246,150    |
| <b>Iowa 1.5%</b>   |              |              |
| Iowa Higher Education Loan Authority, RB, Private College Facility, Buena Vista University Project, 5.00%, 4/01/31                             | 875          | 951,528      |
| Iowa Higher Education Loan Authority, Refunding RB, Private College Facility:<br>5.75%, 9/01/30  | 500          | 536,460      |
| 6.00%, 9/01/39   | 1,000        | 1,049,030    |
|  |              | 2,537,018    |
| <b>Louisiana 2.5%</b>  |              |              |
| Jefferson Parish Hospital Service District No. 1, Refunding RB, West Jefferson Medical Center, Series A (AGM), 6.00%, 1/01/39                  | 1,450        | 1,610,428    |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp, Series A-1, 6.50%, 11/01/35 | 1,050        | 1,172,955    |
| Louisiana Public Facilities Authority, RB, Belle Chasse Educational Foundation Project, 6.50%, 5/01/31   | 400          | 433,872      |
| Louisiana Public Facilities Authority, Refunding RB, Entergy Gulf States Louisiana, LLC Project, Series A, 5.00%, 9/01/28                      | 1,000        | 1,049,080    |
|  |              | 4,266,335    |
| <b>Maryland 1.9%</b>   |              |              |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25   | 250          | 259,597      |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Doctor s Community Hospital, 5.63%, 7/01/30                           | 2,900        | 3,010,113    |
|  |              | 3,269,710    |
| <b>Michigan 3.4%</b>   |              |              |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.25%, 10/15/38   | 1,250        | 1,444,113    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39   | 1,950        | 2,456,259    |
| Wayne County Airport Authority, Refunding RB, Airport Revenue, Series A (AGM), 4.00%, 12/01/20   | 1,750        | 1,813,682    |
|  |              | 5,714,054    |
| <b>Minnesota 4.3%</b>  |              |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38   | 5,350        | 6,291,760    |

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|   |     |           |
|---|-----|-----------|
| Tobacco Securitization Authority Minnesota, Refunding<br>RB, Tobacco Settlement, Series B, 5.25%, 3/01/31 | 800 | 870,088   |
|   |     | 7,161,848 |

**Mississippi 3.4%**

|  |       |           |
|--|-------|-----------|
| Mississippi Development Bank, RB, Hinds Community<br>College District, CAB (AGM), 5.00%, 4/01/36                 | 845   | 916,876   |
| Mississippi Development Bank Special Obligation, RB,<br>Jackson County Limited Tax Note (AGC), 5.50%,<br>7/01/32 | 1,750 | 1,965,075 |
| University of Southern Mississippi, RB, Campus<br>Facilities Improvements Project, 5.38%, 9/01/36                | 2,100 | 2,347,653 |

| Municipal Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Mississippi (concluded)</b>   |              |            |
| Warren County Mississippi, RB, Gulf Opportunity Zone<br>Bonds (International Paper Company Project),<br>Series A, AMT, 5.38%, 12/01/35 | \$ 400       | \$ 419,308 |
|  |              | 5,648,912  |

**Missouri 1.7%**

|   |       |           |
|---|-------|-----------|
| Missouri State Development Finance Board, RB,<br>St. Joseph Sewage System Improvements, 5.25%,<br>5/01/31 | 580   | 611,053   |
| Missouri State Health & Educational Facilities<br>Authority, RB:  |       |           |
| A.T. Still University Health Sciences, 5.25%, 10/01/31  | 500   | 542,300   |
| A.T. Still University Health Sciences, 5.25%, 10/01/41  | 650   | 693,869   |
| Lutheran Senior Services, 6.00%, 2/01/41  | 1,000 | 1,069,000 |
|   |       | 2,916,222 |

**Montana 0.8%**

|   |       |           |
|---|-------|-----------|
| Montana Facility Finance Authority, Refunding RB,<br>Sisters of Leavenworth, Series A, 4.75%, 1/01/40 | 1,350 | 1,431,473 |
|---|-------|-----------|

**Multi-State 6.8%**

|  |        |            |
|--|--------|------------|
| Centerline Equity Issuer Trust, 7.20%, 11/15/52 (e)(f) | 10,500 | 11,460,330 |
|--|--------|------------|

**Nebraska 2.3%**

|  |       |           |
|--|-------|-----------|
| Nebraska Investment Finance Authority, Refunding RB,<br>Series A, 6.05%, 9/01/41 | 990   | 1,054,172 |
| Omaha Nebraska Sanitation Sewer Revenue,<br>RB, System:                          |       |           |
| 4.25%, 11/15/38  | 1,890 | 1,978,792 |
| 4.25%, 11/15/41  | 775   | 808,185   |
|  |       | 3,841,149 |

**Nevada 1.1%**

|   |       |           |
|---|-------|-----------|
| City of Las Vegas Nevada, Special Assessment Bonds,<br>Summerlin Area, 5.65%, 6/01/23           | 1,295 | 1,218,763 |
| County of Clark Nevada, Refunding RB, Alexander<br>Dawson School Nevada Project, 5.00%, 5/15/29 | 575   | 602,497   |
|   |       | 1,821,260 |

**New Jersey 14.2%**

|   |       |           |
|---|-------|-----------|
| Middlesex County Improvement Authority, RB,<br>Subordinate, Heldrich Center Hotel, Series B, 6.25%,<br>1/01/37 (c)(d) | 915   | 81,893    |
| New Jersey EDA, RB:   |       |           |
| Cigarette Tax, 5.50%, 6/15/24   | 3,710 | 3,730,553 |
| Continental Airlines Inc. Project, AMT, 7.20%,<br>11/15/30 (g)  | 3,000 | 3,003,780 |
| New Jersey EDA, Refunding RB, First Mortgage,<br>Winchester, Series A, 5.80%, 11/01/31                                | 1,500 | 1,534,965 |
| New Jersey EDA, Special Assessment Bonds,<br>Refunding, Kapkowski Road Landfill Project,                              | 7,500 | 8,319,075 |

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|   |       |            |
|---|-------|------------|
| 6.50%, 4/01/28  |       |            |
| New Jersey Educational Facilities Authority, Refunding<br>RB, University of Medicine & Dentistry, Series B: |       |            |
| 7.13%, 12/01/23   | 630   | 778,037    |
| 7.50%, 12/01/32   | 800   | 976,448    |
| New Jersey Health Care Facilities Financing Authority,<br>Refunding RB, Barnabas Health, Series A:          |       |            |
| 4.63%, 7/01/23  | 510   | 516,145    |
| 5.63%, 7/01/37  | 1,700 | 1,791,358  |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, Series AA, 6.50%, 10/01/38                       | 615   | 664,483    |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System, Series B, 5.25%, 6/15/36      | 1,900 | 2,128,152  |
| Union County Utilities Authority, Refunding RB, County<br>Deficiency Agreement, Series A:                   |       |            |
| 4.00%, 6/15/32  | 250   | 262,510    |
| 5.00%, 6/15/41  | 95    | 106,219    |
|   |       | 23,893,618 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Municipal Bonds</b>   |              |            |
| <b>New York 5.8%</b>   |              |            |
| Albany Industrial Development Agency, RB, New<br>Covenant Charter School Project, Series A, 7.00%,<br>5/01/35 (c)(d)   | \$ 455       | \$ 104,659 |
| Hudson New York Yards Infrastructure Corp., RB,<br>Series A:<br>5.00%, 2/15/47   | 250          | 257,255    |
| (FGIC), 5.00%, 2/15/47   | 1,000        | 1,029,020  |
| (NPFGC), 4.50%, 2/15/47  | 750          | 738,293    |
| New York City Industrial Development Agency, RB,<br>American Airlines Inc., JFK International Airport, AMT,<br>7.75%, 8/01/31 (c)(d)(g)                                      | 3,165        | 2,990,925  |
| New York Convention Center Development Corp., RB<br>(AMBAC), 4.75%, 11/15/45   | 1,000        | 1,007,710  |
| New York Liberty Development Corp., Refunding RB,<br>Second Priority, Bank of America Tower at One Bryant<br>Park Project, 6.38%, 7/15/49                                    | 800          | 868,136    |
| New York State Dormitory Authority, RB, Rochester<br>Institute of Technology, Series A, 6.00%, 7/01/33   | 1,000        | 1,169,450  |
| Westchester County Healthcare Corp. New York, RB,<br>Senior Lien, Series A, Remarketing, 5.00%, 11/01/30   | 1,500        | 1,581,075  |
|  |              | 9,746,523  |
| <b>North Carolina 5.4%</b>   |              |            |
| City of Charlotte North Carolina, Refunding RB, Series A,<br>5.50%, 7/01/34  | 225          | 256,592    |
| Gaston County Industrial Facilities & Pollution Control<br>Financing Authority North Carolina, RB, Exempt<br>Facilities, National Gypsum Co. Project, AMT, 5.75%,<br>8/01/35 | 2,945        | 2,413,486  |
| North Carolina Capital Facilities Finance Agency, RB,<br>Duke Energy Carolinas, Series B, 4.38%, 10/01/31  | 1,000        | 1,050,750  |
| North Carolina Medical Care Commission, RB, Novant<br>Health Obligation, Series A, 4.75%, 11/01/43   | 4,450        | 4,519,287  |
| North Carolina Medical Care Commission, Refunding<br>RB, University Health System, Series D, 6.25%,<br>12/01/33  | 800          | 926,600    |
|  |              | 9,166,715  |
| <b>Oklahoma 0.5%</b>   |              |            |
| Tulsa Airports Improvement Trust, RB, Series A,<br>Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (c)(d)(g)  | 1,025        | 793,852    |
| <b>Oregon 1.7%</b>   |              |            |
| City of Portland Oregon, Multifamily Housing Revenue<br>Bond Pass-Through Certificates, RB, Pacific Tower<br>Apartments, Series 6, AMT, 6.05%, 11/01/34                      | 505          | 505,146    |
| Oregon Health & Science University, RB, Series A,<br>5.75%, 7/01/39  | 750          | 852,630    |
| Oregon State Facilities Authority, Refunding RB, Limited<br>College Project, Series A:<br>5.00%, 10/01/34  | 850          | 916,368    |
| 5.25%, 10/01/40  | 500          | 541,635    |



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|  |       |           |
|--|-------|-----------|
|  |       | 2,815,779 |
| <b>Pennsylvania 4.0%</b>   |       |           |
| County of Allegheny Pennsylvania IDA, Refunding RB,<br>U.S. Steel Corp. Project, 6.55%, 12/01/27                           | 1,695 | 1,800,192 |
| Delaware River Port Authority, RB, Series D (AGM),<br>5.00%, 1/01/40   | 2,600 | 2,798,718 |
| Pennsylvania Economic Development Financing<br>Authority, RB, Aqua Pennsylvania Inc. Project,<br>Series B, 4.50%, 12/01/42 | 2,000 | 2,094,220 |
|  |       | 6,693,130 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Municipal Bonds</b>  |              |            |
| <b>Puerto Rico 1.4%</b>   |              |            |
| Puerto Rico Sales Tax Financing Corp., RB, CAB,<br>Series A, 5.70%, 8/01/35 (a)                   | \$ 1,000     | \$ 278,690 |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 5.75%, 8/01/37                  | 1,000        | 1,117,510  |
| Puerto Rico Sales Tax Financing Corp., Refunding RB,<br>CAB, Series A (NPFGC), 5.73%, 8/01/41 (a) | 5,000        | 1,001,600  |
|   |              | 2,397,800  |

|   |       |           |
|---|-------|-----------|
| <b>Rhode Island 1.3%</b>  |       |           |
| Rhode Island Health & Educational Building Corp., RB,<br>Hospital Financing, LifeSpan Obligation, Series A<br>(AGC), 7.00%, 5/15/39 | 1,000 | 1,190,110 |
| State of Rhode Island, COP, Series C, School for the<br>Deaf (AGC), 5.38%, 4/01/28  | 900   | 1,014,129 |
|   |       | 2,204,239 |

|  |       |           |
|--|-------|-----------|
| <b>South Dakota 0.9%</b>   |       |           |
| State of South Dakota Board of Regents Housing &<br>Auxiliary Facility System Revenue, RB, 4.25%,<br>4/01/33 | 1,535 | 1,605,410 |

|   |     |         |
|---|-----|---------|
| <b>Tennessee 0.2%</b>   |     |         |
| Memphis-Shelby County Sports Authority Inc.,<br>Refunding RB, Memphis Arena Project, Series A,<br>5.38%, 11/01/28 | 275 | 305,896 |

|  |        |            |
|--|--------|------------|
| <b>Texas 13.4%</b>   |        |            |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare<br>System, Series B:<br>7.13%, 12/01/31                          | 500    | 602,825    |
| 7.25%, 12/01/35  | 1,750  | 2,090,498  |
| Harris County Metropolitan Transit Authority Sales and<br>Use Tax, RB, Series A, 5.00%, 11/01/36   | 940    | 1,058,919  |
| Harris County-Houston Sports Authority, Refunding RB,<br>CAB, Senior Lien, Series G (NPFGC), 6.18%,<br>11/15/41 (a)  | 11,690 | 1,717,612  |
| Matagorda County Navigation District No. 1 Texas,<br>Refunding RB, Central Power & Light Co. Project,<br>Series A, 6.30%, 11/01/29                               | 1,500  | 1,722,270  |
| Texas Private Activity Bond Surface Transportation Corp.,<br>RB, Senior Lien, LBJ Infrastructure Group LLC, LBJ<br>Freeway Managed Lanes Project, 7.00%, 6/30/40 | 2,000  | 2,274,160  |
| Texas State Turnpike Authority, RB (AMBAC):<br>CAB, 6.08%, 8/15/35 (a)   | 50,000 | 12,308,500 |
| First Tier, Series A, 5.00%, 8/15/42   | 750    | 750,375    |
|  |        | 22,525,159 |

|  |       |           |
|--|-------|-----------|
| <b>Vermont 1.0%</b>  |       |           |
| Vermont Educational & Health Buildings Financing<br>Agency, RB, Hospital, Fletcher Allen Health, Series A, | 1,600 | 1,606,640 |

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4.75%, 12/01/36

**Virginia 0.1%**

Roanoke Economic Development Authority, RB, Carilion

Clinic Obligated Group, 4.00%, 7/01/29

160

160,938

**Washington 1.9%**

City of Lynnwood, GO (AGO), 4.00%, 12/01/37

1,600

1,597,360

Washington Health Care Facilities Authority, RB,

MultiCare Health System, Series B (AGC), 6.00%,

8/15/39

1,400

1,588,132

3,185,492

**West Virginia 0.7%**

West Virginia State University, RB, West Virginia

University Projects, Series B, 5.00%, 10/01/36

1,100

1,242,956

See Notes to Financial Statements.

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Schedule of Investments (concluded)

**BlackRock Municipal Bond Trust (BBK)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Wisconsin 0.7%</b>  |              |              |
| Wisconsin State Health & Educational Facilities Authority, RB, Aurora Health Care, Series A, 4.00%, 7/15/28            | \$ 1,215     | \$ 1,202,000 |
| <b>Wyoming 0.8%</b>  |              |              |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26                                    | 1,200        | 1,372,740    |
| <b>Total Municipal Bonds 136.6%</b>  |              | 230,052,557  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (h)</b>  |              |              |
| <b>Colorado 2.3%</b>   |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36                            | 3,750        | 3,940,537    |
| <b>Massachusetts 1.0%</b>  |              |              |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41                               | 1,450        | 1,592,724    |
| <b>New York 7.3%</b>   |              |              |
| Hudson Yards Infrastructure Corp., RB, 5.75%, 2/15/47  | 2,500        | 2,824,461    |
| New York City Municipal Water Finance Authority, RB: Fiscal 2009, Series A, 5.75%, 6/15/40                             | 450          | 522,323      |
| Series FF-2, 5.50%, 6/15/40  | 405          | 467,031      |
| New York City Municipal Water Finance Authority, Refunding RB, Series A, 4.75%, 6/15/30                                | 3,000        | 3,262,770    |
| New York Liberty Development Corp., RB, 5.25%, 12/15/43  | 2,505        | 2,810,485    |
| New York State Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38                                  | 2,199        | 2,368,575    |
|  |              | 12,255,645   |
| <b>Ohio 2.1%</b>   |              |              |
| County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 10/01/41                                      | 1,260        | 1,355,269    |
| Ohio Higher Educational Facility Commission, Refunding RB, Hospital, Cleveland Clinic Health, Series A, 5.25%, 1/01/33 | 2,000        | 2,154,820    |
|  |              | 3,510,089    |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 12.7%</b>  |              | 21,298,995   |
| <b>Total Long-Term Investments (Cost \$234,380,899) 149.3%</b>   |              | 251,351,552  |
| <b>Short-Term Securities</b>   |              |              |
| FFI Institutional Tax-Exempt Fund, 0.01% (i)(j)  | 4,946,999    | 4,946,999    |
| <b>Total Short-Term Securities (Cost \$4,946,999) 2.9%</b>   |              | 4,946,999    |
| <b>Total Investments (Cost \$239,327,898) 152.2%</b>   |              | 256,298,551  |
| <b>Other Assets Less Liabilities 1.4%</b>  |              | 2,278,896    |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (6.1%)</b>                        |              | (10,322,024) |

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|  |         |                |
|--|---------|----------------|
| VMTP Shares, at Liquidation Value      | (47.5)% | (79,900,000)   |
| Net Assets Applicable to Common Shares | 100.0%  | \$ 168,355,423 |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (c) Issuer filed for bankruptcy and/or is in default of interest payments.
- (d) Non-income producing security.
- (e) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (f) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (g) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (h) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (i) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--------------------------------------|--------------------------------------|-----------------|--|--------|
| FFI Institutional<br>Tax-Exempt Fund | 2,247,948                            | 2,699,051       | 4,946,999                              | \$319  |

- (j) Represents the current yield as of report date.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| Assets:          |         |         |         |       |

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Investments:

|                                    |              |                |                |
|------------------------------------|--------------|----------------|----------------|
| Long-Term Investments <sup>1</sup> |              | \$ 251,351,552 | \$ 251,351,552 |
| Short-Term Securities              | \$ 4,946,999 |                | 4,946,999      |
| <b>Total</b>                       | \$ 4,946,999 | \$ 251,351,552 | \$ 256,298,551 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

**BlackRock Municipal Income Investment Quality Trust (BAF)**  
(Percentages shown are based on Net Assets)

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 1.9%</b>  |              |              |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children's Hospital (AGC):                        |              |              |
| 6.13%, 6/01/34   | \$ 1,000     | \$ 1,150,950 |
| 6.00%, 6/01/39   | 1,000        | 1,142,790    |
| Selma IDB, RB, International Paper Co. Project, Series A,<br>5.38%, 12/01/35                                     | 370          | 387,564      |
|  |              | 2,681,304    |
| <b>California 11.9%</b>  |              |              |
| California Educational Facilities Authority, RB, University<br>of Southern California, Series A, 5.25%, 10/01/38 | 2,155        | 2,458,769    |
| California Health Facilities Financing Authority, RB:<br>Scripps, Series A, 5.00%, 11/15/40                      | 175          | 190,132      |
| Sutter Health, Series B, 6.00%, 8/15/42  | 1,120        | 1,294,216    |
| County of Sacramento California, RB, Senior Series A<br>(AGC), 5.50%, 7/01/41                                    | 1,400        | 1,518,104    |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (NPFGC), 5.00%,<br>8/01/32  | 1,000        | 1,099,900    |
| Election of 2008, Series C, 5.25%, 8/01/39   | 500          | 573,150      |
| Los Angeles Department of Water & Power, RB, Power<br>System, Sub-Series A-1, 5.25%, 7/01/38                     | 1,175        | 1,339,770    |
| Los Angeles Municipal Improvement Corp., Refunding<br>RB, Real Property, Series B (AGC), 5.50%, 4/01/39          | 3,210        | 3,537,837    |
| Redondo Beach Unified School District, GO, Election of<br>2008, Series E, 5.50%, 8/01/34                         | 1,000        | 1,162,810    |
| San Bernardino Community College District, GO,<br>Election of 2002, Series A, 6.25%, 8/01/33                     | 925          | 1,100,584    |
| San Diego Public Facilities Financing Authority,<br>Refunding RB, Series B (AGC), 5.38%, 8/01/34                 | 1,125        | 1,299,960    |
| San Jacinto Unified School District, GO, Election of<br>2006 (AGM), 5.25%, 8/01/32                               | 1,000        | 1,085,210    |
|  |              | 16,660,442   |
| <b>Colorado 1.2%</b>   |              |              |
| Colorado Health Facilities Authority, RB, Hospital,<br>NMC Inc. Project, Series B (AGM), 6.00%, 5/15/26          | 1,425        | 1,670,627    |
| <b>Florida 5.4%</b>  |              |              |
| City of Jacksonville Florida, RB, Series A, 5.25%,<br>10/01/31   | 4,525        | 5,188,998    |
| Orange County Health Facilities Authority, RB,<br>The Nemours Foundation Project, Series A,<br>5.00%, 1/01/29    | 1,070        | 1,168,172    |
| Village Center Community Development District, RB,<br>Series A (NPFGC), 5.00%, 11/01/32                          | 1,250        | 1,238,789    |
|  |              | 7,595,959    |
| <b>Georgia 2.2%</b>  |              |              |
| City of Atlanta Georgia, Refunding RB, General, Series C,<br>6.00%, 1/01/30                                      | 2,500        | 3,045,850    |
| <b>Illinois 15.4%</b>  |              |              |
| Chicago Board of Education Illinois, GO, Series A:<br>5.50%, 12/01/39  | 1,500        | 1,698,300    |

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|  |                |                        |
|--|----------------|------------------------|
| 5.00%, 12/01/41<br>Chicago Transit Authority, RB Federal Transit<br>Administration Section 5309, Series A (AGC),<br>6.00%, 6/01/26 | 1,000<br>1,300 | 1,078,380<br>1,526,304 |
| Chicago Transit Authority, RB, Sales Tax<br>Receipts Revenue:<br>5.25%, 12/01/36   | 415            | 461,853                |
| 5.25%, 12/01/40<br>City of Chicago Illinois, RB:<br>General Third Lien, Series C, 5.25%, 1/01/30                                   | 1,325<br>1,000 | 1,471,187<br>1,110,330 |
| Sales Tax Revenue, Series A, 5.25%, 1/01/38  | 515            | 577,145                |
| Third Lien, O Hare International Airport, Series A,<br>5.75%, 1/01/39  | 825            | 946,778                |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Illinois (concluded)</b>   |              |              |
| City of Chicago Illinois, Refunding RB, General, Third<br>Lien, (AGM), Series C, 6.50%, 1/01/41                         | \$ 3,740     | \$ 4,501,240 |
| Illinois Finance Authority, RB, Carle Foundation, Series A,<br>6.00%, 8/15/41   | 1,885        | 2,068,882    |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC):<br>5.25%, 2/01/28   | 1,560        | 1,714,222    |
| 5.25%, 2/01/35  | 1,000        | 1,069,600    |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23  | 915          | 1,053,879    |
| 6.00%, 6/01/28  | 260          | 290,909      |
| State of Illinois, RB, Build Illinois, Series B, 5.25%,<br>6/15/28  | 1,750        | 1,971,952    |
|   |              | 21,540,961   |
| <b>Indiana 5.6%</b>   |              |              |
| Indiana Finance Authority Wastewater Utility, RB, First<br>Lien, CWA Authority, Series A:<br>5.25%, 10/01/31            | 1,000        | 1,144,110    |
| 5.25%, 10/01/38   | 2,000        | 2,226,060    |
| Indianapolis Local Public Improvement Bond Bank, RB,<br>Series K (AGM), 5.00%, 6/01/25                                  | 1,570        | 1,786,942    |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Waterworks Project, Series A (AGC),<br>5.50%, 1/01/38 | 2,415        | 2,697,048    |
|   |              | 7,854,160    |
| <b>Iowa 0.2%</b>  |              |              |
| Iowa Finance Authority, Refunding RB, Iowa Health<br>System (AGC), 5.25%, 2/15/29                                       | 305          | 335,149      |
| <b>Louisiana 0.5%</b>   |              |              |
| New Orleans Aviation Board Louisiana, Refunding RB,<br>GARB, Restructuring, (AGC):<br>Series A-1, 6.00%, 1/01/23        | 375          | 447,656      |
| Series A-2, 6.00%, 1/01/23  | 150          | 179,063      |
|   |              | 626,719      |
| <b>Michigan 14.7%</b>   |              |              |
| City of Detroit Michigan, RB:<br>Second Lien, Series B (NPFGC), 5.50%, 7/01/29  | 1,690        | 1,903,227    |
| Senior Lien, Series B (AGM), 7.50%, 7/01/33   | 580          | 729,402      |
| Senior Lien, Series B (BHAC), 5.50%, 7/01/35  | 4,750        | 5,195,218    |
| System, Second Lien, Series A (BHAC), 5.50%,<br>7/01/36   | 2,330        | 2,570,456    |
| City of Detroit Michigan, RB, Second Lien, Series B<br>(AGM), 6.25%, 7/01/36  | 1,700        | 1,949,220    |
| City of Detroit Michigan, Refunding RB, Senior Lien,<br>Series C-1 (AGM), 7.00%, 7/01/27                                | 1,800        | 2,220,264    |
|   | 2,765        | 3,071,887    |

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|  |       |            |
|--|-------|------------|
| Lansing Board of Water & Light Utilities, RB, Series A,<br>5.00%, 7/01/37  |       |            |
| Michigan State Building Authority, RB, Facilities Program,<br>Series H (AGM), 5.00%, 10/15/26                    | 365   | 410,771    |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program, Series I (AGC):                          |       |            |
| 5.25%, 10/15/24  | 565   | 649,462    |
| 5.25%, 10/15/25  | 300   | 343,527    |
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding RB, William Beaumont Hospital, 8.25%,<br>9/01/39     | 1,205 | 1,517,842  |
|  |       | 20,561,276 |
| <b>Minnesota 3.1%</b>  |       |            |
| City of Minneapolis Minnesota, Refunding RB, Fairview<br>Health Services, Series B (AGC), 6.50%, 11/15/38        | 3,680 | 4,327,790  |
| <b>Missouri 1.9%</b>   |       |            |
| Missouri Municipal Electric Utility Commission Power,<br>RB, Prairie State Project, Series A, 5.00%, 1/01/32 (a) | 2,500 | 2,686,775  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Municipal Income Investment Quality Trust (BAF)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Nevada 1.6%</b>  |              |              |
| Clark County Water Reclamation District, GO, Series A,<br>5.25%, 7/01/34  | \$ 2,000     | \$ 2,232,940 |
| <b>New Jersey 4.6%</b>  |              |              |
| New Jersey Health Care Facilities Financing Authority,<br>RB, Virtua Health (AGC), 5.50%, 7/01/38                                   | 1,300        | 1,418,573    |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, S/F Housing, Series CC, 5.25%, 10/01/29                                  | 1,575        | 1,691,393    |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:<br>Series A (AGC), 5.50%, 12/15/38                    | 2,000        | 2,219,480    |
| Series B, 5.25%, 6/15/36  | 1,000        | 1,120,080    |
|   |              | 6,449,526    |
| <b>New York 5.5%</b>  |              |              |
| New York City Transitional Finance Authority, RB:<br>Series S-3, 5.25%, 1/15/39   | 900          | 988,578      |
| Sub-Future Tax Secured, Series C, 5.00%,<br>11/01/39  | 1,175        | 1,305,801    |
| New York City Transitional Finance Authority, RB,<br>Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29                                  | 2,465        | 2,873,623    |
| New York State Dormitory Authority, RB, General Purpose,<br>Series C, 5.00%, 3/15/41  | 2,220        | 2,468,951    |
|   |              | 7,636,953    |
| <b>Pennsylvania 0.6%</b>  |              |              |
| Philadelphia Hospitals & Higher Education Facilities<br>Authority, RB, Childrens Hospital Philadelphia,<br>Series D, 5.00%, 7/01/32 | 710          | 785,246      |
| <b>Puerto Rico 1.1%</b>   |              |              |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39  | 1,350        | 1,582,470    |
| <b>Texas 22.8%</b>  |              |              |
| Austin Community College District, RB, Educational<br>Facilities Project, Round Rock Campus, 5.25%,<br>8/01/33                      | 2,000        | 2,188,860    |
| City of Austin Texas, Refunding RB, Series A (AGM):<br>5.00%, 11/15/28  | 705          | 802,502      |
| 5.00%, 11/15/29   | 895          | 1,010,052    |
| City of Houston Texas, Refunding RB, Combined,<br>First Lien, Series A (AGC):<br>6.00%, 11/15/35                                    | 2,600        | 3,134,092    |
| 6.00%, 11/15/36   | 2,215        | 2,658,797    |
| 5.38%, 11/15/38   | 1,000        | 1,140,400    |
| Clifton Higher Education Finance Corp., Refunding RB,<br>Baylor University, 5.25%, 3/01/32  | 1,270        | 1,453,070    |
| Frisco ISD Texas, GO, School Building (AGC), 5.50%,<br>8/15/41  | 3,365        | 3,997,856    |
| Harris County Cultural Education Facilities Finance<br>Corp., RB, Texas Children's Hospital Project, 5.25%,<br>10/01/29             | 875          | 997,518      |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare System,                             | 500          | 602,825      |

