

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

Form N-CSRS

May 01, 2013

[Table of Contents](#)

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 52nd Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2013

Date of reporting period: 02/28/2013

Table of Contents

Item 1 Report to Stockholders

2

Table of Contents

FEBRUARY 28, 2013

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 May Lose Value No Bank Guarantee

Table of Contents

Table of Contents

	Page
<u>Dear Shareholder</u>	3
<u>Semi-Annual Report:</u>	
<u>Municipal Market Overview</u>	4
<u>The Benefits and Risks of Leveraging</u>	5
<u>Derivative Financial Instruments</u>	5
<u>Trust Summaries</u>	6
<u>Financial Statements:</u>	
<u>Schedules of Investments</u>	20
<u>Statements of Assets and Liabilities</u>	56
<u>Statements of Operations</u>	57
<u>Statements of Changes in Net Assets</u>	58
<u>Statements of Cash Flows</u>	60
<u>Financial Highlights</u>	61
<u>Notes to Financial Statements</u>	68
<u>Officers and Trustees</u>	78
<u>Additional Information</u>	79

Table of Contents

Dear Shareholder

Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment. About this time one year ago, the European debt crisis returned to the headlines as unresolved policy decisions left it unclear as to how troubled peripheral countries would finance their sovereign debt, causing yields to soar. In the second quarter of 2012, political instability in Greece and severe deficit and liquidity problems in Spain raised the specter of a full-blown euro collapse. Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, emerged as a particular concern. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world's largest central banks would soon intervene to stimulate growth. This theme, along with the announcement of the European Central Bank's (ECB's) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer. Policy relief came in early September, when the ECB announced its decision to support the eurozone's debt-laden countries with unlimited purchases of short term sovereign debt. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by accommodative monetary policies, risk assets weakened in the fall. Global trade began to slow as many European countries fell into recession and growth continued to decelerate in China, where a once-a-decade leadership change compounded uncertainty. In the United States, stocks slid on lackluster corporate earnings reports and market volatility rose in advance of the US Presidential election. In the post-election environment, investors grew increasingly concerned over the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. There was widespread fear that the fiscal cliff would push the United States into recession unless politicians could agree upon alternate measures to reduce the deficit before the end of 2012. Worries that bipartisan gridlock would preclude a timely budget deal triggered higher levels of volatility in financial markets around the world in the months leading up to the last day of the year. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal; however, decisions relating to spending cuts and the debt ceiling continued to weigh on investors' minds.

Investors shook off the nerve-racking finale to 2012 and began the New Year with a powerful equity rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaled modest but broad-based improvements in the world's major economies, particularly in China. Global equities soared through January while rising US Treasury yields pressured high-quality fixed income assets. However, bond markets strengthened in February when economic momentum slowed and investors toned down their risk appetite. US stocks continued to rise, but at a more moderate pace. Uncertainty about how long the Federal Reserve would maintain its easing bias drove high levels of volatility later in the month, but these fears abated as the budget sequester (automatic spending cuts scheduled to take effect March 1) began to appear imminent and was deemed likely to deter any near-term curtailment of monetary easing policies. Outside the United States, equities largely declined as political uncertainty escalated after the Italian presidential election ended in a stalemate.

On the whole, riskier asset classes outperformed lower-risk investments for the 6- and 12-month periods ended February 28, 2013. International, US small cap and emerging market equities were the leading asset classes for the 6-month period, while US stocks and high yield bonds generated the strongest returns for the 12-month period. US Treasury yields remained relatively low overall, but have inched higher in recent months, pressuring Treasuries and investment-grade bonds. Tax-exempt municipal bonds, however, continued to benefit from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Investors continue to face many of the same risks as in years past. But we see a world of possibilities. BlackRock was built to provide the global market insight, breadth of capabilities, unbiased investment advice and deep risk management expertise these times require. Investors everywhere are asking, *So what do I do with my money?* Visit www.blackrock.com for answers.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of February 28, 2013

	6-month	12-month
US large cap equities (S&P 500® Index)	8.95%	13.46%
US small cap equities (Russell 2000® Index)	13.02	14.02
International equities (MSCI Europe, Australasia, Far East Index)	14.41	9.84
Emerging market equities (MSCI Emerging Markets Index)	12.06	0.28
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.05	0.11
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	(1.51)	3.66
US investment grade bonds (Barclays US Aggregate Bond Index)	0.15	3.12
Tax-exempt municipal bonds (S&P Municipal Bond Index)	2.40	5.71
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	6.67	11.79

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

3

Table of Contents

Municipal Market Overview

For the Reporting Period Ended February 28, 