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|  |       |           |
|--|-------|-----------|
| Series B, 7.13%, 12/01/31  |       |           |
| Lamar Texas Consolidated Independent School District,<br>GO, Refunding RB, School House, Series A, 5.00%,<br>2/15/45 (a) | 890   | 1,004,641 |
| Lubbock Cooper ISD Texas, GO, School Building (AGC),<br>5.75%, 2/15/42   | 500   | 562,715   |
| North Texas Tollway Authority, RB, Special Projects<br>System, Series A, 5.50%, 9/01/41                                  | 1,000 | 1,150,930 |
| North Texas Tollway Authority, Refunding RB:<br>System, First Tier (AGM), 6.00%, 1/01/43                                 | 1,000 | 1,167,070 |
| System, First Tier, Series A (AGC), 5.75%, 1/01/40   | 1,500 | 1,654,275 |
| System, First Tier, Series K-1 (AGC), 5.75%,<br>1/01/38  | 1,500 | 1,678,455 |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Texas (concluded)</b>  |              |              |
| Tarrant County Cultural Education Facilities Finance<br>Corp., Refunding RB, Christus Health, Series A (AGC),<br>6.50%, 7/01/37 | \$ 1,000     | \$ 1,150,810 |
| University of Texas System, Refunding RB, Financing<br>System, Series B, 5.00%, 8/15/43 (a)                                     | 1,805        | 2,071,129    |
| Waco Educational Finance Corporation, RB, Baylor<br>University, 5.00%, 3/01/43  | 3,000        | 3,352,920    |
|   |              | 31,778,917   |
| <b>Utah 0.8%</b>  |              |              |
| City of Riverton Utah, RB, IHC Health Services Inc.,<br>5.00%, 8/15/41  | 1,000        | 1,073,950    |
| <b>Virginia 0.9%</b>  |              |              |
| Virginia Public School Authority, RB, School Financing,<br>6.50%, 12/01/35  | 1,000        | 1,176,400    |
| <b>Washington 5.5%</b>  |              |              |
| City of Seattle Washington, Refunding RB, Series A,<br>5.25%, 2/01/36   | 1,025        | 1,172,395    |
| Port of Seattle, Refunding RB, Intermediate, Series A,<br>5.00%, 8/01/32 (a)  | 3,000        | 3,412,560    |
| State of Washington, GO, Various Purpose, Series B,<br>5.25%, 2/01/36   | 795          | 914,616      |
| University of Washington, Refunding, RB, Series A,<br>5.00%, 7/01/41 (a)  | 1,850        | 2,102,673    |
|   |              | 7,602,244    |
| <b>Total Municipal Bonds 107.4%</b>   |              | 149,905,658  |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (b)**

|  |        |            |
|--|--------|------------|
| <b>Alabama 1.1%</b>  |        |            |
| Mobile Board of Water & Sewer Commissioners, RB<br>(NPFGC), 5.00%, 1/01/31                     | 1,500  | 1,583,970  |
| <b>California 10.7%</b>  |        |            |
| San Diego Community College District California, GO,<br>Election of 2002 (AGM), 5.00%, 5/01/30 | 2,500  | 2,756,925  |
| San Marcos Unified School District, GO, Election of<br>2010, Series A, 5.25%, 8/01/31          | 10,680 | 12,196,453 |
|  |        | 14,953,378 |
| <b>District of Columbia 0.7%</b>   |        |            |
| District of Columbia Water & Sewer Authority, RB,<br>Series A, 6.00%, 10/01/35                 | 760    | 942,608    |
| <b>Florida 10.1%</b>   |        |            |
|  | 3,930  | 4,150,237  |

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City of Jacksonville Florida, RB, Better Jacksonville  
(NPFGC), 5.00%, 10/01/27

County of Pinellas Florida, RB (AGM), 5.00%,  
10/01/32

|       |            |
|-------|------------|
| 9,500 | 9,993,568  |
|       | 14,143,805 |

**Illinois 4.7%**

Chicago Transit Authority, Refunding RB, Federal Transit  
Administration Section 5309 (AGM), 5.00%, 6/01/28

|       |           |
|-------|-----------|
| 2,999 | 3,247,458 |
|-------|-----------|

Illinois State Toll Highway Authority, RB, Series B,  
5.50%, 1/01/33

|       |           |
|-------|-----------|
| 2,999 | 3,285,500 |
|       | 6,532,958 |

**Kentucky 0.7%**

Kentucky State Property & Building Commission,  
Refunding RB, Project No. 93 (AGC), 5.25%,  
2/01/27

|     |           |
|-----|-----------|
| 898 | 1,025,816 |
|-----|-----------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Income Investment Quality Trust (BAF)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (b)</b>  |              |              |
| <b>Massachusetts 1.6%</b>  |              |              |
| Massachusetts School Building Authority, RB, 5.00%,<br>10/15/41  | \$ 2,000     | \$ 2,245,080 |
| <b>Nevada 5.0%</b>   |              |              |
| Clark County Water Reclamation District, GO, Limited<br>Tax, 6.00%, 7/01/38  | 2,000        | 2,325,120    |
| Las Vegas Valley Water District, GO, Refunding, Series C,<br>5.00%, 6/01/28  | 4,100        | 4,701,101    |
|  |              | 7,026,221    |
| <b>New Jersey 0.8%</b>   |              |              |
| New Jersey EDA, RB, School Facilities Construction,<br>Series Z (AGC), 6.00%, 12/15/34                                       | 1,000        | 1,150,600    |
| <b>New York 8.7%</b>   |              |              |
| Hudson Yards Infrastructure Corp., RB, Series A, 5.75%,<br>2/15/47   | 1,000        | 1,129,785    |
| New York City Municipal Water Finance Authority, RB,<br>Second General Resolution, Fiscal 2012, Series BB,<br>5.25%, 6/15/44 | 4,993        | 5,650,012    |
| New York Liberty Development Corp., 5.25%, 12/15/43  | 2,955        | 3,315,362    |
| New York State Liberty Development Corp., Refunding<br>RB, 4 World Trade Center Project, 5.75%, 11/15/51                     | 1,740        | 1,976,936    |
|  |              | 12,072,095   |
| <b>Puerto Rico 1.0%</b>  |              |              |
| Puerto Rico Sales Tax Financing Corp., RB, Series C,<br>5.25%, 8/01/40   | 1,180        | 1,310,461    |
| <b>Texas 1.9%</b>  |              |              |
| North Texas Tollway Authority, RB, Special Projects,<br>System, Series A, 5.50%, 9/01/41                                     | 2,310        | 2,658,648    |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 47.0%</b>  |              | 65,645,640   |
| <b>Total Long-Term Investments<br/>(Cost \$197,730,152) 154.4%</b>   |              | 215,551,298  |
| <b>Short-Term Securities</b>   |              |              |
| <b>Illinois 2.8%</b>   |              |              |
| Illinois Finance Authority, RB, VRDN, University of<br>Chicago Medical Center, Series B, 0.12%,<br>3/01/12 (c)               | \$ 3,900     | \$ 3,900,000 |
| <b>Texas 0.8%</b>  |              |              |
| Harris County Health Facilities Development Corp., RB,<br>VRDN, Baylor College Medicine, Series B, 0.10%,<br>3/01/12 (c)     | 1,100        | 1,100,000    |
|  |              | Shares       |
| <b>Money Market Funds 2.3%</b>   |              |              |
| FFI Institutional Tax-Exempt Fund, 0.01% (d)(e)  | 3,259,592    | 3,259,592    |
| <b>Total Short-Term Securities<br/>(Cost \$8,259,592) 5.9%</b>   |              | 8,259,592    |
| <b>Total Investments (Cost \$205,989,744) 160.3%</b>   |              | 223,810,890  |

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|   |                |                       |
|---|----------------|-----------------------|
| <b>Liabilities in Excess of Other Assets</b>                    | <b>(6.8)%</b>  | <b>(9,444,749)</b>    |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |                |                       |
| <b>Expense and Fees Payable</b>                                 | <b>(23.3)%</b> | <b>(32,587,769)</b>   |
| <b>VMTP Shares, at Liquidation Value</b>                        | <b>(30.2)%</b> | <b>(42,200,000)</b>   |
| <b>Net Assets Applicable to Common Shares</b>                   | <b>100.0%</b>  | <b>\$ 139,578,372</b> |

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Municipal Income Investment Quality Trust (BAF)

- (a) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty          | Value        | Unrealized<br>Appreciation |
|-----------------------|--------------|----------------------------|
| Morgan Keegan & Co.   | \$ 1,004,641 | \$ 3,791                   |
| National Financial    | \$ 2,686,775 |                            |
| Pershing LLC          | \$ 1,134,240 | \$ 3,280                   |
| JPMorgan Securities   | \$ 2,268,480 | \$ 6,560                   |
| Morgan Stanley Co.    | \$ 2,071,129 | \$ 18,375                  |
| Barclays Capital Inc. | \$ 2,102,673 | \$ 14,208                  |

- (b) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (c) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (d) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--------------------------------------|--------------------------------------|-----------------|--|--------|
| FFI Institutional<br>Tax-Exempt Fund | 9,230,241                            | (5,970,649)     | 3,259,592                              | \$ 153 |

- (e) Represents the current yield as of report date.

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                       | Exchange                  | Expiration    | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-----------------------------|---------------------------|---------------|-------------------|----------------------------|
| 47        | 10-Year US<br>Treasury Note | Chicago<br>Board of Trade | March<br>2012 | \$ 6,169,484      | \$ (36,074)                |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

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Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments:                       |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 215,551,298 |         | \$ 215,551,298 |
| Short-Term Securities              | \$ 3,259,592 | 5,000,000      |         | 8,259,592      |
| <b>Total</b>                       | \$ 3,259,592 | \$ 220,551,298 |         | \$ 223,810,890 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                              | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Assets:</b>                                |             |         |         |             |
| Interest rate contracts                       | \$ (36,074) |         |         | \$ (36,074) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

**BlackRock Municipal Income Quality Trust (BYM)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Alabama 3.7%</b>  |              |              |
| Alabama State Docks Department, Refunding RB,<br>6.00%, 10/01/40   | \$ 3,800     | \$ 4,213,592 |
| Birmingham Airport Authority, RB (AGM), 5.50%,<br>7/01/40  | 5,800        | 6,424,428    |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children s Hospital (AGC), 6.00%, 6/01/39                                 | 1,495        | 1,708,471    |
| County of Jefferson Alabama, RB, Series A, 4.75%,<br>1/01/25   | 2,800        | 2,548,028    |
|  |              | 14,894,519   |
| <b>Alaska 0.3%</b>   |              |              |
| Alaska Industrial Development & Export Authority, RB,<br>Providence Health Services, Series A, 5.50%,<br>10/01/41                        | 1,070        | 1,194,933    |
| <b>Arizona 0.5%</b>  |              |              |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM):<br>5.00%, 10/01/27   | 1,500        | 1,684,575    |
| 5.25%, 10/01/28  | 250          | 283,560      |
|  |              | 1,968,135    |
| <b>California 22.8%</b>  |              |              |
| California Health Facilities Financing Authority, RB,<br>St. Joseph Health System, Series A, 5.75%, 7/01/39                              | 625          | 691,419      |
| California Infrastructure & Economic Development<br>Bank, RB, Bay Area Toll Bridges, First Lien, Series A<br>(AMBAC), 5.00%, 7/01/36 (a) | 10,100       | 13,511,174   |
| Coast Community College District California, GO,<br>Refunding, CAB, Election of 2002, Series C (AGM):<br>5.00%, 8/01/13 (b)              | 7,450        | 7,090,463    |
| 5.41%, 8/01/36 (c)   | 4,200        | 1,105,734    |
| Golden State Tobacco Securitization Corp. California,<br>RB, Series 2003-A-1 (a):<br>6.75%, 6/01/39                                      | 14,500       | 15,653,765   |
| 6.63%, 6/01/40   | 6,500        | 7,007,065    |
| Metropolitan Water District of Southern California, RB,<br>Series B-1 (NPFGC), 5.00%, 10/01/33   | 16,745       | 17,997,024   |
| Monterey Peninsula Community College District, GO,<br>CAB, Series C (AGM) (c):<br>5.15%, 8/01/31   | 13,575       | 5,091,575    |
| 5.16%, 8/01/32   | 14,150       | 4,881,325    |
| Orange County Sanitation District, COP, Series B (AGM),<br>5.00%, 2/01/31  | 2,500        | 2,737,950    |
| San Diego Unified School District California, GO, CAB,<br>Election of 2008, Series C, 6.84%, 7/01/38 (c)                                 | 2,000        | 491,500      |
| San Joaquin Hills Transportation Corridor Agency<br>California, Refunding RB, CAB, Series A (NPFGC),<br>5.51%, 1/15/31 (c)               | 53,000       | 14,045,000   |
| San Jose Unified School District Santa Clara County<br>California, GO, Election of 2002, Series B (NPFGC),<br>5.00%, 8/01/29             | 2,350        | 2,502,515    |
|  |              | 92,806,509   |



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**Colorado 0.3%**

|  |     |           |
|--|-----|-----------|
| Regional Transportation District, COP, Series A, 5.38%,<br>6/01/31 | 960 | 1,074,883 |
|--|-----|-----------|

**District of Columbia 2.3%**

|  |       |           |
|--|-------|-----------|
| District of Columbia Tobacco Settlement Financing<br>Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40 | 9,500 | 9,581,035 |
|--|-------|-----------|

**Florida 15.8%**

|   |       |           |
|---|-------|-----------|
| Broward County School Board Florida, COP, Series A<br>(AGM), 5.25%, 7/01/33 | 1,600 | 1,722,976 |
| County of Broward Florida, RB, Series A, 5.25%,<br>10/01/34                 | 6,750 | 7,523,550 |
| County of Duval Florida, COP, Master Lease Program<br>(AGM), 5.00%, 7/01/33 | 3,800 | 4,020,172 |

|  | Par<br>(000) | Value |
|--|--------------|-------|
|--|--------------|-------|

**Municipal Bonds**

**Florida (concluded)**

|   |           |              |
|---|-----------|--------------|
| County of Miami-Dade Florida, RB:<br>CAB, Sub-Series A (NPFGC), 5.25%, 10/01/38 (c)                           | \$ 25,520 | \$ 5,313,009 |
| Miami International Airport, Series A, 5.50%,<br>10/01/41   | 5,000     | 5,594,400    |
| Series A, 5.50%, 10/01/36   | 5,000     | 5,538,250    |
| Series B (AGC), 5.25%, 5/01/31  | 1,135     | 1,238,421    |
| Water & Sewer System (AGM), 5.00%, 10/01/39   | 10,100    | 10,949,915   |
| County of Miami-Dade Florida, Refunding RB (AGM),<br>5.00%, 7/01/35   | 1,300     | 1,386,333    |
| County of Miami-Dade Florida, School Board, COP, RB,<br>Series B (AGC), 5.25%, 5/01/31                        | 1,135     | 1,238,421    |
| Florida Housing Finance Corp., RB, Homeowner<br>Mortgage, Series 3, 5.45%, 7/01/33                            | 3,800     | 4,023,288    |
| Florida State Department of Environmental Protection,<br>RB, Series B (NPFGC), 5.00%, 7/01/27                 | 6,150     | 6,814,507    |
| Orange County School Board, COP, Series A (AGC),<br>5.50%, 8/01/34  | 6,090     | 6,749,791    |
| Sarasota County Public Hospital District, RB, Sarasota<br>Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 300       | 321,651      |
| South Florida Water Management District, COP<br>(AMBAC), 5.00%, 10/01/36                                      | 1,000     | 1,050,490    |
| Tohopekaliga Water Authority, Refunding RB, Series A,<br>5.25%, 10/01/36                                      | 2,000     | 2,256,880    |
|   |           | 64,503,633   |

**Georgia 2.8%**

|   |       |            |
|---|-------|------------|
| Burke County Development Authority, RB, Oglethorpe<br>Power, Vogtle Project, Series C, 5.70%, 1/01/43           | 1,250 | 1,342,237  |
| City of Atlanta Georgia, Refunding RB, General,<br>Series C, 6.00%, 1/01/30                                     | 7,500 | 9,137,550  |
| Gwinnett County Hospital Authority, Refunding RB,<br>Gwinnett Hospital System Series D (AGM), 5.50%,<br>7/01/41 | 900   | 986,868    |
|   |       | 11,466,655 |

**Hawaii 1.4%**

|   |       |           |
|---|-------|-----------|
| Hawaii State Harbor, RB, Series A, 5.25%, 7/01/35 | 5,000 | 5,545,800 |
|---|-------|-----------|

**Illinois 3.1%**

|   |       |           |
|---|-------|-----------|
| Chicago Board of Education Illinois, GO, Series A,<br>5.50%, 12/01/39     | 2,590 | 2,932,398 |
| Chicago Park District, GO, Harbor Facilities, Series C,<br>5.25%, 1/01/40 | 600   | 659,094   |
| Chicago Transit Authority, RB, 5.25%, 12/01/36                            | 650   | 723,385   |
| City of Chicago Illinois, RB, Series A (AGC), 5.00%,<br>1/01/38           | 7,310 | 7,648,160 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%,<br>6/01/28          | 710   | 794,405   |

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12,757,442

**Indiana 2.0%**

|   |       |           |
|---|-------|-----------|
| Indiana Finance Authority Wastewater Utility,<br>Refunding RB, First Lien, CWA Authority, Series A,<br>5.25%, 10/01/38  | 1,100 | 1,224,333 |
| Indiana Municipal Power Agency, RB, Series B, 5.75%,<br>1/01/34   | 450   | 481,995   |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Waterworks Project, Series A (AGC),<br>5.50%, 1/01/38 | 5,750 | 6,421,543 |
|   |       | 8,127,871 |

**Iowa 1.3%**

|   |       |           |
|---|-------|-----------|
| Iowa Finance Authority, RB, Series A (AGC), 5.63%,<br>8/15/37 | 5,000 | 5,495,900 |
|---|-------|-----------|

**Kentucky 0.4%**

|  |       |           |
|--|-------|-----------|
| Kentucky State Property & Buildings Commission,<br>Refunding RB, Project No. 93 (AGC), 5.25%,<br>2/01/29 | 1,500 | 1,692,525 |
|--|-------|-----------|

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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## Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Louisiana 2.8%</b>   |              |              |
| Jefferson Parish Hospital Service District No. 1,<br>Refunding RB, West Jefferson Medical Center,<br>Series A, 6.00%, 1/01/39 | \$ 1,550     | \$ 1,721,492 |
| Parish of Saint John the Baptist Louisiana, RB,<br>Marathon Oil Corp., Series A, 5.13%, 6/01/37                               | 1,750        | 1,811,250    |
| State of Louisiana, RB, Series A (AGM), 5.00%,<br>5/01/31   | 7,500        | 8,080,800    |
|   |              | 11,613,542   |
| <b>Michigan 2.5%</b>  |              |              |
| City of Detroit Michigan, Refunding RB, Second Lien,<br>Series E (BHAC), 5.75%, 7/01/31                                       | 3,000        | 3,395,160    |
| Kalamazoo Hospital Finance Authority, RB, Bronson<br>Methodist Hospital (AGM), 5.25%, 5/15/36                                 | 465          | 502,609      |
| Lansing Board of Water & Light, RB, Series A, 5.50%,<br>7/01/41   | 1,100        | 1,273,910    |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program:<br>Series I-A, 5.38%, 10/15/36                        | 2,000        | 2,247,620    |
| Series I-A, 5.38%, 10/15/41   | 800          | 896,312      |
| Series II-A, 5.38%, 10/15/36  | 1,500        | 1,685,715    |
|   |              | 10,001,326   |
| <b>Nebraska 1.1%</b>  |              |              |
| Nebraska Investment Finance Authority, Refunding RB,<br>Series A:<br>5.90%, 9/01/36   | 2,450        | 2,754,265    |
| 6.05%, 9/01/41  | 1,575        | 1,677,092    |
|   |              | 4,431,357    |
| <b>Nevada 1.1%</b>  |              |              |
| County of Clark Nevada, RB, Las Vegas-McCarran<br>International Airport, Series A (AGC), 5.25%, 7/01/39                       | 4,100        | 4,453,215    |
| <b>New Jersey 1.4%</b>  |              |              |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:<br>Series A, 5.50%, 6/15/41                     | 3,000        | 3,426,330    |
| Series B, 5.25%, 6/15/36  | 1,990        | 2,228,959    |
|   |              | 5,655,289    |
| <b>New York 1.1%</b>  |              |              |
| Hudson Yards Infrastructure Corp., RB, Series A,<br>5.75%, 2/15/47  | 770          | 870,008      |
| New York City Transitional Finance Authority, RB,<br>Fiscal 2009, Series S-4, 5.50%, 1/15/33                                  | 1,950        | 2,226,139    |
| New York State Dormitory Authority, ERB, Series B,<br>5.75%, 3/15/36  | 1,300        | 1,522,768    |
|   |              | 4,618,915    |
| <b>North Carolina 1.0%</b>  |              |              |
| North Carolina Medical Care Commission, RB, Novant<br>Health Obligation, Series A, 4.75%, 11/01/43                            | 3,875        | 3,935,334    |
| <b>Ohio 0.5%</b>  |              |              |
| County of Lucas Ohio, Refunding RB, Promedica<br>Healthcare, Series A, 6.50%, 11/15/37  | 610          | 741,004      |

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|  |                      |              |
|--|----------------------|--------------|
| Ohio Higher Educational Facility Commission,<br>Refunding RB, Summa Health System, 2010 Project<br>(AGC), 5.25%, 11/15/40              | 1,125                | 1,196,842    |
|  |                      | 1,937,846    |
| <b>Pennsylvania 0.2%</b>   |                      |              |
| Pennsylvania Turnpike Commission, RB, Subordinate,<br>Special Motor, License Fund, 6.00%, 12/01/36                                     | 625                  | 754,494      |
|  |                      |              |
|  | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>   |                      |              |
| <b>Puerto Rico 2.4%</b>  |                      |              |
| Puerto Rico Sales Tax Financing Corp., RB,<br>First Sub-Series A:  |                      |              |
| 6.38%, 8/01/39   | \$ 5,300             | \$ 6,212,660 |
| 5.50%, 8/01/42   | 3,450                | 3,754,325    |
|  |                      | 9,966,985    |
| <b>Rhode Island 0.7%</b>   |                      |              |
| Rhode Island Health & Educational Building Corp.,<br>Refunding RB, Public Schools Financing Program,<br>Series E (AGC), 6.00%, 5/15/29 | 2,625                | 2,998,538    |
| <b>South Carolina 1.4%</b>   |                      |              |
| South Carolina Jobs-EDA, Refunding RB, Palmetto<br>Health, Series A (AGM), 6.50%, 8/01/39  | 260                  | 304,580      |
| South Carolina State Ports Authority, RB, 5.25%,<br>7/01/40  | 5,000                | 5,498,750    |
|  |                      | 5,803,330    |
| <b>Tennessee 3.4%</b>  |                      |              |
| Knox County Health Educational & Housing Facilities<br>Board Tennessee, Refunding RB, CAB,<br>Series A (AGM) (c):                      |                      |              |
| 5.88%, 1/01/23   | 8,910                | 4,839,823    |
| 5.90%, 1/01/24   | 8,500                | 4,344,265    |
| 5.91%, 1/01/25   | 6,850                | 3,297,248    |
| Memphis Center City Revenue Finance Corp., RB,<br>Sub-Pyramid & Pinch District, Series B, (AGM),<br>5.25%, 11/01/30                    | 1,240                | 1,425,479    |
|  |                      | 13,906,815   |
| <b>Texas 24.6%</b>   |                      |              |
| City of Houston Texas, RB, Senior Lien, Series A,<br>5.50%, 7/01/34  | 4,165                | 4,617,194    |
| City of San Antonio Texas, Refunding RB (NPFGC):   |                      |              |
| 5.13%, 5/15/29   | 9,250                | 9,988,150    |
| 5.13%, 5/15/34   | 10,000               | 10,825,400   |
| Comal ISD, GO, School Building (PSF-GTD), 5.00%,<br>2/01/36  | 2,500                | 2,759,800    |
| Coppell ISD Texas, GO, Refunding, CAB (PSF-GTD),<br>5.64%, 8/15/30 (c)   | 10,030               | 5,324,325    |
| County of Harris Texas, Refunding RB, Senior Lien,<br>Toll Road (AGM), 5.00%, 8/15/30  | 1,910                | 1,941,439    |
| County of Harris Texas, GO (NPFGC) (c):  |                      |              |
| 5.57%, 8/15/25   | 7,485                | 5,101,027    |
| 5.61%, 8/15/28   | 10,915               | 6,472,486    |
| Harris County-Houston Sports Authority, Refunding RB<br>(NPFGC) (c):   |                      |              |
| CAB, Junior Lien, Series H, 5.94%, 11/15/38  | 5,785                | 979,632      |
| CAB, Junior Lien, Series H, 5.95%, 11/15/39  | 6,160                | 976,298      |
| Third Lien, Series A-3, 5.97%, 11/15/38  | 16,890               | 2,860,153    |
| Mansfield ISD Texas, GO, School Building (PSF-GTD),<br>5.00%, 2/15/33  | 2,980                | 3,324,071    |
| North Texas Tollway Authority, Refunding RB:<br>First Tier, Series A, 6.00%, 1/01/28   | 625                  | 725,038      |

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|   |        |             |
|---|--------|-------------|
| First Tier, System (NPFGC), 5.75%, 1/01/40  | 23,050 | 25,030,686  |
| Texas State Turnpike Authority, RB, First Tier, Series A<br>(AMBAC), 5.00%, 8/15/42 | 19,500 | 19,509,750  |
|   |        | 100,435,449 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Washington 3.1%</b>   |              |              |
| Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series C (AMBAC), 5.13%, 7/01/33         | \$ 3,655     | \$ 3,715,563 |
| County of King Washington, Refunding RB (AGM), 5.00%, 1/01/36  | 2,200        | 2,339,436    |
| Washington Health Care Facilities Authority, RB: MultiCare Health Care, Series C (AGC), 5.50%, 8/15/43         | 4,900        | 5,259,954    |
| Providence Health & Services, Series A, 5.00%, 10/01/39  | 500          | 529,635      |
| Providence Health & Services, Series A, 5.25%, 10/01/39  | 675          | 728,919      |
|  |              | 12,573,507   |
| <b>Wisconsin 1.1%</b>  |              |              |
| Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,500        | 1,625,505    |
| Froedtert & Community Health, 5.25%, 4/01/39   | 2,500        | 2,703,975    |
|  |              | 4,329,480    |
| <b>Total Municipal Bonds 105.1%</b>  |              | 428,525,262  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>  |              |              |
| <b>Arizona 1.9%</b>  |              |              |
| Phoenix Civic Improvement Corp., RB: Junior Lien, Series A, 5.00%, 7/01/34                                     | 1,300        | 1,453,725    |
| Sub-Civic Plaza Expansion Project, Series A, 5.00%, 7/01/37  | 4,490        | 4,701,659    |
| Salt River Arizona Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38             | 1,500        | 1,633,530    |
|  |              | 7,788,914    |
| <b>California 10.3%</b>  |              |              |
| California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33                                   | 3,379        | 3,645,788    |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32                         | 8,000        | 8,901,600    |
| Foothill-De Anza Community College District, GO, Election of 1999, Series C (NPFGC), 5.00%, 8/01/36            | 7,500        | 7,872,000    |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32        | 5,000        | 5,499,500    |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33                          | 449          | 518,316      |
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33                          | 4,870        | 5,249,714    |
| University of California, RB, Series C (NPFGC), 4.75%, 5/15/37   | 10,000       | 10,253,200   |
|  |              | 41,940,118   |
| <b>District of Columbia 0.3%</b>   |              |              |

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|   |       |            |
|---|-------|------------|
| District of Columbia, RB, Series A, 5.50%, 12/01/30   | 1,080 | 1,292,782  |
| <b>Florida 4.9%</b>   |       |            |
| City of Tallahassee Florida, RB (NPFGC):  |       |            |
| 5.00%, 10/01/32   | 3,000 | 3,210,810  |
| 5.00%, 10/01/37   | 5,000 | 5,327,900  |
| Florida State Board of Education, GO, Series D, 5.00%,<br>6/01/37                             | 2,999 | 3,248,355  |
| Highlands County Health Facilities Authority, RB,<br>Adventist, Series C, 5.25%, 11/15/36 (e) | 1,800 | 1,889,316  |
| Orange County School Board, COP, Series A (NPFGC),<br>5.00%, 8/01/30                          | 6,000 | 6,342,900  |
|   |       | 20,019,281 |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (d)**

|  | <b>Par<br/>(000)</b> | <b>Value</b>  |
|--|----------------------|---------------|
| <b>Hawaii 2.6%</b>   |                      |               |
| Honolulu City & County Board of Water Supply, RB,<br>Series A (FGIC), 5.00%, 7/01/33   | \$ 10,000            | \$ 10,388,400 |
| <b>Illinois 9.3%</b>   |                      |               |
| City of Chicago Illinois, RB, Sale Tax Revenue, Series A,<br>5.00%, 1/01/41  | 3,870                | 4,258,083     |
| Illinois Finance Authority, RB, Carle Foundation, Series A<br>(AGM), 6.00%, 8/15/41  | 2,400                | 2,710,368     |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%,<br>1/01/33   | 4,499                | 4,928,249     |
| Metropolitan Pier & Exposition Authority, RB, McCormick<br>Place Expansion Project, Series A (NPFGC), 5.00%,<br>12/15/28     | 24,010               | 24,487,319    |
| State of Illinois, RB, Build Illinois, Series B, 5.25%,<br>6/15/34   | 1,400                | 1,542,708     |
|  |                      | 37,926,727    |
| <b>Massachusetts 3.5%</b>  |                      |               |
| Massachusetts School Building Authority, Sales Tax RB,<br>Series A (AGM), 5.00%, 8/15/30                                     | 12,987               | 14,459,277    |
| <b>Michigan 1.9%</b>   |                      |               |
| Michigan Finance Authority, Refunding RB, Trinity Health,<br>5.00%, 12/01/39   | 7,300                | 7,721,064     |
| <b>Nevada 1.8%</b>   |                      |               |
| City of Las Vegas Nevada, GO, Limited Tax, Performing<br>Arts Center, 6.00%, 4/01/39   | 4,197                | 4,834,351     |
| Clark County Water Reclamation District, GO, Series B,<br>5.75%, 7/01/34   | 2,024                | 2,387,128     |
|  |                      | 7,221,479     |
| <b>New York 4.4%</b>   |                      |               |
| Erie County Industrial Development Agency, RB, City<br>School District of Buffalo Project, Series A (AGM),<br>5.75%, 5/01/28 | 4,494                | 5,231,211     |
| Metropolitan Transportation Authority, RB, Series A<br>(NPFGC), 5.00%, 11/15/31  | 7,002                | 7,767,123     |
| Triborough Bridge & Tunnel Authority, RB, General,<br>Series A-2, 5.25%, 11/15/34  | 4,500                | 5,093,595     |
|  |                      | 18,091,929    |
| <b>Ohio 0.2%</b>   |                      |               |
| State of Ohio, RB, Cleveland Clinic Health, Series B,<br>5.50%, 1/01/34  | 620                  | 684,096       |
| <b>Puerto Rico 0.7%</b>  |                      |               |
| Puerto Rico Sales Tax Financing Corp., RB, Series C,<br>5.25%, 8/01/40   | 2,580                | 2,865,245     |
| <b>South Carolina 0.2%</b>   |                      |               |
| South Carolina State Public Service Authority, RB, Santee<br>Cooper, Series A, 5.50%, 1/01/38                                | 600                  | 679,800       |

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|  |       |            |
|--|-------|------------|
| <b>Texas 2.9%</b>  |       |            |
| North East ISD Texas, GO, School Building (PSF-GTD):   |       |            |
| 5.13%, 6/15/29   | 9,500 | 10,343,250 |
| Series A, 5.00%, 8/01/37   | 1,500 | 1,660,140  |
|  |       | 12,003,390 |
| <b>Utah 1.4%</b>   |       |            |
| Utah Transit Authority, RB, Series A (AGM), 5.00%,<br>6/15/36  |       |            |
|  | 5,000 | 5,515,200  |
| <b>Virginia 0.1%</b>   |       |            |
| Fairfax County IDA Virginia, Refunding RB, Health Care,<br>Inova Health System, Series A, 5.50%, 5/15/35 |       |            |
|  | 400   | 445,972    |

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock Municipal Income Quality Trust (BYM)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000)  | Value          |
|---|---------------|----------------|
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (d)</b>                                     |               |                |
| <b>Washington 0.9%</b>  |               |                |
| Central Puget Sound Regional Transit Authority, RB,<br>Series A (AGM), 5.00%, 11/01/32                      | \$ 3,494      | \$ 3,858,161   |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 47.3%</b>                             |               | 192,901,835    |
| <b>Total Long-Term Investments<br/>(Cost \$577,916,104) 152.3%</b>  |               | 621,427,097    |
| <b>Short-Term Securities</b>  |               |                |
| <b>New York 0.4%</b>  |               |                |
| City of New York, New York, GO, VRDN, Sub-Series A-6<br>(AGM, Dexia Credit Local SBPA), 0.25%, 03/01/12 (e) | 1,700         | 1,700,000      |
|   | <b>Shares</b> |                |
| <b>Money Market Funds 3.4%</b>  |               |                |
| FFI Institutional Tax-Exempt Fund, 0.01% (f)(g)   | 13,815,497    | 13,815,497     |
| <b>Total Short-Term Securities<br/>(Cost \$15,515,497) 3.8%</b>   |               | 15,515,497     |
| <b>Total Investments (Cost \$593,431,601) 156.1%</b>  |               | 636,942,594    |
| <b>Other Assets Less Liabilities 1.0%</b>   |               | 3,906,687      |
| <b>Liability for TOB Trust Certificates, Including Interest</b>   |               |                |
| <b>Expense and Fees Payable (23.5%)</b>   |               | (95,870,735)   |
| <b>VMTP Shares, at Liquidation Value (33.6%)</b>  |               | (137,200,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |               | \$ 407,778,546 |

- (a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (f) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at<br>August 31, | Net<br>Activity | Shares Held at<br>February 29, | Income |
|-----------|------------------------------|-----------------|--------------------------------|--------|
|-----------|------------------------------|-----------------|--------------------------------|--------|

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|                   | 2011      |           | 2012       |        |
|-------------------|-----------|-----------|------------|--------|
| FFI Institutional |           |           |            |        |
| Tax-Exempt Fund   | 5,821,237 | 7,994,260 | 13,815,497 | \$ 569 |

(g) Represents the current yield as of report date.

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 50        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$ 6,563,281   | \$ (38,376)             |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1       | Level 2        | Level 3 | Total          |
|------------------------------------|---------------|----------------|---------|----------------|
| <b>Assets:</b>                     |               |                |         |                |
| Investments:                       |               |                |         |                |
| Long-Term Investments <sup>1</sup> |               | \$ 621,427,097 |         | \$ 621,427,097 |
| Short-Term Securities              | \$ 13,815,497 | 1,700,000      |         | 15,515,497     |
| <b>Total</b>                       | \$ 13,815,497 | \$ 623,127,097 |         | \$ 636,942,594 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                                    | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |             |         |         |             |
| <b>Liabilities:</b>                                 |             |         |         |             |
| Interest rate contracts                             | \$ (38,376) |         |         | \$ (38,376) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are shown at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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## Schedule of Investments February 29, 2012 (Unaudited)

**BlackRock Municipal Income Trust II (BLE)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>                                   |              |              |
| <b>Arizona 2.7%</b>                                      |              |              |
| Salt Verde Financial Corp., RB, Senior:                  |              |              |
| 5.00%, 12/01/32  | \$ 5,635     | \$ 5,670,838 |
| 5.00%, 12/01/37  | 3,990        | 3,989,681    |
|  |              | 9,660,519    |
| <b>California 12.7%</b>                                  |              |              |
| Bay Area Toll Authority, Refunding RB, San Francisco     |              |              |
| Bay Area, Series F-1, 5.63%, 4/01/44                     | 2,480        | 2,796,622    |
| California County Tobacco Securitization Agency, RB,     |              |              |
| CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)        | 9,710        | 113,219      |
| California Health Facilities Financing Authority, RB,    |              |              |
| Sutter Health, Series B, 6.00%, 8/15/42                  | 3,500        | 4,044,425    |
| California HFA, RB, Series K, AMT Home Mortgage,         |              |              |
| 5.50%, 2/01/42   | 1,925        | 1,919,764    |
| California State Public Works Board, RB, Various Capital |              |              |
| Project, Sub-Series I-1, 6.38%, 11/01/34                 | 1,280        | 1,501,670    |
| California Statewide Communities Development             |              |              |
| Authority, RB, Health Facility, Memorial Health          |              |              |
| Services, Series A, 5.50%, 10/01/33                      | 5,000        | 5,199,900    |
| Los Angeles Department of Airports, RB, Series A,        |              |              |
| 5.25%, 5/15/39   | 860          | 953,405      |
| Los Angeles Department of Airports, Refunding RB,        |              |              |
| Senior, Los Angeles International Airport, Series A,     |              |              |
| 5.00%, 5/15/40   | 6,500        | 7,156,175    |
| San Francisco City & County Redevelopment Agency,        |              |              |
| Special Tax Bonds, District No. 6, Mission Bay South     |              |              |
| Public Improvements, 6.63%, 8/01/27                      | 3,120        | 3,141,278    |
| State of California, GO, Various Purpose:                |              |              |
| 6.00%, 3/01/33   | 1,760        | 2,106,984    |
| 6.50%, 4/01/33   | 10,670       | 13,122,713   |
| 5.00%, 10/01/41  | 3,320        | 3,543,967    |
|  |              | 45,600,122   |
| <b>Colorado 1.1%</b>                                     |              |              |
| Colorado Health Facilities Authority, Refunding RB,      |              |              |
| Catholic Healthcare Series A, 5.50%, 7/01/34             | 2,330        | 2,572,063    |
| Park Creek Metropolitan District Colorado, Refunding     |              |              |
| RB, Senior, Limited Tax, Property Tax, 5.50%,            |              |              |
| 12/01/37   | 1,375        | 1,399,269    |
|  |              | 3,971,332    |
| <b>Connecticut 0.5%</b>                                  |              |              |
| Connecticut State Health & Educational Facility          |              |              |
| Authority, RB, Ascension Health Senior Credit, 5.00%,    |              |              |
| 11/15/40   | 1,505        | 1,615,286    |
| <b>Delaware 1.6%</b>                                     |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc.,         |              |              |
| Indian River Project, 6.00%, 10/01/40                    | 1,240        | 1,335,542    |
| Delaware State EDA, RB, Exempt Facilities, Indian River  |              |              |
| Power, 5.38%, 10/01/45                                   | 4,430        | 4,510,582    |
|  |              | 5,846,124    |
| <b>District of Columbia 6.3%</b>                         |              |              |

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District of Columbia Tobacco Settlement Financing Corp.,

Refunding RB, Asset-Backed:

|  |        |            |
|--|--------|------------|
| 6.50%, 5/15/33   | 7,500  | 8,115,900  |
| 6.75%, 5/15/40   | 11,500 | 11,598,095 |
| Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: |        |            |
| 5.00%, 10/01/39  | 550    | 589,391    |
| 5.25%, 10/01/44  | 2,000  | 2,155,380  |
|  |        | 22,458,766 |

| Municipal Bonds   | Par (000) | Value        |
|---|-----------|--------------|
| <b>Florida 6.2%</b>   |           |              |
| City of Leesburg Florida, RB, Leesburg Regional Medical Center Project, 5.50%, 7/01/32                | \$ 1,000  | \$ 1,001,450 |
| County of Miami-Dade Florida, RB:   |           |              |
| Miami International Airport, Series A AMT (AGC), 5.25%, 10/01/38                                      | 2,855     | 2,975,795    |
| Water & Sewer System Revenue (AGM), 5.00%, 10/01/39   | 5,000     | 5,420,750    |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41  | 1,255     | 1,390,891    |
| Live Oak Community Development District No. 1, Special Assessment Bonds, Series A, 6.30%, 5/01/34     | 3,115     | 3,211,254    |
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21   | 3,640     | 3,826,586    |
| Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40   | 2,500     | 2,727,075    |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35 | 1,930     | 1,651,115    |
|   |           | 22,204,916   |
| <b>Georgia 0.3%</b>   |           |              |
| DeKalb Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%, 11/15/39               | 915       | 985,784      |
| <b>Guam 0.7%</b>  |           |              |
| Territory of Guam, GO, Series A:  |           |              |
| 6.00%, 11/15/19   | 695       | 766,043      |
| 6.75%, 11/15/29   | 995       | 1,061,516    |
| 7.00%, 11/15/39   | 680       | 738,432      |
|   |           | 2,565,991    |
| <b>Hawaii 0.5%</b>  |           |              |
| State of Hawaii, Refunding RB, Series A, 5.25%, 7/01/30   | 1,480     | 1,644,354    |
| <b>Illinois 12.5%</b>   |           |              |
| Chicago Board of Education Illinois, GO, Series A:  |           |              |
| 5.50%, 12/01/39   | 2,300     | 2,604,060    |
| 5.00%, 12/01/41   | 760       | 819,569      |
| Chicago Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40                                    | 1,150     | 1,276,880    |
| City of Chicago Illinois, RB:   |           |              |
| 5.25%, 1/01/38  | 895       | 1,003,000    |
| O Hare International Airport Revenue, General, Third Lien, Series A, 5.75%, 1/01/39                   | 5,000     | 5,738,050    |
| O Hare International Airport Revenue, General, Third Lien, Series C, (AGM), 6.50%, 1/01/41            | 6,430     | 7,738,762    |
| Illinois Finance Authority, RB:   |           |              |
| MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (b)(c)                                  | 900       | 90,000       |
|   | 1,675     | 1,795,834    |

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|   |        |            |
|---|--------|------------|
| Navistar International, Recovery Zone, 6.50%,<br>10/15/40                                     |        |            |
| Illinois Finance Authority, Refunding RB:   |        |            |
| Central Dupage Health, Series B, 5.50%, 11/01/39  | 1,750  | 1,908,567  |
| Friendship Village Schaumburg, Series A, 5.63%,<br>2/15/37                                    | 455    | 391,418    |
| Illinois Sports Facilities Authority, RB, State Tax<br>Supported (AMBAC), 5.50%, 6/15/30      | 10,500 | 11,468,205 |
| Metropolitan Pier & Exposition Authority, Refunding<br>RB, McCormick Place Expansion Project: |        |            |
| Series B (AGM), 5.00%, 6/15/50  | 3,430  | 3,563,050  |
| Series B-2, 5.00%, 6/15/50  | 2,725  | 2,829,749  |
| Railsplitter Tobacco Settlement Authority, RB:  |        |            |
| 5.50%, 6/01/23  | 1,470  | 1,693,117  |
| 6.00%, 6/01/28  | 1,255  | 1,404,194  |
| State of Illinois, RB, Build Illinois, Series B,<br>5.25%, 6/15/34                            | 685    | 755,055    |
|   |        | 45,079,510 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Municipal Income Trust II (BLE)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Municipal Bonds</b>  |              |            |
| <b>Indiana 2.6%</b>   |              |            |
| Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39   | \$ 915       | \$ 980,505 |
| Indiana Finance Authority, Refunding RB, Ascension Health Senior Credit, Series B-5, 5.00%, 11/15/36  | 1,500        | 1,567,020  |
| Indiana Finance Authority Wastewater Utility, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38                                | 1,720        | 1,914,412  |
| Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.38%, 9/15/22  | 3,675        | 3,674,779  |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39  | 1,200        | 1,364,580  |
|   |              | 9,501,296  |
| <b>Iowa 0.6%</b>  |              |            |
| Iowa Student Loan Liquidity Corp., RB, Series A-1, AMT, 5.15%, 12/01/22   | 2,140        | 2,295,899  |
| <b>Kansas 0.5%</b>  |              |            |
| Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40  | 1,755        | 1,865,934  |
| <b>Kentucky 0.3%</b>  |              |            |
| Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40                                  | 1,105        | 1,239,180  |
| <b>Louisiana 3.3%</b>   |              |            |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35 | 3,650        | 4,077,415  |
| Parish of Saint John the Baptist Louisiana, RB, Marathon Oil Corp., Series A, 5.13%, 6/01/37  | 7,590        | 7,855,650  |
|   |              | 11,933,065 |
| <b>Maryland 1.5%</b>  |              |            |
| Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35   | 475          | 501,116    |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25  | 1,000        | 1,038,390  |
| Maryland Health & Higher Educational Facilities Authority, RB, Union Hospital of Cecil County Issue, 5.63%, 7/01/32                             | 1,000        | 1,006,770  |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community, 6.25%, 1/01/41                                  | 2,400        | 2,662,680  |
|   |              | 5,208,956  |
| <b>Massachusetts 0.3%</b>   |              |            |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39                           | 955          | 1,015,795  |
| <b>Michigan 1.1%</b>  |              |            |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36  | 1,500        | 1,619,010  |
| Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%,   | 2,305        | 2,381,249  |

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|   |                      |              |
|---|----------------------|--------------|
| 11/15/46  |                      | 4,000,259    |
| <b>Minnesota 2.2%</b>   |                      |              |
| Tobacco Securitization Authority Minnesota, Refunding<br>RB, Tobacco Settlement Revenue, Series B:  |                      |              |
| 5.25%, 3/01/25  | 4,905                | 5,534,655    |
| 5.25%, 3/01/31  | 2,065                | 2,245,915    |
|   |                      | 7,780,570    |
|   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>  |                      |              |
| <b>Missouri 2.0%</b>  |                      |              |
| 370/Missouri Bottom Road/Taussig Road<br>Transportation Development District, RB, 7.20%,<br>5/01/33                                       | \$ 6,000             | \$ 6,039,720 |
| Missouri State Health & Educational Facilities Authority,<br>RB, Senior Living Facilities, Lutheran Senior Home,<br>5.50%, 2/01/42        | 1,135                | 1,153,149    |
|   |                      | 7,192,869    |
| <b>Multi-State 3.8%</b>   |                      |              |
| Centerline Equity Issuer Trust (d)(e):  |                      |              |
| 5.75%, 5/15/15  | 1,000                | 1,073,800    |
| 6.00%, 5/15/15  | 5,000                | 5,418,250    |
| 6.00%, 5/15/19  | 3,500                | 3,919,090    |
| 6.30%, 5/15/19  | 3,000                | 3,369,210    |
|   |                      | 13,780,350   |
| <b>Nebraska 0.9%</b>  |                      |              |
| Lancaster County Hospital Authority No. 1, RB,<br>Immanuel Obligation Group, 5.63%, 1/01/40   | 1,245                | 1,326,423    |
| Sarpy County Hospital Authority No. 1, RB, Immanuel<br>Obligation Group, 5.63%, 1/01/40   | 1,635                | 1,741,929    |
|   |                      | 3,068,352    |
| <b>Nevada 0.7%</b>  |                      |              |
| County of Clark Nevada, Refunding RB, Alexander<br>Dawson School Nevada Project, 5.00%, 5/15/29   | 2,465                | 2,582,876    |
| <b>New Jersey 7.5%</b>  |                      |              |
| New Jersey EDA, RB:   |                      |              |
| Cigarette Tax, 5.75%, 6/15/34   | 3,810                | 3,946,055    |
| Continental Airlines Inc. Project, AMT, 7.20%,<br>11/15/30 (f)  | 10,100               | 10,112,726   |
| New Jersey EDA, Special Assessment Bonds, Refunding,<br>Kapkowski Road Landfill Project, 6.50%, 4/01/28                                   | 7,475                | 8,291,345    |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System, 5.25%, 6/15/36  | 2,690                | 3,013,015    |
| Port Authority of New York & New Jersey, RB, JFK<br>International Air Terminal, 6.00%, 12/01/42   | 1,375                | 1,534,170    |
|   |                      | 26,897,311   |
| <b>New York 3.1%</b>  |                      |              |
| Albany Industrial Development Agency, RB, New<br>Covenant Charter School Project, Series A, 7.00%,<br>5/01/35 (b)(c)                      | 985                  | 226,570      |
| Metropolitan Transportation Authority, Refunding RB,<br>Transportation, Series D, 5.25%, 11/15/40   | 1,325                | 1,461,104    |
| New York City Industrial Development Agency, RB,<br>American Airlines Inc., JFK International Airport,<br>AMT, 7.75%, 8/01/31 (c)(f)      | 6,700                | 6,331,500    |
| New York Liberty Development Corp., Refunding RB,<br>Second Priority, Bank of America Tower at One Bryant<br>Park Project, 6.38%, 7/15/49 | 1,335                | 1,448,702    |
| Port Authority of New York & New Jersey, RB, JFK<br>International Air Terminal, 6.00%, 12/01/36   | 1,410                | 1,578,875    |



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11,046,751

**North Carolina 2.2%**

|  |       |           |
|--|-------|-----------|
| Gaston County Industrial Facilities & Pollution Control<br>Financing Authority North Carolina, RB, Exempt<br>Facilities National Gypsum Co. Project, AMT, AMT,<br>5.75%, 8/01/35 | 7,500 | 6,146,400 |
| North Carolina Medical Care Commission, RB, Duke<br>University Health System, Series A, 5.00%, 6/01/42   | 1,525 | 1,617,171 |
|  |       | 7,763,571 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Municipal Income Trust II (BLE)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Ohio 1.9%</b>   |              |              |
| County of Allen Ohio, Refunding RB, Catholic Healthcare,<br>Series A, 5.25%, 6/01/38   | \$ 3,405     | \$ 3,627,551 |
| County of Montgomery Ohio, Refunding RB, Catholic<br>Healthcare, Series A, 5.00%, 5/01/39  | 3,025        | 3,186,747    |
|  |              | 6,814,298    |
| <b>Oklahoma 0.8%</b>   |              |              |
| Tulsa Airports Improvement Trust, RB, Series A,<br>Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (f)                                  | 3,925        | 3,039,873    |
| <b>Pennsylvania 2.5%</b>   |              |              |
| Allegheny County Hospital Development Authority,<br>Refunding RB, Health System, West Penn, Series A,<br>5.38%, 11/15/40         | 2,000        | 1,652,940    |
| Pennsylvania Economic Development Financing<br>Authority, RB:  |              |              |
| Amtrak Project, Series A, AMT, 6.38%, 11/01/41   | 5,175        | 5,196,631    |
| Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40  | 2,065        | 2,256,591    |
|  |              | 9,106,162    |
| <b>Puerto Rico 5.9%</b>  |              |              |
| Puerto Rico Commonwealth Aqueduct & Sewer<br>Authority, RB, Senior Lien, Series A:   |              |              |
| 5.13%, 7/01/37   | 375          | 374,498      |
| 5.25%, 7/01/42   | 625          | 624,387      |
| Puerto Rico Sales Tax Financing Corp., RB:   |              |              |
| CAB, Series A, 6.58%, 8/01/33 (a)  | 13,600       | 4,396,064    |
| CAB, Series A, 6.61%, 8/01/34 (a)  | 5,500        | 1,646,865    |
| CAB, CAB, Series A, 6.61%, 8/01/35 (a)   | 14,055       | 3,916,988    |
| CAB, Series A, 6.64%, 8/01/36 (a)  | 11,875       | 3,082,037    |
| First Sub-Series A, 6.50%, 8/01/44   | 6,100        | 7,173,539    |
|  |              | 21,214,378   |
| <b>South Carolina 3.9%</b>   |              |              |
| County of Greenwood South Carolina, RB, Facilities,<br>Self Memorial Hospital:   |              |              |
| 5.50%, 10/01/26  | 2,280        | 2,283,329    |
| 5.50%, 10/01/31  | 3,250        | 3,255,818    |
| South Carolina Jobs-EDA, Refunding RB, Palmetto<br>Health Alliance, Series A, 6.25%, 8/01/31                                     | 2,640        | 2,788,896    |
| South Carolina State Ports Authority, RB, 5.25%,<br>7/01/40  | 3,595        | 3,953,601    |
| South Carolina State Public Service Authority,<br>Refunding RB, Santee Cooper Project, Series C,<br>5.00%, 12/01/36              | 1,685        | 1,880,460    |
|  |              | 14,162,104   |
| <b>Tennessee 3.5%</b>  |              |              |
| Knox County Health Educational & Housing Facilities<br>Board Tennessee, Refunding RB, CAB, Series A<br>(AGM), 5.77%, 1/01/21 (a) | 20,405       | 12,584,988   |
| <b>Texas 15.6%</b>   |              |              |
| Brazos River Authority, RB, TXU Electric, Series A, AMT,<br>8.25%, 10/01/30  | 2,400        | 396,384      |
|  | 2,350        | 2,519,435    |

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|  |        |            |
|--|--------|------------|
| Central Texas Regional Mobility Authority, RB, Senior Lien, 6.25%, 1/01/46                                   |        |            |
| City of Dallas Texas, Refunding RB, 5.00%, 10/01/35  | 1,650  | 1,868,807  |
| City of Houston Texas, Refunding RB:<br>Combined, First Lien, Series A (AGC), 6.00%,<br>11/15/35             | 9,145  | 11,023,566 |
| Senior Lien, Series A, 5.50%, 7/01/39  | 1,675  | 1,840,909  |
| Gulf Coast Waste Disposal Authority, Refunding RB,<br>Series A, AMT, 6.10%, 8/01/24                          | 5,000  | 5,088,900  |
| Harris County-Houston Sports Authority, Refunding RB,<br>Third Lien, Series A-3 (NPFGC), 5.96%, 11/15/36 (a) | 25,375 | 4,908,286  |
| Lower Colorado River Authority, Refunding RB, Series A<br>(NPFGC), 5.00%, 5/15/31 (g)                        | 5      | 5,287      |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Texas (concluded)</b>   |              |              |
| North Texas Tollway Authority, RB, Toll 2nd Tier, Series F,<br>6.13%, 1/01/31                                  | \$ 6,790     | \$ 7,525,085 |
| San Antonio Energy Acquisition Public Facility Corp.,<br>RB, Gas Supply, 5.50%, 8/01/24                        | 3,600        | 3,967,020    |
| Tarrant County Cultural Education Facilities Finance<br>Corp., RB, Scott & White Healthcare, 6.00%,<br>8/15/45 | 4,410        | 5,041,159    |
| Texas Private Activity Bond Surface Transportation<br>Corp., RB, Senior Lien:                                  |              |              |
| LBJ Infrastructure Group LLC, LBJ Freeway Managed<br>Lanes Project, 7.00%, 6/30/40                             | 4,210        | 4,787,107    |
| NTE Mobility Partners LLC, North Tarrant Express<br>Managed Lanes Project, 6.88%, 12/31/39                     | 3,000        | 3,400,230    |
| University of Texas System, Refunding RB, Financing<br>System Bonds, Series B, 5.00%, 8/15/43 (h)              | 3,350        | 3,843,924    |
|  |              | 56,216,099   |
| <b>Utah 1.2%</b>   |              |              |
| City of Riverton Utah, RB, IHC Health Services Inc.,<br>5.00%, 8/15/41   | 3,960        | 4,252,842    |
| <b>Virginia 1.8%</b>   |              |              |
| City of Norfolk Virginia, Refunding RB, Series B<br>(AMBAC), 5.50%, 2/01/31 (g)                                | 1,240        | 1,241,017    |
| Halifax County IDA, Refunding RB, Old Dominion Electric<br>Co-op Project, AMT (AMBAC), 5.63%, 6/01/28          | 5,000        | 5,155,700    |
|  |              | 6,396,717    |
| <b>Washington 2.3%</b>   |              |              |
| Bellingham Washington, Water & Sewer Revenue,<br>5.00%, 8/01/36  | 5,050        | 5,687,967    |
| Washington Health Care Facilities Authority, RB,<br>Swedish Health Services, Series A, 6.75%, 11/15/41         | 2,190        | 2,585,229    |
|  |              | 8,273,196    |
| <b>Wisconsin 2.0%</b>  |              |              |
| Wisconsin Health & Educational Facilities Authority, RB:   |              |              |
| Ascension Health Senior Credit Group, 5.00%,<br>11/15/30   | 1,790        | 1,971,255    |
| Ascension Health Senior Credit Group, 5.00%,<br>11/15/33   | 910          | 986,140      |
| Aurora Health Care, 6.40%, 4/15/33   | 3,930        | 4,038,468    |
|  |              | 6,995,863    |
| <b>Wyoming 1.5%</b>  |              |              |
| County of Sweetwater Wyoming, Refunding RB,<br>Idaho Power Co. Project, 5.25%, 7/15/26                         | 3,355        | 3,837,952    |
| Wyoming Municipal Power Agency, RB, Series A:<br>5.50%, 1/01/33  | 800          | 880,688      |
| 5.50%, 1/01/38   | 750          | 816,983      |

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|                                     |                    |
|-------------------------------------|--------------------|
|                                     | 5,535,623          |
| <b>Total Municipal Bonds 120.6%</b> | <b>433,397,881</b> |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (i)**

**Alabama 0.7%**

|  |       |           |
|--|-------|-----------|
| Alabama Special Care Facilities Financing Authority-<br>Birmingham, Refunding RB, Ascension Health<br>Senior Credit, Series C-2, 5.00%, 11/15/36 | 2,519 | 2,637,093 |
|--|-------|-----------|

**Arizona 0.8%**

|   |       |           |
|---|-------|-----------|
| Salt River Arizona Project Agricultural Improvement &<br>Power District, RB, Series A, 5.00%, 1/01/38 | 2,630 | 2,863,745 |
|---|-------|-----------|

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Municipal Income Trust II (BLE)**  
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (i)  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>California 6.9%</b>   |              |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39                          | \$ 2,850     | \$ 3,214,373 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32                                | 2,530        | 2,782,747    |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33  | 1,840        | 2,125,097    |
| San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39   | 10,335       | 11,457,691   |
| University of California, RB, Limited Project, Series B, 4.75%, 5/15/38  | 5,099        | 5,218,369    |
|  |              | 24,798,277   |
| <b>Colorado 2.0%</b>   |              |              |
| Colorado Health Facilities Authority, RB (AGM), Catholic Health:   |              |              |
| Series C-3, 5.10%, 10/01/41  | 4,230        | 4,439,385    |
| Series C-7, 5.00%, 9/01/36   | 2,710        | 2,847,695    |
|  |              | 7,287,080    |
| <b>Connecticut 3.3%</b>  |              |              |
| Connecticut State Health & Educational Facility Authority, RB, Yale University:  |              |              |
| Series T-1, 4.70%, 7/01/29   | 5,170        | 5,971,091    |
| Series X-3, 4.85%, 7/01/37   | 5,130        | 5,843,327    |
|  |              | 11,814,418   |
| <b>Georgia 1.4%</b>  |              |              |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38                                    | 4,638        | 5,068,483    |
| <b>Massachusetts 2.5%</b>  |              |              |
| Massachusetts School Building Authority, RB, Sales Tax Revenue, Senior, Series B, 5.00%, 10/15/41                                      | 4,950        | 5,556,573    |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41   | 3,150        | 3,460,055    |
|  |              | 9,016,628    |
| <b>New Hampshire 0.7%</b>  |              |              |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39                                 | 2,219        | 2,522,142    |
| <b>New York 12.7%</b>  |              |              |
| Hudson New York Yards Infrastructure Corp., Senior RB, Series A, 5.75%, 2/15/47  | 1,750        | 1,977,123    |
| New York City Municipal Water Finance Authority, RB: Second General Resolution, Series HH, 5.00%, 6/15/31                              | 9,149        | 10,574,792   |
| Series FF-2, 5.50%, 6/15/40  | 1,710        | 1,971,908    |
| New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35  | 9,284        | 10,085,030   |
| New York State Liberty Development Corp., RB, Liberty Revenue Bonds, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43 | 11,670       | 13,093,156   |

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|  |                      |              |               |
|--|----------------------|--------------|---------------|
| New York State Liberty Development Corp., Refunding<br>RB, Liberty Revenue Bonds, 4 World Trade Center<br>Project, 5.75%, 11/15/51 | 7,040                | 7,998,637    | 45,700,646    |
| <b>Texas 1.2%</b>  |                      |              |               |
| Harris County Texas Metropolitan Transit Authority, RB,<br>Sales & Use Tax Bonds, Series A, 5.00%, 11/01/41                        | 3,720                | 4,154,905    |               |
| <b>Virginia 1.8%</b>   |                      |              |               |
| University of Virginia, Refunding RB, General, 5.00%,<br>6/01/40   | 5,909                | 6,521,102    |               |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (i)</b>  | <b>Par<br/>(000)</b> |              | <b>Value</b>  |
| <b>Washington 3.5%</b>   |                      |              |               |
| Central Puget Sound Regional Transit Authority, RB,<br>Series A (AGM), 5.00%, 11/01/32   | \$ 3,029             | \$ 3,344,843 |               |
| State of Washington, GO, Various Purpose, Series E,<br>5.00%, 2/01/34  | 8,113                | 9,142,522    | 12,487,365    |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 37.5%</b>  |                      |              | 134,871,884   |
| <b>Total Long-Term Investments<br/>(Cost \$531,470,748) 158.1%</b>   |                      |              | 568,269,765   |
| <b>Short-Term Securities</b>   | <b>Shares</b>        |              |               |
| FFI Institutional Tax-Exempt Fund, 0.01% (j)(k)  | 12,802,513           | 12,802,513   |               |
| <b>Total Short-Term Securities<br/>(Cost \$12,802,513) 3.5%</b>  |                      |              | 12,802,513    |
| <b>Total Investments (Cost \$544,273,261) 161.6%</b>   |                      |              | 581,072,278   |
| <b>Other Assets Less Liabilities 0.4%</b>  |                      |              | 1,423,884     |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (19.9)%</b>                               |                      |              | (71,723,715)  |
| <b>VMTP Shares, at Liquidation Value (42.1)%</b>   |                      |              | (151,300,000) |
| <b>Net Assets 100.0%</b>   |                      | \$           | 359,472,447   |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Issuer filed for bankruptcy and/or is in default of interest payments.
- (c) Non-income producing security.
- (d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (e) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (f) Variable rate security. Rate shown is as of report date.
- (g) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (h) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized<br>Appreciation |
|--------------|-------|----------------------------|
|--------------|-------|----------------------------|

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Morgan Stanley Co. \$ 3,843,924 \$ 34,103

- (i) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (j) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--------------------------------------|--------------------------------------|-----------------|--|--------|
| FII Institutional<br>Tax-Exempt Fund | 11,840,465                           | 962,048         | 12,802,513                             | \$ 704 |

- (k) Represents the current yield as of report date.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Municipal Income Trust II (BLE)

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 79        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$ 10,369,984  | \$ (60,634)             |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1       | Level 2        | Level 3 | Total          |
|------------------------------------|---------------|----------------|---------|----------------|
| <b>Assets:</b>                     |               |                |         |                |
| Investments:                       |               |                |         |                |
| Long-Term Investments <sup>1</sup> |               | \$ 568,269,765 |         | \$ 568,269,765 |
| Short-Term Securities              | \$ 12,802,513 |                |         | 12,802,513     |
| <b>Total</b>                       | \$ 12,802,513 | \$ 568,269,765 |         | \$ 581,072,278 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                                    | Level 1     | Level 2 | Level 3 | Total       |
|---|-------------|---------|---------|-------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |             |         |         |             |
| <b>Liabilities:</b>                                 |             |         |         |             |
| Interest rate contracts                             | \$ (60,634) |         |         | \$ (60,634) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.



See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

**BlackRock MuniHoldings Investment Quality Fund (MFL)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Alabama 3.5%</b>  |              |              |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children's Hospital (AGC):                        |              |              |
| 6.13%, 6/01/34   | \$ 4,980     | \$ 5,731,731 |
| 6.00%, 6/01/39   | 10,995       | 12,564,976   |
| Selma Industrial Development Board, RB, International<br>Paper Co., Project, Series A, 5.38%, 12/01/35           | 1,745        | 1,827,835    |
|  |              | 20,124,542   |
| <b>Arizona 2.1%</b>  |              |              |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM), 5.25%, 10/01/24                          | 10,260       | 11,931,046   |
| <b>California 18.7%</b>  |              |              |
| California Educational Facilities Authority, RB, University<br>of Southern California, Series A, 5.25%, 10/01/38 | 8,920        | 10,177,363   |
| California Health Facilities Financing Authority, RB,<br>Series A, 5.00%, 11/15/40                               | 1,080        | 1,173,388    |
| California Health Facilities Financing Authority,<br>Refunding RB, Sutter Health, Series B, 6.00%,<br>8/15/42    | 5,370        | 6,205,303    |
| California State Public Works Board, RB, Various Capital<br>Projects, Series G-1 (AGC), 5.25%, 10/01/24          | 5,000        | 5,748,100    |
| California State University, RB, Systemwide, Series A<br>(AGM), 5.00%, 11/01/39                                  | 3,325        | 3,546,279    |
| City of San Jose California, RB, Series A-1, AMT, 5.75%,<br>3/01/34  | 4,450        | 4,910,130    |
| County of Sacramento California, RB, Senior Series A<br>(AGC), 5.50%, 7/01/41                                    | 6,600        | 7,156,776    |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (NPFGC), 5.00%,<br>8/01/32  | 10,000       | 10,999,000   |
| Election of 2008, Series C, 5.25%, 8/01/39   | 3,675        | 4,212,653    |
| Los Angeles Department of Water & Power, RB, Power<br>System, Sub-Series A-1, 5.25%, 7/01/38                     | 5,000        | 5,701,150    |
| Los Angeles Municipal Improvement Corp., Refunding<br>RB, Real Property, Series B (AGC), 5.50%, 4/01/39          | 2,980        | 3,284,347    |
| Los Angeles Unified School District California, GO,<br>Series D, 5.25%, 7/01/25                                  | 3,485        | 4,091,913    |
| Manteca Financing Authority California, RB, Manteca<br>Sewer (AGC):  |              |              |
| 5.63%, 12/01/33  | 2,450        | 2,772,347    |
| 5.75%, 12/01/36  | 3,285        | 3,711,590    |
| Redondo Beach Unified School District, GO, Election of<br>2008, Series E, 5.50%, 8/01/34                         | 4,110        | 4,779,149    |
| San Bernardino Community College District, GO,<br>Election of 2002, Series A, 6.25%, 8/01/33                     | 3,820        | 4,545,112    |
| San Diego Public Facilities Financing Authority,<br>Refunding RB, Series B (AGC), 5.38%, 8/01/34                 | 4,690        | 5,419,389    |
| San Jacinto Unified School District, GO, Election of<br>2006 (AGM), 5.25%, 8/01/32                               | 3,000        | 3,255,630    |
| State of California, GO, Various Purpose (AGC), 5.50%,<br>11/01/39   | 15,000       | 16,671,900   |

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|   |          |                      |              |
|---|----------|----------------------|--------------|
|   |          |                      | 108,361,519  |
| <b>Colorado 1.2%</b>  |          |                      |              |
| Colorado Health Facilities Authority, RB, Hospital,<br>NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26                          | 5,925    |                      | 6,946,292    |
| <b>District of Columbia 0.2%</b>  |          |                      |              |
| District of Columbia Water & Sewer Authority, RB,<br>Series A (NPFGC), 5.00%, 10/01/38  | 1,000    |                      | 1,079,200    |
| <b>Florida 7.3%</b>   |          |                      |              |
| County of Lee Florida, Refunding RB, Series A, AMT,<br>5.38%, 10/01/32  | 4,600    |                      | 4,947,622    |
| County of Miami-Dade Florida, RB, AMT, Miami<br>International Airport, Series A:<br>(AGM), 5.50%, 10/01/41                        | 3,500    |                      | 3,703,630    |
| (NPFGC), 6.00%, 10/01/29  | 8,000    |                      | 8,055,680    |
|   |          | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>  |          |                      |              |
| <b>Florida (concluded)</b>  |          |                      |              |
| Florida Housing Finance Corp., RB, Waverly Apartments,<br>Series C-1, AMT (AGM), 6.30%, 7/01/30                                   | \$ 2,055 | \$                   | 2,066,960    |
| Florida Housing Finance Corp., Refunding RB, AMT<br>(NPFGC) Homeowner Mortgage, Series 2:<br>5.75%, 7/01/14                       | 360      |                      | 360,900      |
| 5.90%, 7/01/29  | 5,880    |                      | 5,948,855    |
| Jacksonville Port Authority, RB, AMT (AGC), 6.00%,<br>11/01/38  | 6,740    |                      | 6,831,260    |
| Manatee County Housing Finance Authority, RB,<br>Series A, AMT (Ginnie Mae), 5.90%, 9/01/40                                       | 2,700    |                      | 3,037,527    |
| Miami-Dade County Housing Finance Authority Florida,<br>MRB, Marbrisa Apartments Project, Series 2A, AMT<br>(AGM), 6.00%, 8/01/26 | 2,185    |                      | 2,200,229    |
| Orange County Health Facilities Authority, RB,<br>The Nemours Foundation Project, Series A,<br>5.00%, 1/01/29                     | 4,435    |                      | 4,841,911    |
|   |          |                      | 41,994,574   |
| <b>Illinois 18.4%</b>   |          |                      |              |
| Chicago Board of Education Illinois, GO, Series A:<br>5.50%, 12/01/39   | 6,370    |                      | 7,212,114    |
| 5.00%, 12/01/41   | 12,865   |                      | 13,873,359   |
| Chicago Board of Education Illinois, GO, Refunding,<br>Chicago School Reform Board, Series A (NPFGC),<br>5.50%, 12/01/26          | 1,620    |                      | 1,972,787    |
| Chicago Transit Authority, RB, Federal Transit<br>Administration Section 5309, Series A (AGC),<br>6.00%, 6/01/26                  | 6,315    |                      | 7,414,315    |
| Chicago Transit Authority, RB, Sale Tax Receipts Revenue:<br>5.25%, 12/01/36  | 1,960    |                      | 2,181,284    |
| 5.25%, 12/01/40   | 5,515    |                      | 6,123,470    |
| City of Chicago Illinois, O Hare International Airport,<br>Third Lien, RB, Series C (AGM), 5.25%, 1/01/35                         | 4,520    |                      | 4,947,637    |
| City of Chicago Illinois, RB, Sales Tax Revenue, Series A,<br>5.25%, 1/01/38  | 2,445    |                      | 2,740,038    |
| City of Chicago Illinois, RB, Third Lien, O Hare<br>International Airport, Series A, 5.75%, 1/01/39                               | 7,395    |                      | 8,486,576    |
| City of Chicago Illinois, Refunding RB, General, Third<br>Lien, Series C, 6.50%, 1/01/41  | 16,800   |                      | 20,219,472   |
| Illinois Finance Authority, RB, University of Chicago,<br>Series B, 5.50%, 7/01/37  | 10,000   |                      | 11,200,100   |
| Illinois Finance Authority, Refunding RB, Carle<br>Foundation, Series A, 6.00%, 8/15/41   | 4,000    |                      | 4,390,200    |
|   | 2,700    |                      | 2,887,920    |

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Illinois Municipal Electric Agency, RB, Series A  
(NPFGC), 5.25%, 2/01/35

Railsplitter Tobacco Settlement Authority, RB:

|                |       |           |
|----------------|-------|-----------|
| 5.50%, 6/01/23 | 4,365 | 5,027,520 |
| 6.00%, 6/01/28 | 1,245 | 1,393,006 |

State of Illinois, RB, Build Illinois, Series B,  
5.25%, 6/15/26

|       |             |
|-------|-------------|
| 5,625 | 6,386,062   |
|       | 106,455,860 |

**Indiana 5.5%**

Indiana Finance Authority WasteWater Utility, RB,  
First Lien, CWA Authority, Series A:

|                 |       |           |
|-----------------|-------|-----------|
| 5.25%, 10/01/31 | 5,810 | 6,647,279 |
| 5.00%, 10/01/41 | 2,000 | 2,167,860 |

Indianapolis Local Public Improvement Bond Bank, RB,  
Series K (AGM), 5.00%, 6/01/25

|       |           |
|-------|-----------|
| 6,535 | 7,438,006 |
|-------|-----------|

Indianapolis Local Public Improvement Bond Bank,  
Refunding RB, Waterworks Project, Series A (AGC),  
5.50%, 1/01/38

|        |            |
|--------|------------|
| 14,105 | 15,752,323 |
|        | 32,005,468 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock MuniHoldings Investment Quality Fund (MFL)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Iowa 0.6%</b>   |              |              |
| Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29                         | \$ 3,350     | \$ 3,681,148 |
| <b>Louisiana 0.3%</b>  |              |              |
| New Orleans Aviation Board Louisiana, Refunding RB, GARB, Restructuring (AGC):                         |              |              |
| Series A-1, 6.00%, 1/01/23   | 720          | 859,500      |
| Series A-2, 6.00%, 1/01/23   | 500          | 596,875      |
|  |              | 1,456,375    |
| <b>Michigan 13.2%</b>  |              |              |
| City of Detroit Michigan, RB:  |              |              |
| Second Lien, Series B (AGM), 6.25%, 7/01/36  | 6,320        | 7,246,512    |
| Second Lien, Series B (NPFGC), 5.50%, 7/01/29  | 7,490        | 8,435,013    |
| Senior Lien, Series B (AGM), 7.50%, 7/01/33  | 2,780        | 3,496,100    |
| System, Second Lien, Series A (BHAC), 5.50%, 7/01/36   | 16,440       | 18,136,608   |
| City of Detroit Michigan, Refunding RB, Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27                  | 9,055        | 11,169,162   |
| Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41                        | 6,015        | 6,655,357    |
| Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26             | 1,760        | 1,980,704    |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):                   |              |              |
| 5.25%, 10/15/22  | 6,150        | 7,170,408    |
| 5.25%, 10/15/24  | 2,755        | 3,166,845    |
| 5.25%, 10/15/25  | 1,435        | 1,643,204    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39 | 5,780        | 7,280,604    |
|  |              | 76,380,517   |
| <b>Minnesota 2.0%</b>  |              |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | 9,900        | 11,642,697   |
| <b>Nebraska 0.9%</b>   |              |              |
| Nebraska Investment Finance Authority, Refunding RB, Series A:   |              |              |
| 5.90%, 9/01/36   | 3,650        | 4,103,294    |
| 6.05%, 9/01/41   | 1,115        | 1,187,274    |
|  |              | 5,290,568    |
| <b>Nevada 5.7%</b>   |              |              |
| Clark County Water Reclamation District, GO, Series A, 5.25%, 7/01/34                                  | 11,140       | 12,437,476   |
| County of Clark Nevada, RB:  |              |              |
| Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39                               | 9,005        | 9,780,781    |
| Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36   | 10,380       | 10,634,725   |
|  |              | 32,852,982   |
| <b>New Jersey 3.7%</b>   |              |              |
|  | 6,500        | 7,092,865    |

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|   |       |            |
|---|-------|------------|
| New Jersey Health Care Facilities Financing Authority,<br>RB, Virtua Health (AGC), 5.50%, 7/01/38 |       |            |
| New Jersey Higher Education Student Assistance<br>Authority, RB, Series 1, AMT, 5.75%, 12/01/28   | 4,475 | 5,017,594  |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System:                     |       |            |
| Series A, 5.50%, 6/15/41  | 5,410 | 6,178,815  |
| Series B, 5.25%, 6/15/36  | 2,960 | 3,315,437  |
|   |       | 21,604,711 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>New York 8.1%</b>   |              |              |
| New York City Municipal Water Finance Authority, RB:   |              |              |
| Fiscal 2009, Series EE, 5.25%, 6/15/40   | \$ 7,500     | \$ 8,461,650 |
| Series FF-2, 5.50%, 6/15/40  | 4,000        | 4,613,760    |
| New York City Municipal Water Finance Authority, RB,<br>Second General Resolution:   |              |              |
| Fiscal 2012, Series BB, 5.00%, 6/15/44   | 5,000        | 5,499,500    |
| Series EE, 5.38%, 6/15/43  | 3,475        | 3,941,866    |
| New York City Transitional Finance Authority, RB,<br>Fiscal 2009:  |              |              |
| Series S-3, 5.25%, 1/15/39   | 5,625        | 6,178,612    |
| Series S-4 (AGC), 5.50%, 1/15/29   | 4,000        | 4,663,080    |
| New York City Transitional Finance Authority, RB,<br>Sub-Future Tax Secured, Series C, 5.00%, 11/01/39                               | 4,865        | 5,406,572    |
| New York City Transitional Finance Authority, RB,<br>Sub-Series S-2A, 5.00%, 7/15/30   | 7,110        | 8,233,167    |
|  |              | 46,998,207   |
| <b>North Carolina 1.4%</b>   |              |              |
| City of Charlotte NC, RB, Airport Revenue, Charlotte<br>Douglas Airport, Series A, 5.00%, 7/01/41                                    | 7,540        | 8,270,249    |
| <b>Pennsylvania 1.7%</b>   |              |              |
| Pennsylvania Turnpike Commission, RB, Sub-Series A,<br>6.00%, 12/01/41   | 4,945        | 5,483,807    |
| Philadelphia Hospitals & Higher Education Facilities<br>Authority, RB, Children s Hospital Philadelphia,<br>Series D, 5.00%, 7/01/32 | 3,785        | 4,186,135    |
|  |              | 9,669,942    |
| <b>Puerto Rico 1.3%</b>  |              |              |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39   | 6,610        | 7,748,242    |
| <b>Texas 22.7%</b>   |              |              |
| City of Austin Texas, Refunding RB, Series A (AGM):  |              |              |
| 5.00%, 11/15/28  | 3,360        | 3,824,688    |
| 5.00%, 11/15/29  | 4,255        | 4,801,980    |
| City of Houston Texas, Refunding RB, Combined<br>First Lien, Series A (AGC):   |              |              |
| 6.00%, 11/15/35  | 12,700       | 15,308,834   |
| 6.00%, 11/15/36  | 9,435        | 11,325,397   |
| 5.38%, 11/15/38  | 5,000        | 5,702,000    |
| Clifton Higher Education Finance Corp., Refunding RB,<br>Baylor University, 5.25%, 3/01/32   | 5,690        | 6,510,213    |
| Dallas Area Rapid Transit, Refunding RB, Senior Lien,<br>5.25%, 12/01/38   | 10,110       | 11,236,355   |
| Harris County Cultural Education Facilities Finance<br>Corp., RB, Texas Children s Hospital Project, 5.25%,<br>10/01/29              | 3,645        | 4,155,373    |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare<br>System, Series B, 7.25%, 12/01/35 | 1,500        | 1,791,855    |

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|  |        |            |
|--|--------|------------|
| Lamar Texas Consolidated Independent School District,<br>GO, Refunding School House, Series A, 5.00%,<br>2/15/45 (a) | 4,175  | 4,712,782  |
| Lower Colorado River Authority, Refunding RB, LCRA<br>Transmission Services Project (AGC), 5.50%,<br>5/15/36         | 3,295  | 3,640,843  |
| Lubbock Cooper ISD Texas, GO, School Building (AGC),<br>5.75%, 2/15/42   | 2,300  | 2,588,489  |
| North Texas Tollway Authority, RB, System:<br>First Tier, Series K-1 (AGC), 5.75%, 1/01/38                           | 12,150 | 13,595,485 |
| Special Projects System, Series A, 5.50%,<br>9/01/41   | 4,200  | 4,833,906  |
| North Texas Tollway Authority, Refunding RB, System,<br>First Tier:<br>(AGM), 6.00%, 1/01/43                         | 5,555  | 6,483,074  |
| Series A (AGC), 5.75%, 1/01/40   | 7,000  | 7,719,950  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniHoldings Investment Quality Fund (MFL)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value              |
|---|--------------|--------------------|
| <b>Municipal Bonds</b>  |              |                    |
| <b>Texas (concluded)</b>  |              |                    |
| Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37 | \$ 1,770     | \$ 2,036,934       |
| University of Texas, RB, Refunding Financing System Series B, 5.00%, 8/15/43 (a)  | 8,495        | 9,747,503          |
| Waco Educational Finance Corporation, RB, Baylor University Issue 5.00%, 3/01/43  | 10,000       | 11,176,400         |
|   |              | 131,192,061        |
| <b>Utah 1.2%</b>  |              |                    |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41   | 6,375        | 6,846,431          |
| <b>Virginia 0.9%</b>  |              |                    |
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35   | 4,300        | 5,058,520          |
| <b>Washington 3.2%</b>  |              |                    |
| City of Seattle Washington, Refunding RB, Series A, 5.25%, 2/01/36  | 4,200        | 4,803,960          |
| State of Washington, GO, Various Purpose, Series B, 5.25%, 2/01/36  | 3,290        | 3,785,013          |
| University of Washington, General Revenue, Refunding Bonds, Series A, 5.00%, 7/01/41 (a)                                  | 8,700        | 9,888,246          |
|   |              | 18,477,219         |
| <b>Total Municipal Bonds 123.8%</b>   |              | <b>716,068,370</b> |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (b)</b>   |              |                    |
| <b>Alabama 1.2%</b>   |              |                    |
| Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31   | 6,500        | 6,863,870          |
| <b>California 2.9%</b>  |              |                    |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32                                    | 7,960        | 8,857,092          |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34  | 2,400        | 2,652,360          |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30                               | 5,000        | 5,513,850          |
|   |              | 17,023,302         |
| <b>District of Columbia 0.7%</b>  |              |                    |
| District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35   | 3,381        | 4,192,125          |
| <b>Florida 4.5%</b>   |              |                    |
| City of Jacksonville Florida, RB, Better Jacksonville (NPFGC), 5.00%, 10/01/27  | 10,000       | 10,560,400         |
| Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38  | 10,657       | 11,283,407         |
| Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40              | 4,065        | 4,355,851          |



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|  |                  |              |
|--|------------------|--------------|
|  |                  | 26,199,658   |
| <b>Illinois 1.5%</b>   |                  |              |
| Chicago Transit Authority, Refunding RB, Federal Transit Administration Section 5309 (AGM), 5.00%, 6/01/28             | 7,737            | 8,378,442    |
| <b>Indiana 1.8%</b>  |                  |              |
| Indiana Health & Educational Facilities Financing Authority, Refunding RB, St. Francis, Series E (AGM), 5.25%, 5/15/41 | 9,850            | 10,401,108   |
|  |                  |              |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (b)</b>  | <b>Par (000)</b> | <b>Value</b> |
| <b>Kentucky 0.1%</b>   |                  |              |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27                      | \$ 404           | \$ 461,617   |
| <b>Massachusetts 1.8%</b>  |                  |              |
| Massachusetts School Building Authority, RB, Senior-Series B, 5.00%, 10/15/41  | 9,440            | 10,596,778   |
| <b>Nevada 2.6%</b>   |                  |              |
| Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38   | 8,000            | 9,300,480    |
| Series B, 5.50%, 7/01/29   | 5,008            | 5,834,918    |
|  |                  | 15,135,398   |
| <b>New Jersey 3.8%</b>   |                  |              |
| New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34                                    | 4,350            | 5,005,110    |
| New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29                        | 7,532            | 8,088,583    |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32             | 8,000            | 8,637,120    |
|  |                  | 21,730,813   |
| <b>New York 9.7%</b>   |                  |              |
| Hudson Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47  | 9,249            | 10,450,507   |
| New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40                                       | 4,994            | 5,760,048    |
| New York Liberty Development Corp., RB, Series 1, 5.25%, 12/15/43  | 13,950           | 15,651,202   |
| New York Liberty Development Corp., Refunding RB, World Trade Center Project, 5.75%, 11/15/51                          | 8,200            | 9,316,594    |
| New York State Dormitory Authority, Short Term Personal Income, Tax Revenue Education, Series B, 5.25%, 3/15/38        | 13,500           | 15,007,950   |
|  |                  | 56,186,301   |
| <b>Puerto Rico 1.1%</b>  |                  |              |
| Puerto Rico Sales Tax Financing Corp., Sales Tax, RB, Senior Series C, 5.25%, 8/01/40                                  | 5,590            | 6,208,030    |
| <b>Texas 4.3%</b>  |                  |              |
| City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31  | 12,027           | 13,812,878   |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41                                   | 9,640            | 11,094,965   |
|  |                  | 24,907,843   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 36.0%</b>  |                  | 208,285,285  |
| <b>Total Long-Term Investments (Cost \$844,237,606) 159.8%</b>   |                  | 924,353,655  |

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| Short-Term Securities   | Shares     |                       |
|---|------------|-----------------------|
| FFI Institutional Tax-Exempt Fund, 0.01% (c)(d)                 | 30,313,901 | 30,313,901            |
| <b>Total Short-Term Securities</b>                              |            |                       |
| (Cost \$30,313,901) 5.3%  |            | 30,313,901            |
| <b>Total Investments (Cost \$874,551,507) 165.1%</b>            |            | <b>954,667,556</b>    |
| <b>Liabilities in Excess of Other Assets (0.2)%</b>             |            | <b>(1,218,568)</b>    |
| <b>Liability for TOB Trust Certificates, Including Interest</b> |            |                       |
| <b>Expense and Fees Payable (17.4)%</b>                         |            | <b>(100,504,544)</b>  |
| <b>VRDP Shares, at Liquidation Value (47.5)%</b>                |            | <b>(274,600,000)</b>  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>            |            | <b>\$ 578,344,444</b> |

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock MuniHoldings Investment Quality Fund (MFL)

(a) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty          | Value        | Unrealized<br>Appreciation |
|-----------------------|--------------|----------------------------|
| Morgan Keegan & Co.   | \$ 4,712,782 | \$ 17,786                  |
| Morgan Stanley Co.    | \$ 9,747,503 | \$ 86,479                  |
| Barclays Capital Inc. | \$ 9,888,246 | \$ 66,816                  |

(b) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(c) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held<br>at<br>February 29,<br>2012 | Income   |
|--------------------------------------|--------------------------------------|-----------------|---|----------|
| FII Institutional<br>Tax-Exempt Fund | 22,122,505                           | 8,191,396       | 30,313,901                                | \$ 1,723 |

(d) Represents the current yield as of report date.

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                       | Exchange                  | Expiration    | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-----------------------------|---------------------------|---------------|-------------------|----------------------------|
| 195       | 10-Year US<br>Treasury Note | Chicago<br>Board of Trade | March<br>2012 | \$ 25,596,797     | \$ (149,667)               |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

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Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1              | Level 2               | Level 3 | Total                 |
|------------------------------------|----------------------|-----------------------|---------|-----------------------|
| <b>Assets:</b>                     |                      |                       |         |                       |
| Investments:                       |                      |                       |         |                       |
| Long-Term Investments <sup>1</sup> |                      | \$ 924,353,655        |         | \$ 924,353,655        |
| Short-Term Securities              | \$ 30,313,901        |                       |         | 30,313,901            |
| <b>Total</b>                       | <b>\$ 30,313,901</b> | <b>\$ 924,353,655</b> |         | <b>\$ 954,667,556</b> |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                              | Level 1      | Level 2 | Level 3 | Total        |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (149,667) |         |         | \$ (149,667) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

## Schedule of Investments February 29, 2012 (Unaudited)

BlackRock MuniVest Fund, Inc. (MVF)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Alabama 3.0%</b>   |              |              |
| Alabama State Docks Department, Refunding RB,<br>6.00%, 10/01/40  | \$ 7,610     | \$ 8,438,272 |
| Camden IDB Alabama, RB, Weyerhaeuser Co. Project,<br>Series A, 6.13%, 12/01/13 (a)  | 2,550        | 2,810,483    |
| Selma IDB, RB:<br>Gulf Opportunity Zone, International Paper,<br>5.80%, 5/01/34   | 1,850        | 1,969,843    |
| International Paper Co., Series A, 5.38%,<br>12/01/35   | 1,000        | 1,047,470    |
| Selma IDB Alabama, Refunding RB, International<br>Paper Co. Project, Series B, 5.50%, 5/01/20                               | 5,000        | 5,113,650    |
|   |              | 19,379,718   |
| <b>Alaska 0.1%</b>  |              |              |
| Northern Tobacco Securitization Corp., RB, Asset-Backed,<br>Series A, 5.00%, 6/01/46  | 1,250        | 912,787      |
| <b>Arizona 2.7%</b>   |              |              |
| Maricopa County IDA, RB, Arizona Charter Schools<br>Project, Series A, 6.75%, 7/01/29                                       | 4,100        | 2,809,894    |
| Maricopa County Pollution Control Corp., Refunding RB,<br>Southern California Edison Co., Series A, 5.00%,<br>6/01/35       | 3,300        | 3,583,041    |
| Phoenix Civic Improvement Corp., RB, Junior Lien,<br>Series A, 5.00%, 7/01/40   | 2,000        | 2,121,580    |
| Pima County IDA, RB, Arizona Charter School Project,<br>Series E, 7.25%, 7/01/31  | 1,995        | 1,998,551    |
| Pima County IDA, Refunding RB:<br>Arizona Charter, Series I, 6.10%, 7/01/13 (a)(b)  | 110          | 117,932      |
| Arizona Charter, Series I, 6.30%, 7/01/13 (a)(b)  | 230          | 247,197      |
| Arizona Charter, Series I, 6.10%, 7/01/24 (b)   | 370          | 363,991      |
| Arizona Charter, Series I, 6.30%, 7/01/31 (b)   | 740          | 713,205      |
| Charter Schools II, Series A, 6.75%, 7/01/21  | 900          | 901,728      |
| Salt Verde Financial Corp., RB, Senior, 5.00%,<br>12/01/37  | 5,000        | 4,999,600    |
|   |              | 17,856,719   |
| <b>California 10.0%</b>   |              |              |
| California Health Facilities Financing Authority, RB,<br>Scripps Health, Series A, 5.00%, 11/15/40                          | 2,800        | 3,042,116    |
| California Health Facilities Financing Authority,<br>Refunding RB:<br>Catholic Healthcare West, Series A, 6.00%,<br>7/01/34 | 1,055        | 1,222,861    |
| State Joseph Health System, Series A, 5.75%,<br>7/01/39   | 5,000        | 5,531,350    |
| Sutter Health, Series B, 6.00%, 8/15/42   | 5,600        | 6,471,080    |
| California HFA, RB, Home Mortgage, Series K, AMT,<br>5.50%, 2/01/42   | 2,515        | 2,508,159    |
| California State Public Works Board, RB, Department<br>of Mental Health, Coalinga, Series A:<br>5.50%, 6/01/23              | 6,000        | 6,186,120    |
| 5.13%, 6/01/29  | 10,435       | 10,637,752   |

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|  |        |            |
|--|--------|------------|
| California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 6.00%, 10/01/23 | 4,240  | 4,460,904  |
| Golden State Tobacco Securitization Corp. California, RB, Asset-Backed, Series A-3, 7.88%, 6/01/13 (a)                           | 10,725 | 11,724,356 |
| Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39   | 1,200  | 1,330,332  |
| State of California, GO, Various Purpose, 6.50%, 4/01/33   | 9,700  | 11,929,739 |
|  |        | 65,044,769 |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Colorado 1.0%</b>  |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33        | \$ 2,500     | \$ 2,901,325 |
| Colorado Health Facilities Authority, Refunding RB, Evangelical Lutheran, Series A, 5.25%, 6/01/34      | 3,000        | 3,030,870    |
| Colorado Housing & Finance Authority, Refunding RB, S/F Program, Senior Series A-2, AMT: 6.60%, 5/01/28 | 275          | 283,476      |
| 7.50%, 4/01/31  | 130          | 131,548      |
| Regional Transportation District, COP, Series A, 5.38%, 6/01/31   | 385          | 431,073      |
|   |              | 6,778,292    |
| <b>Connecticut 0.2%</b>   |              |              |
| Mohegan Tribe of Indians of Connecticut, RB, Public Improvement, Priority Distribution, 6.25%, 1/01/31  | 1,885        | 1,600,422    |
| <b>Delaware 0.3%</b>  |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40                  | 1,500        | 1,615,575    |
| <b>District of Columbia 0.2%</b>  |              |              |
| Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: 5.00%, 10/01/39            | 415          | 444,722      |
| 5.25%, 10/01/44   | 650          | 700,499      |
|   |              | 1,145,221    |
| <b>Florida 5.0%</b>   |              |              |
| County of Miami-Dade Florida, GO, Building Better Communities Program: Series B, 6.38%, 7/01/28         | 4,630        | 5,564,797    |
| Series B-1, 5.63%, 7/01/38  | 5,000        | 5,587,050    |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport: AMT (AGC), 5.00%, 10/01/40     | 10,000       | 10,239,300   |
| Series A-1, 5.38%, 10/01/41   | 10,290       | 11,404,201   |
|   |              | 32,795,348   |
| <b>Georgia 2.2%</b>   |              |              |
| City of Atlanta Georgia, Refunding RB, General, Series B, AMT, 5.00%, 1/01/29                           | 1,070        | 1,149,779    |
| DeKalb County Hospital Authority Georgia, RB, DeKalb Medical Center Inc. Project, 6.13%, 9/01/40        | 3,570        | 3,850,602    |
| DeKalb Private Hospital Authority, Refunding RB, Childrens Healthcare, 5.25%, 11/15/39                  | 3,335        | 3,592,996    |
| Municipal Electric Authority of Georgia, RB, Series W: 6.60%, 1/01/18                                   | 4,530        | 5,140,553    |
| 6.60%, 1/01/18 (c)  | 250          | 269,365      |
|   |              | 14,003,295   |
| <b>Hawaii 0.9%</b>  |              |              |
| Hawaii State Harbor, RB, Series A, 5.50%, 7/01/35   | 5,000        | 5,545,800    |
| <b>Illinois 12.5%</b>   |              |              |

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|   |        |            |
|---|--------|------------|
| Chicago Board of Education Illinois, GO, Series A,<br>5.50%, 12/01/39                         | 6,670  | 7,551,774  |
| City of Chicago Illinois Sales Tax Revenue, Series A,<br>5.00%, 1/01/41                       | 2,290  | 2,519,641  |
| Chicago Transit Authority, RB, Sales Tax Receipts<br>Revenue, Third Lien, 5.25%, 12/01/36     | 2,110  | 2,348,219  |
| City of Chicago Illinois, RB, General, Third Lien,<br>Series B-2, AMT (NPFGC), 6.00%, 1/01/27 | 17,080 | 18,303,782 |
| Illinois Finance Authority, RB:<br>Advocate Health Care Network, Series D, 6.50%,<br>11/01/38 | 9,700  | 11,193,024 |
| Community, 6.50%, 7/01/22   | 1,060  | 968,193    |
| Community Rehabilitation, 6.50%, 7/01/12 (a)  | 1,080  | 1,114,020  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value         |
|---|--------------|---------------|
| <b>Municipal Bonds</b>  |              |               |
| <b>Illinois (concluded)</b>   |              |               |
| Illinois Finance Authority, Refunding RB:   |              |               |
| Northwestern Memorial Hospital, Series A, 6.00%,<br>8/15/39   | \$ 9,000     | \$ 10,332,360 |
| OSF Healthcare System, Series A, 6.00%, 5/15/39   | 5,140        | 5,757,623     |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%,<br>6/01/28  | 2,645        | 2,959,438     |
| Regional Transportation Authority, RB:  |              |               |
| Series A (AMBAC), 7.20%, 11/01/20   | 3,040        | 3,710,107     |
| Series C (NPFGC), 7.75%, 6/01/20  | 4,000        | 5,044,600     |
| Village of Hodgkins Illinois, RB, MBM Project, AMT,<br>6.00%, 11/01/23  | 10,000       | 10,009,000    |
|   |              | 81,811,781    |
| <b>Indiana 2.6%</b>   |              |               |
| Indiana Health & Educational Facilities Financing<br>Authority, RB, Clarian Health Obligation, Series A,<br>5.25%, 2/15/40                            |              |               |
|   | 8,980        | 9,251,196     |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Series D, 6.75%, 2/01/14  |              |               |
|   | 7,120        | 7,595,545     |
|   |              | 16,846,741    |
| <b>Iowa 0.1%</b>  |              |               |
| Iowa Tobacco Settlement Authority, RB, Asset Backed,<br>Series C, 5.63%, 6/01/46  |              |               |
|   | 1,000        | 770,930       |
| <b>Kansas 0.3%</b>  |              |               |
| Sedgwick & Shawnee Counties Kansas, RB, Mortgage-<br>Backed Securities Program, Series A-4, AMT (Ginnie<br>Mae), 5.95%, 12/01/33                      |              |               |
|   | 1,555        | 1,620,014     |
| <b>Kentucky 1.2%</b>  |              |               |
| County of Owen Kentucky, RB, Kentucky American<br>Water Co., Series B, 5.63%, 9/01/39   |              |               |
|   | 1,000        | 1,054,700     |
| Kentucky Economic Development Finance Authority,<br>RB, Owensboro Medical Health System, Series A:<br>6.38%, 6/01/40                                  |              |               |
|   | 2,000        | 2,242,860     |
| 6.50%, 3/01/45  | 4,000        | 4,519,720     |
|   |              | 7,817,280     |
| <b>Louisiana 0.5%</b>   |              |               |
| Louisiana Local Government Environmental Facilities &<br>Community Development Authority, RB, Westlake<br>Chemical Corp., Series A-1, 6.50%, 11/01/35 |              |               |
|   | 2,615        | 2,921,216     |
| <b>Maine 1.0%</b>   |              |               |
| Maine Health & Higher Educational Facilities Authority,<br>RB, Series A, 5.00%, 7/01/39   |              |               |
|   | 5,000        | 5,295,450     |
| Portland New Public Housing Authority Maine, Refunding<br>RB, Senior Living, Series A, 6.00%, 2/01/34   |              |               |
|   | 1,190        | 1,206,493     |
|   |              | 6,501,943     |
| <b>Maryland 1.8%</b>  |              |               |
| Maryland Community Development Administration, RB,<br>AMT, 5.10%, 9/01/37   |              |               |
|   | 1,835        | 1,880,545     |
| Maryland Community Development Administration,<br>Refunding RB, Residential, Series D, 4.90%,<br>9/01/42  |              |               |
|   | 3,250        | 3,281,557     |



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Maryland Health & Higher Educational Facilities Authority, Refunding RB:

|   |       |            |
|---|-------|------------|
| Charlestown Community, 6.25%, 1/01/41                 | 2,000 | 2,218,900  |
| University of Maryland Medical System, 5.00%, 7/01/34 | 2,100 | 2,224,089  |
| University of Maryland Medical System, 5.13%, 7/01/39 | 2,100 | 2,236,479  |
|   |       | 11,841,570 |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Massachusetts 5.4%</b>   |              |              |
| Massachusetts Bay Transportation Authority, Refunding RB, General Transportation System, Series A, 7.00%, 3/01/19 | \$ 3,010     | \$ 3,669,852 |
| Massachusetts HFA, RB, Series A, AMT, 5.20%, 12/01/37   | 2,935        | 3,006,526    |
| Massachusetts HFA, RB, S/F, Series 130, AMT, 5.00%, 12/01/32  | 2,500        | 2,544,250    |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42   | 6,550        | 6,886,998    |
| Massachusetts Water Resources Authority, RB, Series A, 6.50%, 7/15/19   | 16,000       | 19,344,160   |
|   |              | 35,451,786   |
| <b>Michigan 3.9%</b>  |              |              |
| City of Detroit Michigan, RB, Second Lien, Series B (AGM):  |              |              |
| 6.25%, 7/01/36  | 2,500        | 2,866,500    |
| 7.00%, 7/01/36  | 1,250        | 1,495,150    |
| Michigan State Hospital Finance Authority, Refunding RB:  |              |              |
| Henry Ford Health System, Series A, 5.25%, 11/15/46   | 7,950        | 8,212,986    |
| McLaren Health Care, 5.75%, 5/15/38   | 7,285        | 7,904,443    |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39            | 4,100        | 5,164,442    |
|   |              | 25,643,521   |
| <b>Minnesota 0.5%</b>   |              |              |
| Tobacco Securitization Authority Minnesota, Refunding RB, Tobacco Settlement, Series B, 5.25%, 3/01/31            | 3,000        | 3,262,830    |
| <b>Mississippi 5.0%</b>   |              |              |
| County of Lowndes Mississippi, Refunding RB, Weyerhaeuser Co. Project:  |              |              |
| Series A, 6.80%, 4/01/22  | 9,160        | 10,206,530   |
| Series B, 6.70%, 4/01/22  | 4,500        | 4,963,455    |
| Mississippi Business Finance Corp., Refunding RB, System Energy Resource Inc. Project:                            |              |              |
| 5.88%, 4/01/22  | 15,000       | 15,045,000   |
| 5.90%, 5/01/22  | 2,250        | 2,257,830    |
|   |              | 32,472,815   |
| <b>Nebraska 0.7%</b>  |              |              |
| Omaha New York Public Power District, Series B, 5.00%, 2/01/36  | 4,000        | 4,528,360    |
| <b>Nevada 0.9%</b>  |              |              |
| County of Clark Nevada, RB, Series B, 5.75%, 7/01/42  | 5,000        | 5,604,950    |
| <b>New Hampshire 0.4%</b>   |              |              |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Elliot Hospital, Series B, 5.60%, 10/01/22   | 2,300        | 2,466,037    |
| <b>New Jersey 6.4%</b>  |              |              |
| New Jersey EDA, RB, Cigarette Tax:  |              |              |

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|  |        |            |
|--|--------|------------|
| 5.50%, 6/15/24   | 9,080  | 9,130,303  |
| 5.75%, 6/15/34   | 3,695  | 3,826,949  |
| New Jersey EDA, Refunding RB, School Facilities<br>Construction, Series AA, 5.25%, 12/15/33  | 10,000 | 11,103,900 |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, Series AA, 6.38%, 10/01/28        | 1,420  | 1,572,323  |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System, 5.50%, 6/15/31 | 8,000  | 9,384,480  |
| Tobacco Settlement Financing Corp. New Jersey, RB,<br>7.00%, 6/01/13 (a)                     | 5,980  | 6,485,430  |
|  |        | 41,503,385 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>New York 4.0%</b>   |              |              |
| Metropolitan Transportation Authority, RB, Series 2008C:<br>6.25%, 11/15/23  | \$ 3,245     | \$ 3,952,086 |
| 6.50%, 11/15/28  | 14,925       | 18,564,461   |
| Port Authority of New York & New Jersey, RB, JFK<br>International Air Terminal, 6.00%, 12/01/36  | 3,165        | 3,544,072    |
|  |              | 26,060,619   |
| <b>North Carolina 0.5%</b>   |              |              |
| Gaston County Industrial Facilities & Pollution Control<br>Financing Authority North Carolina, RB, Exempt<br>Facilities, National Gypsum Co. Project, AMT, 5.75%,<br>8/01/35 | 4,105        | 3,364,130    |
| <b>Ohio 0.5%</b>   |              |              |
| Buckeye Tobacco Settlement Financing Authority, RB,<br>Senior, Series A-2, 6.50%, 6/01/47  | 1,125        | 917,213      |
| County of Lucas Ohio, Refunding RB, Promedica<br>Healthcare, Series A, 6.50%, 11/15/37   | 1,915        | 2,326,265    |
|  |              | 3,243,478    |
| <b>Pennsylvania 0.9%</b>   |              |              |
| Chester County IDA, RB, Aqua Pennsylvania Inc. Project,<br>Series A, AMT (NPFGC), 5.00%, 2/01/40   | 540          | 559,985      |
| Delaware River Port Authority Pennsylvania, RB, Series D,<br>5.00%, 1/01/40  | 195          | 208,001      |
| Pennsylvania Economic Development Financing<br>Authority, Refunding RB, Aqua Pennsylvania Inc.<br>Project, Series A, AMT, 5.00%, 12/01/34                                    | 2,780        | 2,987,749    |
| Philadelphia Authority for Industrial Development, RB:<br>Arbor House Inc. Project, Series E, 6.10%,<br>7/01/33  | 1,000        | 1,008,890    |
| Rieder House Project, Series A, 6.10%, 7/01/33   | 1,355        | 1,367,046    |
|  |              | 6,131,671    |
| <b>Puerto Rico 2.6%</b>  |              |              |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39   | 13,000       | 15,238,600   |
| Puerto Rico Sales Tax Financing Corp., Refunding RB,<br>CAB, Series A (NPFGC), 5.68%, 8/01/41 (d)  | 10,000       | 2,003,200    |
|  |              | 17,241,800   |
| <b>South Carolina 0.9%</b>   |              |              |
| County of Georgetown South Carolina, Refunding RB,<br>International Paper Co. Project, Series A, AMT, 5.55%,<br>12/01/29   | 1,000        | 1,016,480    |
| County of Richland South Carolina, Refunding RB,<br>International Paper Co. Project, AMT, 6.10%, 4/01/23   | 5,000        | 5,148,200    |
|  |              | 6,164,680    |
| <b>Texas 12.9%</b>   |              |              |
| Brazos River Authority, Refunding RB, Texas Utility Co.,<br>Series, AMT, 7.70%, 4/01/33  | 3,055        | 458,708      |
| Brazos River Harbor Navigation District, Refunding RB,<br>Dow Chemical Co. Project, Series A-7, AMT, 6.63%,<br>5/15/33   | 11,460       | 11,612,991   |

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Central Texas Regional Mobility Authority, RB,

Senior Lien:

|  |       |           |
|--|-------|-----------|
| 5.75%, 1/01/31   | 1,000 | 1,084,950 |
| 6.00%, 1/01/41   | 4,300 | 4,613,384 |
| City of Houston Texas, RB, Senior Lien, Series A, 5.50%,<br>7/01/34  | 8,335 | 9,239,931 |
| Gulf Coast Waste Disposal Authority, Refunding RB,<br>Series A, AMT, 6.10%, 8/01/24                                  | 4,000 | 4,071,120 |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare System,<br>Series B: |       |           |
| 7.13%, 12/01/31  | 3,500 | 4,219,775 |
| 7.25%, 12/01/35  | 5,400 | 6,450,678 |

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Texas (concluded)</b>   |              |              |
| Houston Industrial Development Corp., RB, Senior, Air<br>Cargo, AMT, 6.38%, 1/01/23  | \$ 1,690     | \$ 1,574,100 |
| La Vernia Higher Education Finance Corp., RB, KIPP Inc.,<br>6.25%, 8/15/39   | 925          | 1,014,947    |
| Love Field Airport Modernization Corp., RB, Southwest<br>Airlines Co. Project, 5.25%, 11/01/40                             | 3,600        | 3,726,468    |
| Matagorda County Navigation District No. 1 Texas,<br>Refunding RB, CenterPoint Energy Project, 5.60%,<br>3/01/27 (e)       | 9,355        | 9,770,456    |
| North Texas Tollway Authority, Refunding RB, First Tier,<br>Series A, 6.25%, 1/01/39                                       | 3,500        | 3,949,050    |
| Tarrant County Cultural Education Facilities Finance<br>Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45                | 5,000        | 5,715,600    |
| Texas Private Activity Bond Surface Transportation Corp.,<br>RB, Senior Lien:  |              |              |
| LBJ Infrastructure Group LLC, LBJ Freeway Managed<br>Lanes Project, 7.00%, 6/30/40   | 10,000       | 11,370,800   |
| NTE Mobility Partners LLC, North Tarrant Express<br>Managed Lanes Project, 6.88%, 12/31/39                                 | 4,710        | 5,338,361    |
|  |              | 84,211,319   |
| <b>Vermont 0.2%</b>  |              |              |
| Vermont Educational & Health Buildings Financing<br>Agency, RB, Developmental & Mental Health, Series A,<br>6.38%, 6/15/22 | 1,000        | 1,010,120    |
| <b>Virginia 2.5%</b>   |              |              |
| City of Norfolk Virginia, Refunding RB, Series B<br>(AMBAC), 5.50%, 2/01/31  | 3,550        | 3,552,911    |
| City of Portsmouth Virginia, GO, Refunding, Series D,<br>5.00%, 7/15/34  | 3,105        | 3,520,077    |
| Fairfax County EDA, Refunding RB, Goodwin House Inc.:<br>5.13%, 10/01/37   | 2,000        | 2,029,480    |
| 5.13%, 10/01/42  | 6,015        | 6,083,150    |
| Virginia HDA, Refunding RB, Sub-Series A3, AMT,<br>5.05%, 7/01/26  | 1,325        | 1,381,193    |
|  |              | 16,566,811   |
| <b>Washington 4.4%</b>   |              |              |
| Energy Northwest, Refunding RB, Series B, 7.13%,<br>7/01/16  | 14,320       | 18,109,501   |
| Seattle Housing Authority Washington, RB, Replacement<br>Housing Projects, 6.13%, 12/01/32                                 | 2,175        | 2,176,414    |
| Washington Health Care Facilities Authority, Refunding<br>RB, Catholic Health Initiatives, Series D, 6.38%,<br>10/01/36    | 7,000        | 8,215,270    |
|  |              | 28,501,185   |

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|  |       |             |
|--|-------|-------------|
| <b>West Virginia 0.4%</b>  |       |             |
| West Virginia Hospital Finance Authority, Refunding RB,<br>Charleston, Series A, 5.63%, 9/01/32            | 2,500 | 2,689,000   |
| <b>Wisconsin 1.4%</b>  |       |             |
| City of Milwaukee Wisconsin, RB, Senior, Air Cargo, AMT,<br>6.50%, 1/01/25                                 | 1,475 | 1,409,421   |
| Wisconsin Health & Educational Facilities Authority, RB,<br>Hudson Memorial Hospital (FHA), 5.70%, 1/15/29 | 4,500 | 4,563,000   |
| Wisconsin Health & Educational Facilities Authority, RB,<br>SynergyHealth Inc., 6.00%, 11/15/32            | 3,040 | 3,132,477   |
|  |       | 9,104,898   |
| <b>Wyoming 0.8%</b>  |       |             |
| County of Sweetwater Wyoming, Refunding RB, Idaho<br>Power Co. Project, 5.25%, 7/15/26                     | 4,500 | 5,147,775   |
| <b>Total Municipal Bonds 100.8%</b>  |       | 657,180,591 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)  
(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (f)  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Arizona 0.6%</b>  |              |              |
| Phoenix Civic Improvement Corp., RB, Junior Lien,<br>Series A, 5.00%, 7/01/34                                    | \$ 3,500     | \$ 3,913,875 |
| <b>California 5.2%</b>   |              |              |
| Los Angeles Community College District California, GO,<br>Election of 2008, Series A, 6.00%, 8/01/33             | 9,586        | 11,444,001   |
| University of California, RB, Series O, 5.25%, 5/15/39   | 20,000       | 22,374,600   |
|  |              | 33,818,601   |
| <b>Connecticut 2.0%</b>  |              |              |
| Connecticut State Health & Educational Facility<br>Authority, RB, Yale University, Series Z-3, 5.05%,<br>7/01/42 | 12,000       | 13,221,480   |
| <b>District of Columbia 1.3%</b>   |              |              |
| District of Columbia Water & Sewer Authority, RB,<br>Series A, 5.50%, 10/01/39                                   | 7,495        | 8,469,120    |
| <b>Florida 3.9%</b>  |              |              |
| County of Miami-Dade Florida, RB, Water & Sewer<br>System (AGM), 5.00%, 10/01/39                                 | 14,747       | 15,987,776   |
| Miami-Dade County Expressway Authority, RB, Series A<br>(AGC), 5.00%, 7/01/35                                    | 8,900        | 9,630,245    |
|  |              | 25,618,021   |
| <b>Illinois 3.2%</b>   |              |              |
| City of Chicago Illinois, Refunding RB, Second Lien<br>(AGM), 5.25%, 11/01/33                                    | 1,330        | 1,438,142    |
| Illinois Finance Authority, RB, University of Chicago,<br>Series B, 6.25%, 7/01/38                               | 10,000       | 11,824,900   |
| Illinois State Toll Highway Authority, RB, Series B,<br>5.50%, 1/01/33   | 6,999        | 7,666,165    |
|  |              | 20,929,207   |
| <b>Kentucky 5.2%</b>   |              |              |
| Kentucky Economic Development Finance Authority,<br>Refunding RB, St. Elizabeth, Series A, 5.50%,<br>5/01/39     | 8,003        | 8,770,210    |
| Kentucky Housing Corp., Refunding RB, Series L,<br>AMT, 5.25%, 1/01/38   | 6,840        | 7,024,475    |
| Lexington-Fayette Urban County Airport Board,<br>Refunding RB, Series A, 5.00%, 7/01/27                          | 7,001        | 7,868,226    |
| Louisville & Jefferson County Metropolitan Government<br>Parking Authority, RB, Series A, 5.38%, 12/01/39        | 9,195        | 10,300,239   |
|  |              | 33,963,150   |
| <b>Maryland 0.8%</b>   |              |              |
| Maryland State Transportation Authority, RB,<br>Transportation Facility Project (AGM), 5.00%,<br>7/01/41         | 4,710        | 5,141,907    |
| <b>Nevada 2.9%</b>   |              |              |
| Clark County Water Reclamation District, GO, Series B,<br>5.75%, 7/01/34   | 15,789       | 18,619,599   |
| <b>New York 6.5%</b>   |              |              |
| New York City Municipal Water Finance Authority:<br>RB, Series FF-2, 5.50%, 6/15/40                              | 4,154        | 4,791,391    |
|  | 24,199       | 26,203,899   |

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Water & Sewer System, RB, Series DD, 5.00%,  
6/15/37

|  |        |            |
|--|--------|------------|
| New York Liberty Development Corp., Refunding RB,<br>5.75%, 11/15/51 | 10,000 | 11,361,700 |
|  |        | 42,356,990 |

**North Carolina 2.9%**

North Carolina Capital Facilities Finance Agency,  
Refunding RB:

|  |        |            |
|--|--------|------------|
| Duke University Project, Series A, 5.00%, 10/01/41 | 12,678 | 13,555,522 |
| Wake Forest University, 5.00%, 1/01/38             | 5,000  | 5,484,300  |
|  |        | 19,039,822 |

**Municipal Bonds Transferred to  
Tender Option Bond Trusts (f)**

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Ohio 3.6%</b>   |              |              |
| County of Allen Ohio, Refunding RB, Catholic Healthcare,<br>Series A, 5.25%, 6/01/38   | \$ 2,870     | \$ 3,057,583 |
| County of Montgomery Ohio, Refunding RB, Catholic<br>Healthcare, Series A, 5.50%, 5/01/34                                    | 5,470        | 6,066,777    |
| Ohio Higher Educational Facility Commission,<br>Refunding RB, Hospital, Cleveland Clinic Health,<br>Series A, 5.25%, 1/01/33 | 4,400        | 4,740,604    |
| State of Ohio, RB, Cleveland Clinic Health, Series B,<br>5.50%, 1/01/34  | 8,500        | 9,378,730    |
|  |              | 23,243,694   |

**Oregon 2.1%**

|   |        |            |
|---|--------|------------|
| Oregon State Housing & Community Services<br>Department, HRB, Series A, AMT, 4.95%, 7/01/30 | 13,000 | 13,373,328 |
|---|--------|------------|

**South Carolina 0.5%**

|   |       |           |
|---|-------|-----------|
| South Carolina State Housing Finance & Development<br>Authority, Refunding RB, Series B-1, 5.55%, 7/01/39 | 3,079 | 3,247,931 |
|---|-------|-----------|

**Texas 7.8%**

|  |        |            |
|--|--------|------------|
| Harris County Health Facilities Development Corp.,<br>Refunding RB, School Health Care System, Series B,<br>5.75%, 7/01/27 | 20,970 | 27,225,141 |
| Houston Higher Education Finance Corp., RB, Rice<br>University Project, Series A, 5.00%, 5/15/40                           | 10,000 | 11,321,091 |
| Texas Department of Housing & Community Affairs,<br>MRB, Series B, AMT (Ginnie Mae), 5.25%, 9/01/32                        | 6,276  | 6,476,594  |
| Texas State University Systems, Refunding RB (AGM),<br>5.00%, 3/15/30  | 5,667  | 6,037,561  |
|  |        | 51,060,387 |

**Virginia 2.6%**

|  |       |            |
|--|-------|------------|
| Fairfax County IDA Virginia, Refunding RB, Health Care,<br>Inova Health System, Series A, 5.50%, 5/15/35 | 2,099 | 2,341,355  |
| Virginia Small Business Financing Authority, Refunding<br>RB, Sentara Healthcare, 5.00%, 11/01/40        | 5,002 | 5,361,480  |
| Virginia State Commonwealth Transportation Board,<br>Capital Projects, 5.00%, 5/15/32                    | 8,001 | 9,287,550  |
|  |       | 16,990,385 |

**Washington 4.2%**

|  |        |            |
|--|--------|------------|
| Central Puget Sound Regional Transit Authority, RB,<br>Series A: |        |            |
| 5.00%, 11/01/34  | 5,000  | 6,005,175  |
| 5.00%, 11/01/36  | 6,000  | 6,005,190  |
| (AGM), 5.00%, 11/01/32   | 14,007 | 15,465,760 |
|  |        | 27,476,125 |

**Wisconsin 1.0%**

|  |       |           |
|--|-------|-----------|
| Wisconsin Health & Educational Facilities Authority,<br>Refunding RB, Froedtert & Community Health Inc.,<br>5.25%, 4/01/39 | 6,099 | 6,596,226 |
|--|-------|-----------|

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|   |               |
|---|---------------|
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts</b> 56.3% | 367,079,848   |
| <b>Total Long-Term Investments<br/>(Cost \$934,858,894)</b> 157.1%              | 1,024,260,439 |

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock MuniVest Fund, Inc. (MVF)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value          |
|--|--------------|----------------|
| <b>Short-Term Securities</b>   |              |                |
| <b>Virginia 0.8%</b>   |              |                |
| Roanoke Economic Development Authority, RB, VRDN,<br>Carilion Health System, Series A-2 (AGM Insurance,<br>Wells Fargo Bank NA SBPA), 0.05%, 3/01/12 (g) | \$ 5,000     | \$ 5,000,000   |
| <b>Washington 0.7%</b>   |              |                |
| Washington Health Care Facilities Authority, RB, VRDN,<br>Multicare Health System, Series D, 0.10%,<br>3/01/12 (g)                                       | 4,900        | 4,900,000      |
| <b>Shares</b>  |              |                |
| <b>Money Market Funds 5.5%</b>   |              |                |
| FFI Institutional Tax-Exempt Fund, 0.01% (h)(i)  | 35,889,619   | 35,889,619     |
| <b>Total Short-Term Securities</b><br>(Cost \$45,789,619) 7.0%   |              | 45,789,619     |
| <b>Total Investments (Cost \$980,648,513) 164.1%</b>   |              | 1,070,050,058  |
| <b>Other Assets Less Liabilities 1.4%</b>  |              | 9,465,669      |
| <b>Liability for TOB Trust Certificates, Including Interest</b>  |              |                |
| <b>Expense and Fees Payable (28.1%)</b>  |              | (183,483,660)  |
| <b>VMTP Shares, at Liquidation Value (37.4%)</b>   |              | (243,800,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |              | \$ 652,232,067 |

- (a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Security is collateralized by Municipal or US Treasury obligations.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Securities represent bonds transferred to a TOB trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (h) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--------------------------------------|--------------------------------------|-----------------|--|--------|
| FFI Institutional<br>Tax-Exempt Fund | 44,571,921                           | (8,682,302)     | 35,889,619                             |        |

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- (i) Represents the current yield as of report date.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments:

| Valuation Inputs                   | Level 1              | Level 2                 | Level 3 | Total                   |
|------------------------------------|----------------------|-------------------------|---------|-------------------------|
| <b>Assets:</b>                     |                      |                         |         |                         |
| Investments:                       |                      |                         |         |                         |
| Long-Term Investments <sup>1</sup> |                      | \$ 1,024,260,439        |         | \$ 1,024,260,439        |
| Short-Term Securities              | \$ 35,889,619        | 9,900,000               |         | 45,789,619              |
| <b>Total</b>                       | <b>\$ 35,889,619</b> | <b>\$ 1,034,160,439</b> |         | <b>\$ 1,070,050,058</b> |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

## Statements of Assets and Liabilities

| February 29, 2012 (Unaudited)   | BlackRock<br>Municipal Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income<br>Investment<br>Quality<br>Trust<br>(BAF) | BlackRock<br>Municipal<br>Income<br>Quality<br>Trust<br>(BYM) | BlackRock<br>Municipal<br>Income<br>Trust<br>II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|---|---|---|---|---|--|--|--|
| <b>Assets</b>   |   |   |   |   |  |  |  |
| Investments at value unaffiliated                                       | \$ 87,232,830   | \$ 251,351,552                                | \$ 220,551,298  | \$ 623,127,097  | \$ 568,269,765   | \$ 924,353,655   | \$ 1,034,160,439                             |
| Investments at value affiliated   | 3,025,425   | 4,946,999                                     | 3,259,592   | 13,815,497  | 12,802,513   | 30,313,901   | 35,889,619                                   |
| Cash pledged as collateral for financial futures contracts              | 35,000  | 63,000  | 91,000  | 96,000  | 152,000  | 305,000  |  |
| Interest receivable   | 908,804   | 3,098,952                                     | 2,320,940   | 5,994,929   | 7,138,538  | 10,931,799   | 13,392,230                                   |
| Investments sold receivable   |   | 25,000  |   | 1,123,630   |  | 14,435,178   |  |
| Margin variation receivable   | 7,313   | 16,801  | 19,094  | 20,313  | 32,094   | 79,217   |  |
| Deferred offering costs   | 183,387   | 134,969                                       | 117,248   | 175,364   | 192,345  | 713,028  | 289,514                                      |
| Prepaid expenses  | 1,912   | 5,806   | 22,261  | 14,341  | 7,612  | 15,487   | 15,487                                       |
| Other assets  | 4,352   | 20,829  | 13,573  | 53,837  | 48,827   | 118,032  | 121,235                                      |
| <b>Total assets</b>   | <b>91,399,023</b>   | <b>259,663,908</b>                            | <b>226,395,006</b>  | <b>644,421,008</b>  | <b>588,643,694</b>                                       | <b>981,265,297</b>   | <b>1,083,868,524</b>                         |
| <b>Liabilities</b>  |   |   |   |   |  |  |  |
| Bank overdraft  |   | 1,128   | 1,082   | 11,148  | 9,832  | 466  | 480  |
| Investments purchased payable   | 3,166,722   |   | 11,254,094  | 1,085,050   | 3,809,821  | 24,180,929   |  |
| TOB trust payable   | 445,000   |   |   |   |  |  |  |
| Income dividends payable  |   |   |   |   |  |  |  |
| Common Shares   | 270,295   | 927,809                                       | 651,516   | 2,029,506   | 1,951,971  | 2,886,731  | 3,739,532                                    |
| Investment advisory fees payable  | 41,572  | 123,113                                       | 92,714  | 278,398   | 229,643  | 385,813  | 426,043                                      |
| Officers and Trustees fees payable                                      | 2,893   | 29,729  | 15,569  | 74,481  | 19,481   | 129,980  | 159,021                                      |
| Interest expense and fees payable                                       | 4,589   | 3,484   | 13,811  | 37,326  | 26,574   | 50,644   | 72,624                                       |
| Other accrued expenses payable  | 22,890  | 4,286   | 13,681  | 92,463  | 126,033  | 232,013  | 26,511                                       |
| <b>Total accrued liabilities</b>  | <b>3,953,961</b>  | <b>1,089,549</b>                              | <b>12,042,467</b>   | <b>3,608,372</b>  | <b>6,173,355</b>   | <b>27,866,576</b>  | <b>4,424,211</b>                             |
| <b>Other Liabilities</b>  |   |   |   |   |  |  |  |
| TOB trust certificates  | 15,821,025  | 10,318,936                                    | 32,574,167  | 95,834,090  | 71,697,892   | 100,454,277  | 183,412,246                                  |
| VRDP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup> | 17,800,000  |   |   |   |  | 274,600,000  |  |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup> |   | 79,900,000                                    | 42,200,000  | 137,200,000   | 151,300,000  |  | 243,800,000                                  |
| <b>Total other liabilities</b>  | <b>33,621,025</b>   | <b>90,218,936</b>                             | <b>74,774,167</b>   | <b>233,034,090</b>  | <b>222,997,892</b>                                       | <b>375,054,277</b>   | <b>427,212,246</b>                           |
| <b>Total liabilities</b>  | <b>37,574,986</b>   | <b>91,308,485</b>                             | <b>86,816,634</b>   | <b>236,642,462</b>  | <b>229,171,247</b>                                       | <b>402,920,853</b>   | <b>431,636,457</b>                           |
| <b>Net Assets Applicable to Common Shareholders</b>                     | <b>\$ 53,824,037</b>  | <b>\$ 168,355,423</b>                         | <b>\$ 139,578,372</b>   | <b>\$ 407,778,546</b>   | <b>\$ 359,472,447</b>                                    | <b>\$ 578,344,444</b>  | <b>\$ 652,232,067</b>                        |
| <b>Net Assets Applicable to Common Shareholders Consist of</b>          |   |   |   |   |  |  |  |
| Paid-in capital <sup>5,6,7</sup>  | \$ 47,293,704   | \$ 149,062,293                                | \$ 124,088,714  | \$ 374,096,628  | \$ 332,146,400   | \$ 525,381,411   | \$ 575,632,419                               |
| Undistributed net investment income                                     | 882,384   | 3,478,050                                     | 2,044,922   | 7,402,223   | 7,433,826  | 8,883,415  | 14,551,364                                   |
| Accumulated net realized loss   | (2,866,018)   | (1,155,573)                                   | (4,340,336)   | (17,192,922)  | (16,846,162)   | (35,886,764)   | (27,353,261)                                 |
| Net unrealized appreciation/depreciation                                | 8,513,967   | 16,970,653                                    | 17,785,072  | 43,472,617  | 36,738,383   | 79,966,382   | 89,401,545                                   |
| <b>Net Assets Applicable to Common Shareholders</b>                     | <b>\$ 53,824,037</b>  | <b>\$ 168,355,423</b>                         | <b>\$ 139,578,372</b>   | <b>\$ 407,778,546</b>   | <b>\$ 359,472,447</b>                                    | <b>\$ 578,344,444</b>  | <b>\$ 652,232,067</b>                        |
| Net asset value per Common Share  | \$ 16.13  | \$ 16.06                                      | \$ 15.96  | \$ 15.47  | \$ 15.38   | \$ 15.33   | \$ 10.29                                     |
| 1 Investments at cost unaffiliated                                      | \$ 78,705,048   | \$ 234,380,899                                | \$ 202,730,152  | \$ 579,616,104  | \$ 531,470,748   | \$ 844,237,606   | \$ 944,758,894                               |
| 2 Investments at cost affiliated  | \$ 3,025,425  | \$ 4,946,999                                  | \$ 3,259,592  | \$ 13,815,497   | \$ 12,802,513  | \$ 30,313,901  | \$ 35,889,619                                |

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|   |  |           |            |           |            |            |            |             |
|---|--|-----------|------------|-----------|------------|------------|------------|-------------|
| 3 | VRDP/VMTP Shares<br>outstanding, par value<br>\$0.10 per share | 178       | 799        | 422       | 1,372      | 1,513      | 2,746      | 2,438       |
| 4 | Preferred Shares<br>authorized                                 | unlimited | unlimited  | unlimited | unlimited  | unlimited  | 1 million  | 10 million  |
| 5 | Common Shares<br>outstanding                                   | 3,336,978 | 10,483,719 | 8,745,184 | 26,357,225 | 23,376,530 | 37,735,050 | 63,384,324  |
| 6 | Par value per Common<br>Share                                  | \$ 0.001  | \$ 0.001   | \$ 0.001  | \$ 0.001   | \$ 0.001   | \$ 0.10    | \$ 0.10     |
| 7 | Common Shares<br>authorized                                    | unlimited | unlimited  | unlimited | unlimited  | unlimited  | unlimited  | 150 million |

See Notes to Financial Statements.

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## Statements of Operations

| Six Months Ended<br>February 29, 2012<br>(Unaudited)  | BlackRock<br>Municipal<br>Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income Trust<br>II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|---|--|---|--|--|---|--|--|
| <b>Investment Income</b>  |  |   |  |  |   |  |  |
| Interest  | \$ 2,053,293   | \$ 6,579,594                                  | \$ 4,658,803   | \$ 15,045,862  | \$ 14,165,587   | \$ 21,284,819  | \$ 26,353,414                                |
| Income affiliated   | 400  | 1,214   | 691  | 2,856  | 2,760   | 6,329  | 4,904  |
| Total income  | 2,053,693  | 6,580,808                                     | 4,659,494  | 15,048,718   | 14,168,347  | 21,291,148   | 26,358,318                                   |
| <b>Expenses</b>   |  |   |  |  |   |  |  |
| Investment advisory   | 274,100  | 800,193                                       | 548,932  | 1,680,657  | 1,503,163   | 2,490,343  | 2,604,182                                    |
| Professional  | 36,933   | 63,916  | 52,259   | 83,734   | 60,346  | 79,493   | 139,280                                      |
| Accounting services   | 12,968   | 27,267  | 22,077   | 45,781   | 47,408  | 59,243   | 68,709                                       |
| Liquidity fees  | 67,682   |   |  |  |   | 976,199  |  |
| Transfer agent  | 10,002   | 16,937  | 8,698  | 23,547   | 37,729  | 20,393   | 82,538                                       |
| Printing  | 4,914  | 13,375  | 7,368  | 31,733   | 24,320  | 17,273   | 14,910                                       |
| Remarketing fees on<br>Preferred Shares   | 9,708  | 14,837  | 6,042  | 30,461   | 47,953  | 149,401  | 54,950                                       |
| Officer and Trustees  | 2,903  | 8,394   | 6,543  | 27,455   | 27,234  | 23,227   | 37,938                                       |
| Custodian   | 4,458  | 8,326   | 6,619  | 19,174   | 18,109  | 19,164   | 27,173                                       |
| Registration  | 4,491  | 4,532   | 4,258  | 5,670  | 6,055   | 5,776  | 12,502                                       |
| Miscellaneous   | 14,662   | 24,190  | 17,703   | 39,467   | 42,622  | 47,688   | 48,329                                       |
| Total expenses excluding<br>interest expense, fees and<br>amortization of offering<br>costs               | 442,821  | 981,967                                       | 680,499  | 1,987,679  | 1,814,939   | 3,888,200  | 3,090,511                                    |
| Interest expense, fees and<br>amortization of offering<br>costs <sup>1</sup>                              | 97,136   | 219,499                                       | 189,937  | 624,080  | 556,242   | 1,111,924  | 1,187,149                                    |
| Total expenses  | 539,957  | 1,201,466                                     | 870,436  | 2,611,759  | 2,371,181   | 5,000,124  | 4,277,660                                    |
| Less fees waived by advisor   | (21,763)   | (62,872)                                      | (1,248)  | (2,125)  | (138,957)   | (189,153)  | (8,323)                                      |
| Total expenses after fees<br>waived   | 518,194  | 1,138,594                                     | 869,188  | 2,609,634  | 2,232,224   | 4,810,971  | 4,269,337                                    |
| Net investment income   | 1,535,499  | 5,442,214                                     | 3,790,306  | 12,439,084   | 11,936,123  | 16,480,177   | 22,088,981                                   |
| <b>Realized and Unrealized<br/>Gain (Loss)</b>  |  |   |  |  |   |  |  |
| Net realized gain (loss)<br>from:   |  |   |  |  |   |  |  |
| Investments   | 288,069  | 1,618,079                                     | 2,102,855  | 1,015,493  | 1,525,353   | 6,967,084  | 1,008,147                                    |
| Financial futures contracts   | 33,688   | 94,397  | 86,672   | 124,284  | 100,893   | 353,627  | (201,539)                                    |
|   | 321,757  | 1,712,476                                     | 2,189,527  | 1,139,777  | 1,626,246   | 7,320,711  | 806,608                                      |
| Net change in unrealized<br>appreciation/depreciation on:   |  |   |  |  |   |  |  |
| Investments   | 4,639,618  | 15,087,335                                    | 10,760,998   | 35,173,040   | 31,554,971  | 43,601,309   | 46,896,955                                   |
| Financial futures contracts   | (18,820)   |   | (47,513)   | (72,336)   | (133,275)   | (194,351)  |  |
|   | 4,620,798  | 15,087,335                                    | 10,713,485   | 35,100,704   | 31,421,696  | 43,406,958   | 46,896,955                                   |
| Total realized and unrealized<br>gain   | 4,942,555  | 16,799,811                                    | 12,903,012   | 36,240,481   | 33,047,942  | 50,727,669   | 47,703,563                                   |
| <b>Dividends to AMPS<br/>Shareholders From</b>  |  |   |  |  |   |  |  |
| Net investment income   | (4,325)  | (62,496)                                      | (33,384)   | (107,278)  | (117,967)   |  | (328,993)                                    |
| <b>Net Increase in Net Assets<br/>Applicable to Common<br/>Shareholders Resulting<br/>from Operations</b> |  |   |  |  |   |  |  |
|   | \$ 6,473,729   | \$ 22,179,529                                 | \$ 16,659,934  | \$ 48,572,287  | \$ 44,866,098   | \$ 67,207,846  | \$ 69,463,551                                |

<sup>1</sup> Related to TOBs, VRDP Shares and/or VMTP Shares.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets Applicable to Common Shareholders:                   | BlackRock Municipal Bond Investment Trust (BIE) |                            | BlackRock Municipal Bond Trust (BBK)           |                            |
|--|---|----------------------------|--|----------------------------|
|  | Six Months Ended February 29, 2012 (Unaudited)  | Year Ended August 31, 2011 | Six Months Ended February 29, 2012 (Unaudited) | Year Ended August 31, 2011 |
| <b>Operations</b>  |   |                            |  |                            |
| Net investment income  | \$ 1,535,499                                    | \$ 3,434,053               | \$ 5,422,214                                   | \$ 11,953,029              |
| Net realized gain (loss)   | 321,757   | (1,056,667)                | 1,712,476                                      | (19,199)                   |
| Net change in unrealized appreciation/depreciation                                     | 4,620,798                                       | (1,898,672)                | 15,087,335                                     | (9,146,768)                |
| Dividends to AMPS Shareholders from net investment income                              | (4,325)   | (63,456)                   | (62,496)                                       | (283,174)                  |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 6,473,729                                       | 415,258                    | 22,179,529                                     | 2,503,888                  |
| <b>Dividends to Common Shareholders From</b>   |   |                            |  |                            |
| Net investment income  | (1,621,175)                                     | (3,197,548)                | (5,606,223)                                    | (10,954,081)               |
| <b>Capital Share Transactions</b>  |   |                            |  |                            |
| Reinvestment of common dividends   | 30,283  | 15,928                     | 310,922  | 705,295                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |   |                            |  |                            |
| Total increase (decrease) in net assets applicable to Common Shareholders              | 4,882,837                                       | (2,766,362)                | 16,884,228                                     | (7,744,898)                |
| Beginning of period  | 48,941,200                                      | 51,707,562                 | 151,471,195                                    | 159,216,093                |
| End of period  | \$ 53,824,037                                   | \$ 48,941,200              | \$ 168,355,423                                 | \$ 151,471,195             |
| Undistributed net investment income  | \$ 882,384                                      | \$ 972,385                 | \$ 3,478,050                                   | \$ 3,704,555               |

| Increase (Decrease) in Net Assets Applicable to Common Shareholders:                   | BlackRock Municipal Income Investment Quality Trust (BAF) |                            | BlackRock Municipal Income Quality Trust (BYM) |                            |
|--|---|----------------------------|--|----------------------------|
|  | Six Months Ended February 29, 2012 (Unaudited)            | Year Ended August 31, 2011 | Six Months Ended February 29, 2012 (Unaudited) | Year Ended August 31, 2011 |
| <b>Operations</b>  |   |                            |  |                            |
| Net investment income  | \$ 3,790,306  | \$ 7,967,185               | \$ 12,439,084                                  | \$ 25,473,469              |
| Net realized gain (loss)   | 2,189,527   | (956,695)                  | 1,139,777                                      | (4,079,037)                |
| Net change in unrealized appreciation/depreciation                                     | 10,713,485  | (4,113,345)                | 35,100,704                                     | (10,929,775)               |
| Dividends to AMPS Shareholders from net investment income                              | (33,384)  | (151,046)                  | (107,278)                                      | (487,609)                  |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 16,659,934  | 2,746,099                  | 48,572,287                                     | 9,977,048                  |
| <b>Dividends to Common Shareholders From</b>   |   |                            |  |                            |
| Net investment income  | (3,908,256)   | (7,789,105)                | (12,170,214)                                   | (24,311,680)               |
| <b>Capital Share Transactions</b>  |   |                            |  |                            |
| Reinvestment of common dividends   | 44,098  | 53,170                     | 362,166  | 786,119                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |   |                            |  |                            |
| Total increase (decrease) in net assets applicable to Common Shareholders              | 12,795,776  | (4,989,836)                | 36,764,239                                     | (13,548,513)               |

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|                                     |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Beginning of period                 | 126,782,596    | 131,772,432    | 371,014,307    | 384,562,820    |
| End of period                       | \$ 139,578,372 | \$ 126,782,596 | \$ 407,778,546 | \$ 371,014,307 |
| Undistributed net investment income | \$ 2,044,922   | \$ 2,196,256   | \$ 7,402,223   | \$ 7,240,631   |

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## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets Applicable to Common Shareholders:                   | BlackRock Municipal<br>Income Trust II (BLE)               |                                  | BlackRock MuniHoldings<br>Investment Quality Fund (MFL)    |                                  |
|--|--|----------------------------------|--|----------------------------------|
|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended<br>August 31,<br>2011 | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended<br>August 31,<br>2011 |
| <b>Operations</b>  |  |                                  |  |                                  |
| Net investment income  | \$ 11,936,123  | \$ 25,170,419                    | \$ 16,480,177  | \$ 35,772,211                    |
| Net realized gain (loss)   | 1,626,246  | (1,929,140)                      | 7,320,711  | (14,391,578)                     |
| Net change in unrealized appreciation/depreciation                                     | 31,421,696   | (15,031,363)                     | 43,406,958   | (11,924,556)                     |
| Dividends to AMPS Shareholders from net investment income                              | (117,967)  | (537,485)                        |  | (903,388)                        |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 44,866,098   | 7,672,431                        | 67,207,846   | 8,552,689                        |
| <b>Dividends to Common Shareholders From</b>   |  |                                  |  |                                  |
| Net investment income  | (11,703,405)   | (23,242,731)                     | (17,315,194)   | (34,274,513)                     |
| <b>Capital Share Transactions</b>  |  |                                  |  |                                  |
| Reinvestment of common dividends   | 596,824  | 1,014,192                        | 278,929  | 528,154                          |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |  |                                  |  |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders              | 33,759,517   | (14,556,108)                     | 50,171,581   | (25,193,670)                     |
| Beginning of period  | 325,712,930  | 340,269,038                      | 528,172,863  | 553,366,533                      |
| End of period  | \$ 359,472,447   | \$ 325,712,930                   | \$ 578,344,444   | \$ 528,172,863                   |
| Undistributed net investment income  | \$ 7,433,826   | \$ 7,319,075                     | \$ 8,883,415   | \$ 9,718,432                     |

| Increase (Decrease) in Net Assets Applicable to Common Shareholders:                   | BlackRock MuniVest<br>Fund, Inc. (MVF)                     |                                  |
|--|--|----------------------------------|
|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended<br>August 31,<br>2011 |
| <b>Operations</b>  |  |                                  |
| Net investment income  | \$ 22,088,981  | \$ 46,141,071                    |
| Net realized gain (loss)   | 806,608  | (8,945,246)                      |
| Net change in unrealized appreciation/depreciation                                     | 46,896,955   | (20,763,919)                     |
| Dividends to AMPS Shareholders from net investment income                              | (328,993)  | (1,048,890)                      |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 69,463,551   | 15,383,016                       |
| <b>Dividends to Common Shareholders From</b>   |  |                                  |
| Net investment income  | (22,410,721)   | (44,113,394)                     |
| <b>Capital Share Transactions</b>  |  |                                  |
| Reinvestment of common dividends   | 2,945,206  | 5,769,177                        |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |  |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders              | 49,998,036   | (22,961,201)                     |
| Beginning of period  | 602,234,031  | 625,195,232                      |
| End of period  | \$ 652,232,067   | \$ 602,234,031                   |

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|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Undistributed net investment income | \$ 14,551,364 | \$ 15,202,097 |
|-------------------------------------|---------------|---------------|

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## Statements of Cash Flows

| Six Months Ended<br>February 29, 2012<br>(Unaudited)   | BlackRock<br>Municipal Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|--|---|---|--|--|--|--|--|
| <b>Cash Provided by (Used for) Operating Activities</b>  |   |   |  |  |  |  |  |
| Net increase in net assets resulting from operations, excluding dividends to AMPS Shareholders   | \$ 6,478,054  | \$ 22,242,025                                 | \$ 16,693,318  | \$ 48,679,565  | \$ 44,984,065                                      | \$ 67,207,846  | \$ 69,792,544                                |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: |   |   |  |  |  |  |  |
| (Increase) decrease in interest receivable   | 57,616  | (790)   | (231,250)  | (125,790)  | (195,537)  | (148,929)  | (188,406)                                    |
| (Increase) decrease in cash pledged as collateral for financial futures contracts  | 3,280   | 112,000                                       | (33,700)   | 74,000   | 53,000   | (104,534)  |  |
| Increase in other assets   | (244)   | (1,469)                                       | (919)  | (3,360)  | (2,760)  | (22,934)   | (17,584)                                     |
| (Increase) decrease in margin variation receivable   | (2,335)   | (16,801)                                      | (7,715)  | 13,467   | (12,953)   | (34,772)   |  |
| (Increase) decrease in income receivable affiliated  | 16  | 78  | 51   | 206  | 189  | 377  | 482  |
| Increase (decrease) in investment advisory fees payable  | (738)   | 898   | 3,763  | 1,190  | 8,587  | 4,847  | (6,452)                                      |
| Decrease in prepaid expenses   | 1,887   | 23,337  |  | 33,269   | 41,977   | 12,442   | 44,456                                       |
| Increase (decrease) in interest expense and fees payable   | (4,126)   | (1,360)                                       | (1,015)  | (9,715)  | 751  | (7,190)  | (39,124)                                     |
| Decrease in other accrued expenses payable   | (13,253)  | (125,536)                                     | (73,981)   | (91,408)   | (48,780)   | (232,865)  | (149,028)                                    |
| Increase (decrease) in Officer s and Trustees fees payable   | (2,810)   | 7,987   | 343  | 20,908   | (31,292)   | 29,324   | 50,328                                       |
| Net realized and unrealized loss on investments  | (4,927,687)   | (16,705,414)                                  | (12,863,853)   | (36,188,533)   | (33,080,324)                                       | (50,568,393)   | (47,905,102)                                 |
| Amortization of premium and accretion of discount on investments   | 82,127  | (775,034)                                     | 228,947  | (1,654,040)  | (498,146)  | 984,659  | 709,873                                      |
| Amortization of deferred offering costs  | 18,214  | 5,159   | 3,184  | 8,169  | 8,912  | 20,188   | 13,868                                       |
| Proceeds from sales of long-term investments   | 15,045,336  | 65,275,624                                    | 42,695,969   | 45,562,687   | 48,995,194   | 167,772,966  | 69,402,877                                   |
| Purchases of long-term investments   | (14,050,927)  | (64,764,173)                                  | (53,595,702)   | (44,351,872)   | (79,670,490)                                       | (185,259,068)  | (80,514,603)                                 |

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|  |              |              |              |               |               |              |               |
|--|--------------|--------------|--------------|---------------|---------------|--------------|---------------|
| Net proceeds from sales (purchases) of short-term securities | (826,900)    | (2,699,051)  | 970,257      | (9,695,042)   | 2,617,952     | (8,191,396)  | (1,222,698)   |
| Cash provided by (used for) operating activities             | 1,857,510    | 2,577,480    | (6,212,303)  | 2,273,701     | (16,829,655)  | (8,537,432)  | 9,971,431     |
| <b>Cash Provided by (Used for) Financing Activities</b>      |              |              |              |               |               |              |               |
| Cash receipts from TOB trust certificates                    | 1,745,000    | 2,919,789    | 10,307,901   | 9,870,000     | 28,247,175    | 25,539,218   | 10,331,373    |
| Cash payments for TOB trust certificates                     | (1,754,807)  |              |              |               |               | (50,000)     | (169,974)     |
| Cash payments on redemption of AMPS                          | (17,850,000) | (79,900,000) | (42,275,000) | (137,250,000) | (151,300,000) |              | (243,825,000) |
| Cash receipts from issuance of VMTP Shares                   |              | 79,900,000   | 42,200,000   | 137,200,000   | 151,300,000   |              | 243,800,000   |
| Cash receipts from issuance of VRDP Shares                   | 17,800,000   |              |              |               |               |              |               |
| Cash payments for offering costs                             | (201,601)    | (140,128)    | (120,432)    | (183,533)     | (201,257)     |              | (303,382)     |
| Cash dividends paid to Common Shareholders                   | (1,590,733)  | (5,293,454)  | (3,863,942)  | (11,806,147)  | (11,103,087)  | (17,034,779) | (19,447,933)  |
| Cash dividends paid to AMPS Shareholders                     | (5,369)      | (64,815)     | (34,091)     | (111,483)     | (123,008)     |              | (344,333)     |
| Increase (decrease) in bank overdraft                        |              | 1,128        | (2,133)      | 7,462         | 9,832         | 466          | (12,182)      |
| Cash provided by (used for) financing activities             | (1,857,510)  | (2,577,480)  | 6,212,303    | (2,273,701)   | 16,829,655    | 8,454,905    | (9,971,431)   |

See Notes to Financial Statements.

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## Statements of Cash Flows (concluded)

| Six Months Ended<br>February 29, 2012<br>(Unaudited)                           | BlackRock<br>Municipal<br>Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income<br>Trust II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|--|--|---|--|--|---|--|--|
| <b>Cash</b>  |  |   |  |  |   |  |  |
| Net increase (decrease) in cash  |  |   |  |  |   | \$ (82,527)  |  |
| Cash at beginning of period  |  |   |  |  |   | 82,527   |  |
| Cash at end of period  |  |   |  |  |   |  |  |
| <b>Cash Flow Information</b>   |  |   |  |  |   |  |  |
| Cash paid during the year for interest   | \$ 83,038  | \$ 215,700                                    | \$ 187,768   | \$ 625,626   | \$ 544,491  | \$ 1,098,926   | \$ 1,212,405                                 |
| <b>Noncash Financing Activities</b>  |  |   |  |  |   |  |  |
| Capital shares issued in reinvestment of dividends paid to Common Shareholders | \$ 30,283  | \$ 310,922                                    | \$ 44,098  | \$ 362,166   | \$ 596,824  | \$ 278,929   | \$ 2,945,206                                 |

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the year, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Bond Investment Trust (BIE)

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011              | 2010              | Year Ended August 31, |                   | 2007      |
|---|--|-------------------|-------------------|-----------------------|-------------------|-----------|
|   |  |                   | 2009              | 2008                  |                   |           |
| <b>Per Share Operating Performance</b>  |  |                   |                   |                       |                   |           |
| Net asset value, beginning of period  | \$ 14.67   | \$ 15.51          | \$ 14.16          | \$ 14.86              | \$ 15.45          | \$ 16.22  |
| Net investment income   | 0.46 <sup>1</sup>  | 1.03 <sup>1</sup> | 1.02 <sup>1</sup> | 1.03 <sup>1</sup>     | 1.16 <sup>1</sup> | 1.15      |
| Net realized and unrealized gain (loss)   | 1.49   | (0.89)            | 1.27              | (0.76)                | (0.51)            | (0.67)    |
| Dividends to AMPS Shareholders from net investment income   | (0.00) <sup>2</sup>  | (0.02)            | (0.02)            | (0.13)                | (0.30)            | (0.32)    |
| Net increase (decrease) from investment operations  | 1.95   | 0.12              | 2.27              | 0.14                  | 0.35              | 0.16      |
| Dividends and distributions to Common Shareholders from net investment income   | (0.49)   | (0.96)            | (0.92)            | (0.84)                | (0.94)            | (0.93)    |
| Net asset value, end of period  | \$ 16.13   | \$ 14.67          | \$ 15.51          | \$ 14.16              | \$ 14.86          | \$ 15.45  |
| Market price, end of period   | \$ 16.19   | \$ 14.22          | \$ 15.60          | \$ 13.20              | \$ 14.28          | \$ 15.82  |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>  |  |                   |                   |                       |                   |           |
| Based on net asset value  | 13.50% <sup>4</sup>  | 1.29%             | 16.80%            | 2.43%                 | 2.34%             | 0.95%     |
| Based on market price   | 17.53% <sup>4</sup>  | (2.38)%           | 26.02%            | (0.64)%               | (3.95)%           | 0.40%     |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |  |                   |                   |                       |                   |           |
| Total expenses <sup>5</sup>   | 2.13% <sup>6</sup>   | 1.81%             | 1.57%             | 1.71%                 | 1.54%             | 1.43%     |
| Total expenses after fees waived and before paid indirectly <sup>5</sup>  | 2.04% <sup>6</sup>   | 1.66%             | 1.35%             | 1.36%                 | 1.13%             | 0.98%     |
| Total expenses after fees waived and paid indirectly <sup>5</sup>   | 2.04% <sup>6</sup>   | 1.66%             | 1.35%             | 1.36%                 | 1.13%             | 0.96%     |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>5,7</sup> | 1.66% <sup>6</sup>   | 1.39%             | 1.15%             | 1.25%                 | 1.09%             | 0.96%     |
| Net investment income <sup>5</sup>  | 6.06% <sup>6</sup>   | 7.25%             | 6.92%             | 7.98%                 | 7.52%             | 7.22%     |
| Dividends to AMPS Shareholders  | 0.02% <sup>6</sup>   | 0.13%             | 0.15%             | 1.01%                 | 1.99%             | 2.01%     |
| Net investment income to Common Shareholders  | 6.04% <sup>6</sup>   | 7.12%             | 6.77%             | 6.97%                 | 5.53%             | 5.21%     |
| <b>Supplemental Data</b>  |  |                   |                   |                       |                   |           |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 53,824  | \$ 48,941         | \$ 51,708         | \$ 47,203             | \$ 49,532         | \$ 51,384 |
| AMPS Shares outstanding at \$25,000 liquidation preference, end of period (000)   |  | \$ 17,850         | \$ 17,850         | \$ 17,850             | \$ 26,175         | \$ 29,775 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 17,800  |                   |                   |                       |                   |           |
| Portfolio turnover  | 18%  | 25%               | 47%               | 71%                   | 30%               | 23%       |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period   |  | \$ 93,546         | \$ 97,421         | \$ 91,112             | \$ 72,318         | \$ 68,149 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period  | \$ 402,382   |                   |                   |                       |                   |           |

<sup>1</sup> Based on average shares outstanding.

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- <sup>2</sup> Amount is less than \$(0.01) per share.
- <sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>6</sup> Annualized.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

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## Financial Highlights

## BlackRock Municipal Bond Trust (BBK)

|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011              | 2010              | Year Ended August 31, |                   | 2007       |
|--|--|-------------------|-------------------|-----------------------|-------------------|------------|
|  |  |                   | 2009              | 2008                  |                   |            |
| <b>Per Share Operating Performance</b>   |  |                   |                   |                       |                   |            |
| Net asset value, beginning of period   | \$ 14.48   | \$ 15.29          | \$ 13.23          | \$ 13.96              | \$ 15.57          | \$ 16.35   |
| Net investment income  | 0.52 <sub>1</sub>  | 1.14 <sub>1</sub> | 1.14 <sub>1</sub> | 1.14 <sub>1</sub>     | 1.23 <sub>1</sub> | 1.20       |
| Net realized and unrealized gain (loss)  | 1.61   | (0.87)            | 1.97              | (0.83)                | (1.48)            | (0.63)     |
| Dividends and distributions to AMPS Shareholders from:   |  |                   |                   |                       |                   |            |
| Net investment income  | (0.01)   | (0.03)            | (0.03)            | (0.13)                | (0.28)            | (0.32)     |
| Net realized gain  |  |                   |                   |                       | (0.03)            |            |
| Net increase (decrease) from investment operations   | 2.12   | 0.24              | 3.08              | 0.18                  | (0.56)            | 0.25       |
| Dividends and distributions to Common Shareholders from:   |  |                   |                   |                       |                   |            |
| Net investment income  | (0.54)   | (1.05)            | (1.02)            | (0.91)                | (0.95)            | (1.03)     |
| Net realized gain  |  |                   |                   |                       | (0.10)            |            |
| Total dividends and distributions to Common Shareholders   | (0.54)   | (1.05)            | (1.02)            | (0.91)                | (1.05)            | (1.03)     |
| Net asset value, end of period   | \$ 16.06   | \$ 14.48          | \$ 15.29          | \$ 13.23              | \$ 13.96          | \$ 15.57   |
| Market price, end of period  | \$ 16.81   | \$ 14.86          | \$ 15.79          | \$ 13.80              | \$ 13.89          | \$ 16.50   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>2</sup></b>   |  |                   |                   |                       |                   |            |
| Based on net asset value   | 14.84% <sup>3</sup>  | 2.02%             | 24.13%            | 2.52%                 | (3.77)%           | 1.09%      |
| Based on market price  | 17.13% <sup>3</sup>  | 1.38%             | 22.90%            | 7.48%                 | (9.65)%           | (2.09)%    |
| <b>Ratio to Average Net Assets Applicable to Common Shareholders</b>   |  |                   |                   |                       |                   |            |
| Total expenses <sup>4</sup>  | 1.52% <sup>5</sup>   | 1.33%             | 1.29%             | 1.51%                 | 1.39%             | 1.28%      |
| Total expenses after fees waived and before paid indirectly <sup>4</sup>   | 1.44% <sup>5</sup>   | 1.19%             | 1.08%             | 1.19%                 | 1.01%             | 0.84%      |
| Total expenses after fees waived and paid indirectly <sup>4</sup>  | 1.44% <sup>5</sup>   | 1.19%             | 1.08%             | 1.19%                 | 1.01%             | 0.83%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization offering costs <sup>4,6</sup> | 1.16% <sup>5</sup>   | 1.16%             | 1.05%             | 1.10%                 | 0.98%             | 0.83%      |
| Net investment income <sup>5</sup>   | 6.89% <sup>5</sup>   | 8.15%             | 8.08%             | 9.67%                 | 8.25%             | 7.36%      |
| Dividends to AMPS Shareholders   | 0.08% <sup>5</sup>   | 0.19%             | 0.22%             | 1.11%                 | 1.87%             | 1.94%      |
| Net investment income to Common Shareholders   | 6.81% <sup>5</sup>   | 7.96%             | 7.86%             | 8.56%                 | 6.38%             | 5.42%      |
| <b>Supplemental Data</b>   |  |                   |                   |                       |                   |            |
| Net assets applicable to Common Shareholders, end of period (000)  | \$ 168,355   | \$ 151,471        | \$ 159,216        | \$ 137,030            | \$ 144,116        | \$ 159,900 |
| AMPS Shares outstanding at \$25,000 liquidation preference, end of period (000)  |  | \$ 79,900         | \$ 79,900         | \$ 79,900             | \$ 80,500         | \$ 90,500  |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 79,900  |                   |                   |                       |                   |            |
| Portfolio turnover   | 27%  | 27%               | 51%               | 46%                   | 27%               | 14%        |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period  |  | \$ 72,394         | \$ 74,819         | \$ 67,877             | \$ 69,766         | \$ 69,176  |



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Asset coverage per VMTP at \$100,000  
liquidation value, end of period                      \$    310,708

- <sup>1</sup>     Based on average Common Shares outstanding.
- <sup>2</sup>     Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>3</sup>     Aggregate total investment return.
- <sup>4</sup>     Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>5</sup>     Annualized.
- <sup>6</sup>     Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Municipal Income Investment Quality Trust (BAF)

|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011              | 2010              | Year Ended August 31, |                   | 2007       |
|--|--|-------------------|-------------------|-----------------------|-------------------|------------|
|  |  |                   |                   | 2009                  | 2008              |            |
| <b>Per Share Operating Performance</b>   |  |                   |                   |                       |                   |            |
| Net asset value, beginning of period   | \$ 14.50   | \$ 15.08          | \$ 14.06          | \$ 14.23              | \$ 14.68          | \$ 15.24   |
| Net investment income  | 0.43 <sup>1</sup>  | 0.91 <sup>1</sup> | 0.94 <sup>1</sup> | 0.91 <sup>1</sup>     | 0.99 <sup>1</sup> | 1.01       |
| Net realized and unrealized gain (loss)  | 1.48   | (0.58)            | 0.95              | (0.27)                | (0.46)            | (0.56)     |
| Dividends to AMPS Shareholders from net investment income  | (0.00) <sup>2</sup>  | (0.02)            | (0.02)            | (0.09)                | (0.28)            | (0.31)     |
| Net increase (decrease) from investment operations   | 1.91   | 0.31              | 1.87              | 0.55                  | 0.25              | 0.14       |
| Dividends to Common Shareholders from net investment income  | (0.45)   | (0.89)            | (0.85)            | (0.72)                | (0.70)            | (0.70)     |
| Net asset value, end of period   | \$ 15.96   | \$ 14.50          | \$ 15.08          | \$ 14.06              | \$ 14.23          | \$ 14.68   |
| Market price, end of period  | \$ 15.76   | \$ 13.92          | \$ 15.64          | \$ 13.01              | \$ 12.42          | \$ 13.55   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>   |  |                   |                   |                       |                   |            |
| Based on net asset value   | 13.40% <sup>4</sup>  | 2.62%             | 13.93%            | 5.36%                 | 2.22%             | 1.17%      |
| Based on market price  | 16.65% <sup>4</sup>  | (5.01)%           | 27.70%            | 11.70%                | (3.35)%           | 2.54%      |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>  |  |                   |                   |                       |                   |            |
| Total expenses <sup>5</sup>  | 1.33% <sup>6</sup>   | 1.25%             | 1.23%             | 1.60%                 | 1.33%             | 1.19%      |
| Total expenses after fees waived and before fees paid indirectly <sup>5</sup>  | 1.33% <sup>6</sup>   | 1.23%             | 1.14%             | 1.40%                 | 1.05%             | 0.87%      |
| Total expenses after fees waived and paid indirectly <sup>5</sup>  | 1.33% <sup>6</sup>   | 1.23%             | 1.14%             | 1.40%                 | 1.05%             | 0.86%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization offering costs <sup>5,7</sup> | 1.04% <sup>6</sup>   | 1.09%             | 0.97%             | 0.98%                 | 0.91%             | 0.86%      |
| Net investment income <sup>5</sup>   | 5.79% <sup>6</sup>   | 6.51%             | 6.54%             | 7.04%                 | 6.71%             | 6.70%      |
| Dividends to Preferred Shareholders  | 0.05% <sup>6</sup>   | 0.12%             | 0.14%             | 0.66%                 | 1.92%             | 2.05%      |
| Net investment income to Common Shareholders   | 5.74% <sup>6</sup>   | 6.39%             | 6.40%             | 6.38%                 | 4.79%             | 4.65%      |
| <b>Supplemental Data</b>   |  |                   |                   |                       |                   |            |
| Net assets applicable to Common Shareholders, end of period (000)  | \$ 139,578   | \$ 126,783        | \$ 131,772        | \$ 122,825            | \$ 124,305        | \$ 128,215 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)   |  | \$ 42,275         | \$ 42,275         | \$ 42,275             | \$ 44,375         | \$ 76,000  |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 42,200  |                   |                   |                       |                   |            |
| Portfolio turnover   | 21%  | 33%               | 26%               | 45%                   | 29%               | 13%        |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period  |  | \$ 99,975         | \$ 102,926        | \$ 97,637             | \$ 95,044         | \$ 67,187  |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period   | \$ 430,754   |                   |                   |                       |                   |            |

<sup>1</sup> Based on average Common Shares outstanding.

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- <sup>2</sup> Amount is less than \$(0.01).
- <sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>6</sup> Annualized.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

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## Financial Highlights

## BlackRock Municipal Income Quality Trust (BYM)

|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011              | 2010              | Year Ended August 31, |                   | 2007       |
|--|--|-------------------|-------------------|-----------------------|-------------------|------------|
|  |  |                   | 2009              | 2008                  |                   |            |
| <b>Per Share Operating Performance</b>   |  |                   |                   |                       |                   |            |
| Net asset value, beginning of period   | \$ 14.09   | \$ 14.64          | \$ 13.55          | \$ 14.04              | \$ 14.82          | \$ 15.54   |
| Net investment income  | 0.47 <sub>1</sub>  | 0.97 <sub>1</sub> | 0.96 <sub>1</sub> | 0.91 <sub>1</sub>     | 1.04 <sub>1</sub> | 1.03       |
| Net realized and unrealized gain (loss)  | 1.37   | (0.58)            | 1.00              | (0.55)                | (0.83)            | (0.67)     |
| Dividends and distributions to AMPS Shareholders from:   |  |                   |                   |                       |                   |            |
| Net investment income  | (0.00) <sup>2</sup>  | (0.02)            | (0.02)            | (0.10)                | (0.26)            | (0.28)     |
| Net realized gain  |  |                   |                   |                       |                   | (0.02)     |
| Net increase (decrease) from investment operations   | 1.84   | 0.37              | 1.94              | 0.26                  | (0.05)            | 0.06       |
| Dividends and distributions to Common Shareholders from:   |  |                   |                   |                       |                   |            |
| Net investment income  | (0.46)   | (0.92)            | (0.85)            | (0.75)                | (0.73)            | (0.73)     |
| Net realized gain  |  |                   |                   |                       |                   | (0.05)     |
| Total dividends and distributions to Common Shareholders   | (0.46)   | (0.92)            | (0.85)            | (0.75)                | (0.73)            | (0.78)     |
| Net asset value, end of period   | \$ 15.47   | \$ 14.09          | \$ 14.64          | \$ 13.55              | \$ 14.04          | \$ 14.82   |
| Market price, end of period  | \$ 15.75   | \$ 13.85          | \$ 15.26          | \$ 13.69              | \$ 13.19          | \$ 14.35   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>   |  |                   |                   |                       |                   |            |
| Based on net asset value   | 13.28% <sup>4</sup>  | 3.09%             | 14.74%            | 2.83%                 | (0.16)%           | 0.48%      |
| Based on market price  | 17.33% <sup>4</sup>  | (2.79)%           | 18.42%            | 10.58%                | (3.13)%           | 3.20%      |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>  |  |                   |                   |                       |                   |            |
| Total expenses <sup>5</sup>  | 1.36% <sup>6</sup>   | 1.25%             | 1.15%             | 1.38%                 | 1.24%             | 1.12%      |
| Total expenses after fees waived and before fees paid indirectly <sup>5</sup>  | 1.36% <sup>6</sup>   | 1.24%             | 1.06%             | 1.20%                 | 0.98%             | 0.80%      |
| Total expenses after fees waived and paid indirectly <sup>5</sup>  | 1.36% <sup>6</sup>   | 1.24%             | 1.06%             | 1.20%                 | 0.98%             | 0.80%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization offering costs <sup>5,7</sup> | 1.04% <sup>6</sup>   | 1.07%             | 0.92%             | 0.93%                 | 0.86%             | 0.80%      |
| Net investment income <sup>5</sup>   | 6.48% <sup>6</sup>   | 7.15%             | 6.85%             | 7.23%                 | 7.08%             | 6.67%      |
| Dividends to AMPS Shareholders   | 0.05% <sup>6</sup>   | 0.14%             | 0.15%             | 0.76%                 | 1.80%             | 1.79%      |
| Net investment income to Common Shareholders   | 6.43% <sup>6</sup>   | 7.01%             | 6.70%             | 6.47%                 | 5.28%             | 4.88%      |
| <b>Supplemental Data</b>   |  |                   |                   |                       |                   |            |
| Net assets applicable to Common Shareholders, end of period (000)  | \$ 407,779   | \$ 371,014        | \$ 384,563        | \$ 355,334            | \$ 368,133        | \$ 388,275 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)   |  | \$ 137,250        | \$ 137,250        | \$ 137,250            | \$ 149,925        | \$ 228,975 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 137,200   |                   |                   |                       |                   |            |
| Portfolio turnover   | 7%   | 19%               | 13%               | 18%                   | 39%               | 17%        |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period  |  | \$ 92,580         | \$ 95,049         | \$ 89,725             | \$ 86,398         | \$ 67,402  |

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Asset coverage per VMTP at \$100,000  
liquidation value, end of period                      \$    397,215

- <sup>1</sup>     Based on average Common Shares outstanding.
- <sup>2</sup>     Amount is less than \$(0.01).
- <sup>3</sup>     Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>4</sup>     Aggregate total investment return.
- <sup>5</sup>     Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>6</sup>     Annualized.
- <sup>7</sup>     Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Income Trust II (BLE)

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011              | 2010              | Year Ended August 31, |                   | 2007       |
|---|--|-------------------|-------------------|-----------------------|-------------------|------------|
|   |  |                   | 2009              | 2008                  |                   |            |
| <b>Per Share Operating Performance</b>  |  |                   |                   |                       |                   |            |
| Net asset value, beginning of period  | \$ 13.96   | \$ 14.63          | \$ 12.78          | \$ 13.60              | \$ 15.08          | \$ 15.82   |
| Net investment income   | 0.51 <sup>1</sup>  | 1.08 <sup>1</sup> | 1.08 <sup>1</sup> | 1.09 <sup>1</sup>     | 1.17 <sup>1</sup> | 1.17       |
| Net realized and unrealized gain (loss)   | 1.42   | (0.73)            | 1.77              | (0.95)                | (1.50)            | (0.66)     |
| Dividends to AMPS Shareholders from net investment income   | (0.01)   | (0.02)            | (0.03)            | (0.12)                | (0.30)            | (0.32)     |
| Net increase (decrease) from investment operations  | 1.92   | 0.33              | 2.82              | 0.02                  | (0.63)            | 0.19       |
| Dividends to Common Shareholders from net investment income   | (0.50)   | (1.00)            | (0.97)            | (0.84)                | (0.85)            | (0.93)     |
| Net asset value, end of period  | \$ 15.38   | \$ 13.96          | \$ 14.63          | \$ 12.78              | \$ 13.60          | \$ 15.08   |
| Market price, end of period   | \$ 15.77   | \$ 14.13          | \$ 15.22          | \$ 13.45              | \$ 13.27          | \$ 15.05   |
| <b>Total Investment Return Applicable to Common Shareholders<sup>2</sup></b>  |  |                   |                   |                       |                   |            |
| Based on net asset value  | 13.99% <sup>3</sup>  | 2.70%             | 22.83%            | 1.54%                 | (4.15)%           | 1.02%      |
| Based on market price   | 15.47% <sup>3</sup>  | (0.07)%           | 21.42%            | 9.52%                 | (6.29)%           | (7.38)%    |
| <b>Ratio to Average Net Assets Applicable to Common Shareholders</b>  |  |                   |                   |                       |                   |            |
| Total expenses <sup>4</sup>   | 1.40% <sup>5</sup>   | 1.18%             | 1.16%             | 1.36%                 | 1.24%             | 1.12%      |
| Total expenses after fees waived and before paid indirectly <sup>4</sup>  | 1.32% <sup>5</sup>   | 1.10%             | 1.08%             | 1.19%                 | 1.07%             | 0.90%      |
| Total expenses after fees waived and paid indirectly <sup>4</sup>   | 1.32% <sup>5</sup>   | 1.10%             | 1.08%             | 1.19%                 | 1.07%             | 0.89%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>4,6</sup> | 0.99% <sup>5</sup>   | 1.01%             | 0.99%             | 1.05%                 | 1.00%             | 0.89%      |
| Net investment income <sup>4</sup>  | 7.07% <sup>5</sup>   | 7.94%             | 7.89%             | 9.69%                 | 8.09%             | 7.43%      |
| Dividends to AMPS Shareholders  | 0.07% <sup>5</sup>   | 0.17%             | 0.20%             | 1.07%                 | 2.04%             | 2.01%      |
| Net investment income to Common Shareholders  | 7.00% <sup>5</sup>   | 7.77%             | 7.69%             | 8.62%                 | 6.05%             | 5.42%      |
| <b>Supplemental Data</b>  |  |                   |                   |                       |                   |            |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 359,472   | \$ 325,713        | \$ 340,269        | \$ 296,070            | \$ 314,889        | \$ 347,563 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |  | \$ 151,300        | \$ 151,300        | \$ 151,300            | \$ 166,050        | \$ 205,550 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 151,300   |                   |                   |                       |                   |            |
| Portfolio turnover  | 9%   | 16%               | 29%               | 19%                   | 21%               | 12%        |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period   |  | \$ 78,819         | \$ 81,226         | \$ 73,923             | \$ 72,419         | \$ 67,279  |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period  | \$ 337,589   |                   |                   |                       |                   |            |

<sup>1</sup> Based on average shares outstanding.

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- <sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>3</sup> Aggregate total investment return.
- <sup>4</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>5</sup> Annualized.
- <sup>6</sup> Interest expense and fees relate to TOBs and/or VMTP Shares. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

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## Financial Highlights

## BlackRock MuniHoldings Investment Quality Fund (MFL)

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | 2011               | 2010               | Year Ended August 31, |                    |                    | 2007 |
|---|--|--------------------|--------------------|-----------------------|--------------------|--------------------|------|
|   |  |                    |                    | 2009                  | 2008               |                    |      |
| <b>Per Share Operating Performance</b>  |  |                    |                    |                       |                    |                    |      |
| Net asset value, beginning of period  | \$ 14.00   | \$ 14.69           | \$ 13.57           | \$ 13.50              | \$ 14.09           | \$ 14.75           |      |
| Net investment income <sup>1</sup>  | 0.44   | 0.95               | 0.96               | 0.94                  | 1.01               | 1.07               |      |
| Net realized and unrealized gain (loss)   | 1.35   | (0.71)             | 1.04               | (0.03)                | (0.61)             | (0.66)             |      |
| Dividends to AMPS Shareholders from net investment income   |  | (0.02)             | (0.03)             | (0.13)                | (0.32)             | (0.35)             |      |
| Net increase (decrease) from investment operations  | 1.79   | 0.22               | 1.97               | 0.78                  | 0.08               | 0.06               |      |
| Dividends to Common Shareholders from net investment income   | (0.46)   | (0.91)             | (0.85)             | (0.71)                | (0.67)             | (0.72)             |      |
| Net asset value, end of period  | \$ 15.33   | \$ 14.00           | \$ 14.69           | \$ 13.57              | \$ 13.50           | \$ 14.09           |      |
| Market price, end of period   | \$ 15.31   | \$ 13.84           | \$ 14.65           | \$ 12.63              | \$ 11.61           | \$ 12.86           |      |
| <b>Total Investment Return Applicable to Common Shareholders<sup>2</sup></b>  |  |                    |                    |                       |                    |                    |      |
| Based on net asset value  | 13.02% <sup>3</sup>  | 2.01%              | 15.22%             | 7.36%                 | 1.16%              | 0.59%              |      |
| Based on market price   | 14.18% <sup>3</sup>  | 1.12%              | 23.46%             | 16.19%                | (4.68)%            | (5.76)%            |      |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>   |  |                    |                    |                       |                    |                    |      |
| Total expenses  | 1.82% <sup>4</sup>   | 1.37% <sup>5</sup> | 1.17% <sup>5</sup> | 1.32% <sup>5</sup>    | 1.54% <sup>5</sup> | 1.54% <sup>5</sup> |      |
| Total expenses after fees waived and before fees paid indirectly  | 1.75% <sup>4</sup>   | 1.30% <sup>5</sup> | 1.09% <sup>5</sup> | 1.20% <sup>5</sup>    | 1.42% <sup>5</sup> | 1.46% <sup>5</sup> |      |
| Total expenses after fees waived and paid indirectly  | 1.75% <sup>4</sup>   | 1.30% <sup>5</sup> | 1.09% <sup>5</sup> | 1.20% <sup>5</sup>    | 1.42% <sup>5</sup> | 1.46% <sup>5</sup> |      |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>6</sup> | 1.35% <sup>4</sup>   | 1.14% <sup>5</sup> | 1.01% <sup>5</sup> | 1.07% <sup>5</sup>    | 1.13% <sup>5</sup> | 1.12% <sup>5</sup> |      |
| Net investment income   | 6.00% <sup>4</sup>   | 7.03% <sup>5</sup> | 6.85% <sup>5</sup> | 7.48% <sup>5</sup>    | 7.23% <sup>5</sup> | 7.30% <sup>5</sup> |      |
| Dividends to AMPS Shareholders  |  | 0.18%              | 0.21%              | 1.05%                 | 2.31%              | 2.40%              |      |
| Net investment income to Common Shareholders  | 6.00% <sup>5</sup>   | 6.85%              | 6.64%              | 6.43%                 | 4.92%              | 4.90%              |      |
| <b>Supplemental Data</b>  |  |                    |                    |                       |                    |                    |      |
| Net assets applicable to common shareholders, end of period (000)   | \$ 578,344   | \$ 528,173         | \$ 553,367         | \$ 511,013            | \$ 508,698         | \$ 530,903         |      |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)  |  |                    | \$ 274,650         | \$ 274,650            | \$ 296,125         | \$ 363,250         |      |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 274,600   | \$ 274,600         |                    |                       |                    |                    |      |
| Portfolio turnover  | 20%  | 32%                | 38%                | 40%                   | 25%                | 22%                |      |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period   |  |                    | \$ 75,371          | \$ 71,516             | \$ 67,958          | \$ 61,555          |      |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period  | \$ 310,613   | \$ 292,343         |                    |                       |                    |                    |      |

<sup>1</sup> Based on average Common Shares outstanding.



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- <sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>3</sup> Aggregate total investment return.
- <sup>4</sup> Annualized.
- <sup>5</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>6</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniVest Fund, Inc. (MVF)

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended August 31, |          |         |         |         |
|---|--|-----------------------|----------|---------|---------|---------|
|   |  | 2011                  | 2010     | 2009    | 2008    | 2007    |
| <b>Per Share Operating Performance</b>                      |  |                       |          |         |         |         |
| Net asset value, beginning of period                        | \$ 9.55  | \$ 10.01              | \$ 8.98  | \$ 8.91 | \$ 9.39 | \$ 9.93 |
| Net investment income <sup>1</sup>                          | 0.35   | 0.73                  | 0.73     | 0.70    | 0.67    | 0.73    |
| Net realized and unrealized gain (loss)                     | 0.75   | (0.47)                | 0.97     | (0.03)  | (0.45)  | (0.55)  |
| Dividends to AMPS Shareholders from net investment income   | (0.01)   | (0.02)                | (0.02)   | (0.06)  | (0.18)  | (0.20)  |
| Net increase (decrease) from investment operations          | 1.09   | 0.24                  | 1.68     | 0.61    | 0.04    | (0.02)  |
| Dividends to Common Shareholders from net investment income | (0.35)   | (0.70)                | (0.65)   | (0.54)  | (0.52)  | (0.52)  |
| Net asset value, end of period                              | \$ 10.29   | \$ 9.55               | \$ 10.01 | \$ 8.98 | \$ 8.91 | \$ 9.39 |
| Market price, end of period                                 | \$ 10.73   | \$ 9.73               | \$ 10.38 | \$ 8.91 | \$ 8.33 | \$ 9.35 |

**Total Investment Return Applicable to Common Shareholders<sup>2</sup>**

|                          |                     |       |        |        |         |         |
|--------------------------|---------------------|-------|--------|--------|---------|---------|
| Based on net asset value | 11.65% <sup>3</sup> | 2.90% | 19.31% | 8.18%  | 0.51%   | (0.30)% |
| Based on market price    | 14.27% <sup>3</sup> | 1.11% | 24.69% | 14.81% | (5.63)% | 2.05%   |

**Ratio to Average Net Assets Applicable to Common Shareholders**

|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses <sup>4</sup>   | 1.38% <sup>5</sup> | 1.28% | 1.22% | 1.53% | 1.58% | 1.66% |
| Total expenses after fees waived and before fee paid indirectly <sup>4</sup>  | 1.38% <sup>5</sup> | 1.28% | 1.22% | 1.50% | 1.58% | 1.66% |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>4,6</sup> | 0.99% <sup>5</sup> | 1.05% | 1.03% | 1.14% | 1.10% | 1.02% |
| Net investment income <sup>4</sup>  | 7.13% <sup>5</sup> | 7.93% | 7.71% | 8.74% | 7.34% | 7.33% |
| Dividends to AMPS Shareholders  | 0.11% <sup>5</sup> | 0.18% | 0.19% | 0.78% | 1.94% | 1.98% |
| Net investment income to Common Shareholders  | 7.02% <sup>5</sup> | 7.75% | 7.52% | 7.96% | 5.40% | 5.35% |

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)           | \$ 652,232 | \$ 602,234 | \$ 625,195 | \$ 555,889 | \$ 551,027 | \$ 579,079 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)    |            | \$ 243,825 | \$ 243,825 | \$ 243,825 | \$ 275,700 | \$ 334,000 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$ 243,800 |            |            |            |            |            |
| Portfolio turnover  | 7%         | 10%        | 25%        | 31%        | 41%        | 39%        |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period   |            | \$ 86,749  | \$ 89,106  | \$ 81,999  | \$ 74,993  | \$ 68,380  |
| Asset coverage per VRDP Share at \$100,000 liquidation value, end of period | \$ 367,528 |            |            |            |            |            |

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the

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reinvestment of dividends and distributions.

- <sup>3</sup> Aggregate total investment return.
- <sup>4</sup> Do not reflect the effect of dividends to AMPS Shareholders.
- <sup>5</sup> Annualized.
- <sup>6</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

See Notes to Financial Statements.

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## Notes to Financial Statements (Unaudited)

### 1. Organization and Significant Accounting Policies:

BlackRock Municipal Bond Investment Trust ( BIE ) and BlackRock Municipal Bond Trust ( BBK ) (collectively the Bond Trusts ), BlackRock Municipal Income Investment Quality Trust ( BAF ), BlackRock Municipal Income Quality Trust ( BYM ) and BlackRock Municipal Income Trust II ( BLE ) are organized as Delaware statutory trusts. BlackRock MuniHoldings Investment Quality Fund ( MFL ) and BlackRock MuniVest Fund, Inc. ( MVF ) are organized as a Massachusetts business trust and as a Maryland corporation, respectively. BIE, BBK, BAF, BYM, BLE, MFL and MVF are referred to herein collectively as the Trusts. BBK, BYM and BLE are registered under the 1940 Act, as diversified, closed-end management investment companies. BAF, BIE, MFL and MVF are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Boards of Directors and the Boards of Trustees are referred to throughout this report as the Board of Trustees or the Board and the directors/trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or if a price is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

**Zero-Coupon Bonds:** The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Forward Commitments and When-Issued Delayed Delivery Securities:** The Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**Municipal Bonds Transferred to TOBs:** The Trusts leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ( TOB Residuals ), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be terminated without the consent of a Trust upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit

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quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the six months ended February 29, 2012, no TOBs that the Trusts participated in were terminated without the consent of the Trusts.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Trust, in exchange for TOB trust certificates. The Trusts typically invests the cash in additional municipal bonds. Each Trust's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing; therefore, the municipal bonds deposited into a TOB are presented in the Trusts' Schedules of Investments and TOB trust certificates are shown in other liabilities in the Statements of Assets and Liabilities.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other

## Notes to Financial Statements (continued)

expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At February 29, 2012, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for TOB trust certificates and the range of interest rates on the liability for trust certificates were as follows:

|     | Underlying<br>Municipal<br>Bonds<br>Transferred to<br>TOBs | Liability for<br>TOB Trust<br>Certificates | Range of<br>Interest<br>Rates |
|-----|--|--|-------------------------------|
| BIE | \$ 31,714,070  | \$ 15,821,025                              | 0.15% 0.26%                   |
| BBK | \$ 21,298,995  | \$ 10,318,936                              | 0.13% 0.26%                   |
| BAF | \$ 65,645,640  | \$ 32,574,167                              | 0.13% 0.54%                   |
| BYM | \$ 192,901,835   | \$ 95,834,090                              | 0.16% 0.36%                   |
| BLE | \$ 134,871,884   | \$ 71,697,892                              | 0.13% 0.26%                   |
| MFL | \$ 208,285,285   | \$ 100,454,277                             | 0.15% 0.54%                   |
| MVF | \$ 367,079,848   | \$ 183,412,246                             | 0.13% 0.33%                   |

For the six months ended February 29, 2012, the Trusts' average TOB trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

|     | Average TOB<br>Trust Certificates<br>Outstanding | Daily Weighted<br>Average<br>Interest Rate |
|-----|--|--|
| BIE | \$ 16,028,112                                    | 0.70%                                      |
| BBK | \$ 8,874,846                                     | 0.68%                                      |
| BAF | \$ 26,617,818                                    | 0.67%                                      |
| BYM | \$ 91,099,475                                    | 0.66%                                      |
| BLE | \$ 58,395,942                                    | 0.68%                                      |
| MFL | \$ 87,237,782                                    | 0.77%                                      |
| MVF | \$ 180,330,114                                   | 0.68%                                      |

Should short-term interest rates rise, the Trusts' investments in TOBs may adversely affect the Trusts' net investment income and dividends to Common Shareholders. Also, fluctuations in the market values of municipal bonds deposited into the TOB may adversely affect the Trusts' NAVs per share.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g. financial futures contracts), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

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**Income Taxes:** It is each Trust's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts' US federal tax returns remains open for each of the four years ended August 31, 2011. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standards:** In May 2011, the Financial Accounting Standards Board (the FASB) issued amended guidance to improve disclosure about fair value measurements, which will require the following disclosures for fair value measurements categorized as Level 3: quantitative information about unobservable inputs and assumptions used in the fair value measurement, a description of the valuation policies and procedures and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, the amounts and reasons for all transfers in and out of Level 1 and Level 2 will be required to be disclosed. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts' financial statement disclosures.

In December 2011, the FASB issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts' financial statement disclosures.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Trust's Board, independent Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees

## Notes to Financial Statements (continued)

had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Each Trust may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations. Investments to cover each Trust's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

**Offering Costs:** The Trusts incurred costs in connection with their issuance of VRDP Shares or VMTP Shares. For VRDP Shares, these costs were recorded as a deferred charge and will be amortized over the 30-year life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider which are amortized over the life of the liquidity agreement. For VMTP Shares, these costs were recorded as a deferred charge and will be amortized over the 3-year life of the VMTP Shares. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Trusts have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

### 2. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and to economically hedge, or protect, their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts and options is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

**Financial Futures Contracts:** The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Trusts and the counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

### Derivative Financial Instruments Categorized by Risk Exposure:

|   |   | Fair Values of Derivative Financial Instruments as of February 29, 2012 |           |           |           |            |
|---|---|---|-----------|-----------|-----------|------------|
|   |   | Liability Derivatives   |           |           |           |            |
| Statements of Assets and Liabilities Location |   | BIE   | BAF       | BYM       | BLE       | MFL        |
|   |   | Value   |           |           |           |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> | \$ 13,815   | \$ 36,074 | \$ 38,376 | \$ 60,634 | \$ 149,667 |

<sup>1</sup> Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only current day's margin variation is reported within the Statements of Assets and Liabilities.



**The Effect of Derivative Financial Instruments in the Statements of Operations  
Six Months Ended February 29, 2012**

|                             | Net Realized Gain (Loss) from                         |             |             |              |              |            |              |
|-----------------------------|---|-------------|-------------|--------------|--------------|------------|--------------|
|                             | BYM   | BBK         | BAF         | BIE          | BLE          | MFL        | MVF          |
| Interest rate contracts:    |   |             |             |              |              |            |              |
| Financial futures contracts | \$ 33,688   | \$ 94,397   | \$ 86,672   | \$ 124,284   | \$ 100,893   | \$ 353,627 | \$ (201,539) |
|                             | Net Change in Unrealized Appreciation/Depreciation on |             |             |              |              |            |              |
|                             | BYM   | BAF         | BIE         | BLE          | MFL          |            |              |
| Interest rate contracts:    |   |             |             |              |              |            |              |
| Financial futures contracts | \$ (18,820)   | \$ (47,513) | \$ (72,336) | \$ (133,275) | \$ (194,351) |            |              |

## Notes to Financial Statements (continued)

For the six months ended February 29, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

|   | BIE          | BBK          | BAF          | BYM          | BLE          | MFL           | MVF           |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Financial futures contracts:                  |              |              |              |              |              |               |               |
| Average number of contracts purchased         |              | 47           |              |              |              |               | 220           |
| Average number of contracts sold              | 9            |              | 24           | 25           | 40           | 98            |               |
| Average notional value of contracts purchased |              | \$ 6,124,532 |              |              |              |               | \$ 28,816,981 |
| Average notional value of contracts sold      | \$ 1,181,391 |              | \$ 3,084,742 | \$ 3,281,641 | \$ 5,184,992 | \$ 12,798,398 |               |

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ) and Barclays Bank PLC ( Barclays ) are the largest stockholders of BlackRock, Inc. ( BlackRock ). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but Barclays is not.

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Trusts' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Trust's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee based on a percentage of each Trust's average weekly net assets except MFL and MVF, which are based on average daily net assets at the following annual rates:

|     |       |
|-----|-------|
| BIE | 0.65% |
| BBK | 0.65% |
| BAF | 0.55% |
| BYM | 0.55% |
| BLE | 0.55% |
| MFL | 0.55% |
| MVF | 0.50% |

Average weekly net assets and average daily net assets are the average weekly or the average daily value of each Trust's total assets minus the sum of its accrued liabilities.

The Manager voluntarily agreed to waive a portion of the investment advisory fee with respect to the Bond Trusts at an annual rate, as a percentage of average weekly net assets of 0.05% through April 2012. With respect to BLE, the waiver, as a percentage of average weekly assets, is 0.05% through July 2012. With respect to MFL, the Manager voluntarily agreed to waive its investment advisory fees on the proceeds of Preferred Shares and TOBs that exceed 35% of net assets applicable to Common Shareholders. For the six months ended February 29, 2012, the Manager waived the following amounts, which are included in fees waived by advisor in the Statements of Operations:

|     |            |
|-----|------------|
| BIE | \$ 21,089  |
| BBK | \$ 61,554  |
| BLE | \$ 136,529 |
| MFL | \$ 181,844 |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended February 29, 2012, the amounts waived were as follows:

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|     |          |
|-----|----------|
| BIE | \$ 674   |
| BBK | \$ 1,318 |
| BAF | \$ 1,248 |
| BYM | \$ 2,125 |
| BLE | \$ 2,428 |
| MFL | \$ 7,309 |
| MVF | \$ 8,323 |

The Manager entered into sub-advisory agreements with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager, with respect to BAF, BYM, the Bond Trusts and BLE, and BlackRock Investment Management, LLC ( BIM ), an affiliate of the Manager, with respect to MFL and MVF. The Manager pays BFM and BIM, for services they provide, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for compensation paid to the Trusts Chief Compliance Officer.

#### 4. Investments:

Purchases and sales of investments excluding short-term securities, for the six months ended February 29, 2012, were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BIE | \$ 16,370,282  | \$ 14,677,407  |
| BBK | \$ 64,764,173  | \$ 64,859,420  |
| BAF | \$ 62,690,900  | \$ 40,985,509  |
| BYM | \$ 44,468,504  | \$ 45,598,393  |
| BLE | \$ 83,480,311  | \$ 48,995,194  |
| MFL | \$ 209,439,997 | \$ 176,333,386 |
| MVF | \$ 80,514,603  | \$ 69,389,877  |

## Notes to Financial Statements (continued)

**5. Income Tax Information:**

As of August 31, 2011, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expiration August 31, | BIE                 | BBK                 | BAF                 | BYM                  | BLE                  | MFL                  | MVF                  |
|-----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| 2012                  |                     |                     |                     |                      | \$ 5,097,889         | \$ 1,643,296         |                      |
| 2013                  |                     |                     | \$ 178,996          |                      |                      | 7,986,138            |                      |
| 2015                  | \$ 30,026           |                     |                     | \$ 1,522,202         |                      |                      |                      |
| 2016                  |                     | \$ 180,076          | 250,838             | 3,217,765            | 1,648,836            |                      |                      |
| 2017                  |                     | 2,225,455           |                     | 6,430,212            | 3,397,830            | 6,481,433            | \$ 7,618,622         |
| 2018                  | 1,329,063           |                     | 1,516,661           | 2,209,430            | 4,366,226            | 11,734,707           |                      |
| 2019                  | 718,157             |                     | 2,950,154           |                      | 2,448,693            |                      | 5,276,524            |
| <b>Total</b>          | <b>\$ 2,077,246</b> | <b>\$ 2,405,531</b> | <b>\$ 4,896,649</b> | <b>\$ 13,379,609</b> | <b>\$ 16,959,474</b> | <b>\$ 27,845,574</b> | <b>\$ 12,895,146</b> |

Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Trusts after August 31, 2011 will not be subject to expiration. In addition, any such losses must be utilized prior to the losses incurred in pre-enactment taxable years.

As of February 29, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               | BIE           | BBK            | BAF            | BYM            | BLE            | MFL            | MVF            |
|-------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax cost                      | \$ 66,060,201 | \$ 228,175,919 | \$ 173,573,143 | \$ 497,565,629 | \$ 471,632,702 | \$ 774,330,691 | \$ 799,523,476 |
| Gross unrealized appreciation | \$ 8,528,137  | \$ 20,235,844  | \$ 17,673,691  | \$ 51,440,010  | \$ 44,980,315  | \$ 79,935,270  | \$ 92,300,862  |
| Gross unrealized depreciation | (151,108)     | (2,432,148)    | (10,111)       | (7,897,135)    | (7,238,631)    | (52,682)       | (5,186,526)    |
| Net unrealized appreciation   | \$ 8,377,029  | \$ 17,803,696  | \$ 17,663,580  | \$ 43,542,875  | \$ 37,741,684  | \$ 79,882,588  | \$ 87,114,336  |

**6. Concentration, Market and Credit Risk:**

Each Trust invests a substantial amount of its assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Trusts' Statements of Assets and Liabilities, less any collateral held by the Trusts.

As of February 29, 2012, BIE and BYM each invested a significant portion of its assets in securities in the County/City/Special District/School District and Transportation sectors. BBK invested a significant portion of its assets in securities in the Health sector. BAF invested a significant

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portion of its assets in securities in the County/City/Special District/School District and Utilities sectors. MFL invested a significant portion of its assets in securities in the County/City/Special District/School District, Transportation and Utilities sectors. MVF invested a significant portion of its assets in securities in the Health sector. Changes in economic conditions affecting the County/City/ Special District/School District, Health, Transportation and Utilities sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

## Notes to Financial Statements (continued)

### 7. Capital Share Transactions:

Each Trust, except MFL and MVF, is authorized to issue an unlimited number of shares, including AMPS and VRDP Shares, par value \$0.001 per share, all of which were initially classified as Common Shares. Each Trust's Board is authorized, however, to reclassify any unissued Common Shares to Preferred Shares without approval of Common Shareholders.

MFL is authorized to issue an unlimited number of shares, including 1 million AMPS and VRDP Shares, par value \$0.10 per share.

MVF is authorized to issue 160 million shares, 150 million of which were initially classified as Common Shares, par value \$0.10 per share and 10 million of which were classified as AMPS and VRDP Shares, par value \$0.10 per share.

### Common Shares

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|     | Six Months<br>Ended<br>February 29,<br>2012 | Year Ended<br>August 31,<br>2011 |
|-----|---|----------------------------------|
| BIE | 1,960                                       | 1,042                            |
| BBK | 20,737                                      | 50,072                           |
| BAF | 2,907                                       | 3,544                            |
| BYM | 24,562                                      | 57,519                           |
| BLE | 41,400                                      | 74,401                           |
| MFL | 19,426                                      | 38,214                           |
| MVF | 300,419                                     | 621,454                          |

### Preferred Shares

Each Trust's Preferred Shares rank prior to the Trust's Common Shares as to the payment of dividends by the Fund and distribution of assets upon dissolution or liquidation of the Trust. The 1940 Act prohibits the declaration of any dividend on the Trust's Common Shares or the repurchase of the Trust's Common Shares if the Trust fails to maintain the asset coverage of at least 200% of the liquidation preference of the outstanding Preferred Shares. In addition, pursuant to the Preferred Shares governing instrument, the Trust is restricted from declaring and paying dividends on classes of shares ranking junior to or on parity with the Preferred Shares or repurchasing such shares if the Trust fails to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares governing instrument or comply with the basic maintenance amount requirement of the rating agencies then rating the Preferred Shares.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

### VRDP Shares

BIE and MFL (collectively, the VRDP Trusts) have issued Series W-7 VRDP Shares, \$100,000 liquidation value per share, in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933 and include a liquidity feature that allows the holders of VRDP Shares to have their shares purchased by the liquidity provider in the event of a failed remarketing. The VRDP Trusts are required to redeem the VRDP Shares owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Upon the occurrence of an unsuccessful remarketing, the VRDP Trusts are required to segregate liquid assets to fund the redemption. The VRDP Shares are subject to certain restrictions on transfer.

The VRDP Shares issued for the six months ended February 29, 2012 were as follows:

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|     | <b>Issue Date</b> | <b>Shares Issued</b> | <b>Aggregate Principal</b> | <b>Maturity Date</b> |
|-----|-------------------|----------------------|----------------------------|----------------------|
| BIE | 9/15/11           | 178                  | \$ 17,800,000              | 9/16/41              |

The VRDP Shares issued for the year ended August 31, 2011 were as follows:

|     | <b>Issue Date</b> | <b>Shares Issued</b> | <b>Aggregate Principal</b> | <b>Maturity Date</b> |
|-----|-------------------|----------------------|----------------------------|----------------------|
| MFL | 6/30/11           | 2,746                | \$ 274,600,000             | 7/01/41              |

The VRDP Trusts entered into a fee agreement with the liquidity provider that required a per annum liquidity fee to be paid to the liquidity provider. These fees are shown as liquidity fees in the Statements of Operations.

The fee agreement between the VRDP Trusts and the liquidity provider is for a one-year term and is scheduled to expire on June 27, 2012 for MFL and September 12, 2012 for BIE unless renewed or terminated in advance. In the event the fee agreement is not renewed or is terminated in advance, and the VRDP Trusts do not enter into a fee agreement with an alternate liquidity provider, the VRDP Shares will be subject to mandatory purchase by the liquidity provider prior to the termination of the fee agreement. The VRDP Trusts are required to redeem any VRDP Shares purchased by the liquidity provider six months after the purchase date. Immediately after the purchase of any VRDP Shares by the liquidity provider, the VRDP Trusts are required to begin to segregate liquid assets with the VRDP Trust's custodian to fund the redemption. There is no assurance the VRDP Trusts will replace such redeemed VRDP Shares with any other preferred shares or other form of leverage.

Each VRDP Trust is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, each VRDP Trust is required to begin to segregate liquid assets with the Trust's custodian to fund the redemption. In addition, VRDP Trusts are required to redeem certain of their outstanding VRDP Shares if they fail to maintain certain asset coverage, basic maintenance amount or leverage requirements.

## Notes to Financial Statements (continued)

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of VRDP Trusts. The redemption price per VRDP Share is equal to the liquidation value per share plus any outstanding unpaid dividends. In the event of an optional redemption of VRDP Shares prior to the initial termination date of the fee agreement, VRDP Trusts must pay the respective liquidity provider fees on such redeemed VRDP Shares for the remaining term of the fee agreement up to the initial termination date.

Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate as discussed below. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. Moody's has announced a review of its rating methodologies with respect to investment company securities, and any amendments to its rating methodologies may adversely affect Moody's current long-term ratings of the VRDP Shares.

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares. Although not directly correlated, a change in the short-term credit rating of the VRDP Shares may adversely affect the dividend rate paid on such shares. As of February 29, 2012, the short-term ratings of the liquidity provider and the VRDP Shares are P-1/F-1 and P-1/F-1 as rated by Moody's and Fitch, respectively. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories. Moody's has placed the liquidity providers and the short-term ratings of the VRDP Shares on review for possible downgrade.

For financial reporting purposes, VRDP Shares are considered debt of the issuer; therefore, the liquidation value of VRDP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends paid on the VRDP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VRDP Shares are treated as equity for tax purposes. Dividends paid to holders of VRDP Shares are generally classified as tax-exempt income for tax-reporting purposes.

The VRDP Trusts pay commissions of 0.10% on the aggregate principal amount of all VRDP Shares, which are included in remarketing fees on Preferred Shares in the Statements of Operations. All of Trust's VRDP Shares have successfully remarketed since issuance, with an annualized dividend rate for the six months ended February 29, 2012 as follows:

|     | <b>Rate</b> |
|-----|-------------|
| BIE | 0.27%       |
| MFL | 0.30%       |

VRDP Shares issued and outstanding for MFL remained constant during the six months ended February 29, 2012.

### VMTP Shares

BBK, BAF, BYM, BLE and MVF (collectively, the VMTP Trusts) have issued Series W-7 VMTP Shares, \$100,000 liquidation value per share, in a privately negotiated offering and sale of VMTP Shares exempt from registration under the Securities Act of 1933.

The VMTP Shares issued for the six months ended February 29, 2012 were as follows:

|     | <b>Issue Date</b> | <b>Shares Issued</b> | <b>Aggregate Principal</b> | <b>Term Date</b> |
|-----|-------------------|----------------------|----------------------------|------------------|
| BBK | 12/16/11          | 799                  | \$ 79,900,000              | 1/02/15          |
| BAF | 12/16/11          | 422                  | \$ 42,200,000              | 1/02/15          |
| BYM | 12/16/11          | 1,372                | \$ 137,200,000             | 1/02/15          |
| BLE | 12/16/11          | 1,513                | \$ 151,300,000             | 1/02/15          |
| MVF | 12/16/11          | 2,438                | \$ 243,800,000             | 1/02/15          |

Each VMTP Trust is required to redeem its VMTP Shares on the term date, unless earlier redeemed, repurchased or extended. There is no assurance that the term of a Trust's VMTP Shares will be extended or that a Trust's VMTP Share will be replaced with any other preferred shares



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or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to term date, each VMTP Trusts are required to begin to segregate liquid assets with the Trust's custodian to fund the redemption. In addition, each VMTP Trust is required to redeem certain of its outstanding VMTP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, a Trust's VMTP Shares may be redeemed, in whole or in part, at any time at the option of the Trust. The redemption price per VMTP Share is equal to the liquidation value per share plus any outstanding unpaid dividends and applicable redemption premium. If the Trust redeems the VMTP Shares on a date that is one year or more prior to the term date and the VMTP Shares are rated above A1/A+ by Moody's and Fitch, respectively, (the Rating Agencies), then such redemption is subject to a scheduled redemption premium based on the time remaining to the term date, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. The VMTP Shares are subject to certain restrictions on transfer, and a Trust may also be required to register the VMTP Shares for sale under the Securities Act of 1933 under certain circumstances. In addition, amendments to the VMTP governing document generally require the consent of the holders of VMTP Shares.

## Notes to Financial Statements (continued)

Dividends on the VMTP Shares are payable monthly at a variable rate set weekly at a fixed rate spread to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by the Rating Agencies. At the date of issuance, the VMTP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. Moody's has announced a review of its rating methodologies with respect to investment company securities, and any amendments to its respective rating methodologies may adversely affect the Moody's current long-term ratings of the VMTP Shares. The dividend rate on the VMTP Shares is subject to a step-up spread if the Trust fails to comply with certain provisions, including, among others, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

The average annualized dividend rates of the VMTP Share for the six months ended February 29, 2012 were follows:

|     | <b>Rate</b> |
|-----|-------------|
| BBK | 1.11%       |
| BAF | 1.11%       |
| BYM | 1.11%       |
| BLE | 1.11%       |
| MVF | 1.11%       |

For financial reporting purposes, VMTP Shares are considered debt of the issuer; therefore, the liquidation value of VMTP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends paid on the VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VMTP Shares are treated as equity for tax purposes. Dividends paid to holders of VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes.

### AMPS

The AMPS are redeemable at the option of each Trust, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The AMPS are also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Trust, as set forth in each Trust's Articles of Supplementary/Statement of Preferences/Certificate of Designation (the Governing Instrument) are not satisfied.

From time to time in the future, each Trust may effect repurchases of its AMPS at prices below their liquidation preference as agreed upon by the Trust and seller. Each Trust also may redeem its AMPS from time to time as provided in the applicable Governing Instrument. Each Trust intends to affect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

Dividends on seven-day and 28-day AMPS are cumulative at a rate, which is reset every seven or 28 days, respectively, based on the results of an auction. If the AMPS fail to clear the auction on an auction date, each Trust is required to pay the maximum applicable rate on the AMPS to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of AMPS is the higher of 110% of the AA commercial paper rate or 100% of 90% of the Kenny S&P 30-day High Grade Index divided by 1.00 minus the marginal tax rate. The low, high and average dividend rates on the AMPS for each Trust for the six months ended February 29, 2012 were as follows:

|                  | <b>Series</b> | <b>Low</b> | <b>High</b> | <b>Average</b> |
|------------------|---------------|------------|-------------|----------------|
| BIE <sup>1</sup> | W-7           | 0.24%      | 0.26%       | 0.25%          |
| BBK <sup>1</sup> | T-7           | 0.15%      | 0.30%       | 0.22%          |
|                  | R-7           | 0.12%      | 0.30%       | 0.22%          |
| BAF <sup>1</sup> | M-7           | 0.16%      | 0.39%       | 0.22%          |
| BYM <sup>1</sup> | M-7           | 0.16%      | 0.27%       | 0.22%          |
|                  | F-7           | 0.16%      | 0.27%       | 0.22%          |
|                  | R-7           | 0.15%      | 0.27%       | 0.21%          |
| BLE <sup>1</sup> | M-7           | 0.15%      | 0.30%       | 0.23%          |
|                  | T-7           | 0.18%      | 0.30%       | 0.23%          |

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|                  |     |       |       |       |
|------------------|-----|-------|-------|-------|
|                  | W-7 | 0.16% | 0.30% | 0.22% |
|                  | R-7 | 0.15% | 0.30% | 0.22% |
| MVF <sup>2</sup> | A   | 0.12% | 0.26% | 0.20% |
|                  | B   | 0.08% | 0.13% | 0.12% |
|                  | C   | 0.15% | 0.24% | 0.20% |
|                  | D   | 0.09% | 0.33% | 0.18% |
|                  | E   | 0.08% | 0.33% | 0.17% |
|                  | F   | 1.29% | 1.35% | 1.31% |

<sup>1</sup> The maximum applicable rate on this series of Preferred Shares is the higher of 110% plus or times (i) the Telerate/BAA LIBOR or (ii) 90% of Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

<sup>2</sup> The maximum applicable rate on series A, B, C, D and E is 110% of the interest equivalent of the 60-day commercial paper rate and for Series F if the higher of 110% plus or times (i) the Telerate/BBA LIBOR or (ii) 90% of the Kenny S&P 30-Day High Grade Index divided by 1.00 minus the marginal tax rate.

Since February 13, 2008, the AMPS of the Trusts failed to clear any of their auctions. As a result, the AMPS dividend rates were reset to the maximum applicable rate, which ranged from 0.08% to 1.35% for the six months ended February 29, 2012. A failed auction is not an event of default for the Trusts but it has a negative impact on the liquidity of AMPS. A failed auction occurs when there are more sellers of a Trust's AMPS than buyers. A successful auction for the Trusts' AMPS may not occur for some time, if ever, and even if liquidity does resume, holders of AMPS may not have the ability to sell the AMPS at their liquidation preference.

The Trusts pay commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions.

## Notes to Financial Statements (concluded)

During the year ended August 31, 2011, MFL announced the following redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

|     | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-----|--------|-----------------|-----------------|---------------------|
| MFL | A      | 7/20/11         | 1,584           | \$ 39,600,000       |
|     | B      | 7/18/11         | 2,642           | \$ 66,050,000       |
|     | C      | 7/19/11         | 2,601           | \$ 65,025,000       |
|     | D      | 7/21/11         | 1,633           | \$ 40,825,000       |
|     | E      | 7/22/11         | 2,526           | \$ 63,150,000       |

MFL financed the AMPS redemptions with the proceeds received from the issuance of VRDP Shares.

During the six months ended February 29, 2012, certain Trusts announced the following redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

|     | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|-----|--------|-----------------|-----------------|---------------------|
| BIE | W-7    | 10/06/11        | 714             | \$ 17,850,000       |
| BBK | T-7    | 1/11/12         | 1,598           | \$ 39,950,000       |
|     | R-7    | 1/13/12         | 1,598           | \$ 39,950,000       |
| BAF | M-7    | 1/10/12         | 1,691           | \$ 42,275,000       |
| BYM | M-7    | 1/10/12         | 1,830           | \$ 45,750,000       |
|     | R-7    | 1/13/12         | 1,830           | \$ 45,750,000       |
|     | F-7    | 1/09/12         | 1,830           | \$ 45,750,000       |
| BLE | M-7    | 1/10/12         | 1,513           | \$ 37,825,000       |
|     | T-7    | 1/11/12         | 1,513           | \$ 37,825,000       |
|     | W-7    | 1/12/12         | 1,513           | \$ 37,825,000       |
|     | R-7    | 1/13/12         | 1,513           | \$ 37,825,000       |
| MVF | A      | 1/09/12         | 1,460           | \$ 36,500,000       |
|     | B      | 1/17/12         | 1,460           | \$ 36,500,000       |
|     | C      | 1/23/12         | 1,460           | \$ 36,500,000       |
|     | D      | 1/03/12         | 1,460           | \$ 36,500,000       |
|     | E      | 1/03/12         | 2,190           | \$ 54,750,000       |
|     | F      | 1/11/12         | 1,723           | \$ 43,075,000       |

The Trusts financed the AMPS redemptions with proceeds received from the issuance of VMTP or VRDP Shares.

### 8. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following items were noted:

The Trusts will pay a net investment income dividend in the following amounts per share on April 2, 2012 to shareholders of record on March 15, 2012:

|     | Common Dividend Per Share |
|-----|---------------------------|
| BIE | \$ 0.0810                 |
| BBK | \$ 0.0885                 |
| BAF | \$ 0.0745                 |
| BYM | \$ 0.0780                 |

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|     |    |        |
|-----|----|--------|
| BLE | \$ | 0.0850 |
| MFL | \$ | 0.0765 |
| MVF | \$ | 0.0590 |

The dividends declared on VRDP or VMTP Shares for the period March 1, 2012 to March 31, 2012 were as follows:

|     | Series | VRDP/VMTP<br>Dividend<br>Per Share |
|-----|--------|------------------------------------|
| BIE | W-7    | \$ 236,872                         |
| BBK | W-7    | \$ 77,630                          |
| BAF | W-7    | \$ 41,001                          |
| BYM | W-7    | \$ 133,301                         |
| BLE | W-7    | \$ 147,001                         |
| MFL | W-7    | \$ 5,252                           |
| MVF | W-7    | \$ 236,872                         |

## Officers and Trustees<sup>1</sup>

Richard E. Cavanagh, Chairman of the Board and Trustee  
Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee  
Paul L. Audet, President<sup>2</sup> and Trustee  
Michael J. Castellano, Trustee and Member of the Audit Committee  
Frank J. Fabozzi, Trustee and Member of the Audit Committee  
Kathleen F. Feldstein, Trustee  
James T. Flynn, Trustee and Member of the Audit Committee  
Henry Gabbay, Trustee  
Jerrold B. Harris, Trustee  
R. Glenn Hubbard, Trustee  
W. Carl Kester, Trustee and Member of the Audit Committee  
John M. Perlowski, President<sup>3</sup> and Chief Executive Officer  
Anne Ackerley, Vice President  
Brendan Kyne, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer  
Ira P. Shapiro, Secretary

<sup>1</sup> John F. Powers, who was a Director of the Funds, resigned as of February 21, 2012.

<sup>2</sup> President for MFL.

<sup>3</sup> President for all Trusts except MFL.

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisors**

BlackRock Investment Management, LLC<sup>4</sup>  
Princeton, NJ 08540

BlackRock Financial Management, Inc.<sup>5</sup>  
New York, NY 10055

### **Custodians**

The Bank of New York Mellon<sup>4</sup>  
New York, NY 10286

State Street Bank and Trust Company<sup>5</sup>  
Boston, MA 02110

### **Transfer Agent**

Computershare Trust Company, N.A.  
Canton, MA 02021

### **VRDP Tender and Paying Agent and VMTP Redemption and Paying Agent**

The Bank of New York Mellon  
New York, NY 10289

**VRDP Liquidity Providers**

Bank of America, N.A.<sup>6</sup>  
New York, NY 10036

Morgan Stanley & Co. LLC<sup>7</sup>  
New York, NY 10056

**VRDP Remarketing Agents**

Merrill Lynch, Pierce, Fenner & Smith Incorporated<sup>6</sup>  
New York, NY 10036

Morgan Stanley & Co. LLC<sup>7</sup>  
New York, NY 10056

**Accounting Agent**

State Street Bank and Trust Company  
Boston, MA 02116

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02110

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

**Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>4</sup> For MFL and MVF.

<sup>5</sup> For BYM, BAF, BBK, BIE and BLE.

<sup>6</sup> For MFL.

<sup>7</sup> For BIE.

## Additional Information

### Dividend Policy

Each Trust's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Trusts may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

### General Information

On July 29, 2010, the Manager announced that a derivative complaint had been filed by shareholders of BYM, BAF and BIE on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the trustees, officers and portfolio managers of BYM, BAF and BIE as defendants. The complaint alleges, among other things, that the parties named in the complaint breached fiduciary duties owed to BYM, BAF and BIE and their Common Shareholders by redeeming auction-market preferred shares, auction rate preferred securities, auction preferred shares and auction rate securities (collectively, "AMPS") at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by BYM, BAF and BIE as a result of the prior redemptions and injunctive relief preventing BYM, BAF and BIE from redeeming AMPS at their liquidation preference in the future. The Manager, BlackRock, Inc. and the other parties named in the complaint believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

On August 11, 2010, the Manager announced that a derivative complaint had been filed by shareholders of MFL on August 3, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the directors, officers and portfolio managers of MFL as defendants. The complaint alleges, among other things, that the parties named in the complaint breached fiduciary duties owed to MFL and its Common Shareholders by redeeming AMPS at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by MFL as a result of the prior redemptions and injunctive relief preventing MFL from redeeming AMPS at their liquidation preference in the future. The Manager, BlackRock, Inc. and the other parties named in the complaint believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

On March 15, 2012, the Supreme Court of the State of New York ordered that the two actions be consolidated and directed the plaintiffs to file a consolidated complaint within 30 days of the entry of the order.

On April 16, 2012, the plaintiffs filed a consolidated amended complaint. In connection with that filing, BYM and BIE were removed as defendants.

On September 27, 2010, the Manager announced that the directors of MVF had received a demand letter sent on behalf of certain of MVF's Common Shareholders. The demand letter alleged that the Manager and MVF's officers and Board breached fiduciary duties owed to MVF and its Common Shareholders by redeeming at par certain of MVF's Preferred Shares, and demanded that MVF's Board take action to remedy those alleged breaches. In response to the demand letter, the Board established a Demand Review Committee (the "Committee") of the independent members of the Board to investigate the claims made in the demand letter with the assistance of independent counsel. Based upon its investigation, the Committee recommended that MVF's Board reject the demand specified in the demand letter. After reviewing the findings of the Committee, MVF's Board unanimously adopted the Committee's recommendation and unanimously voted to reject the demand.

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charters or by-laws that would delay or prevent a change of control of the Trusts that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolios.



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Quarterly performance, semi-annual and annual reports and other information regarding the Trusts may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

## Additional Information (concluded)

### General Information (concluded)

#### Electronic Delivery

Electronic copies of most financial reports are available on the Trusts' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

#### Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

#### Householding

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Trusts at (800) 441-7762.

#### Availability of Quarterly Schedule of Investments

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

#### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

#### Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

#### Availability of Trust Updates

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

#### BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

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If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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- Item 2 – Code of Ethics – Not Applicable to this semi-annual report
- Item 3 – Audit Committee Financial Expert – Not Applicable to this semi-annual report
- Item 4 – Principal Accountant Fees and Services – Not Applicable to this semi-annual report
- Item 5 – Audit Committee of Listed Registrants – Not Applicable to this semi-annual report
- Item 6 – Investments
- (a) The registrant’s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.
  - (b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.
- Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report
- Item 8 – Portfolio Managers of Closed-End Management Investment Companies
- (a) Not Applicable to this semi-annual report
  - (b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable
- Item 10 – Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.
- Item 11 – Controls and Procedures
- (a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
  - (b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.
- Item 12 – Exhibits attached hereto
- (a)(1) – Code of Ethics – Not Applicable to this semi-annual report
  - (a)(2) – Certifications – Attached hereto
  - (a)(3) – Not Applicable
  - (b) – Certifications – Attached hereto
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Quality Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Quality Trust

Date: May 1, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Income Quality Trust

Date: May 1, 2012

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Municipal Income Quality Trust

Date: May 1, 2012

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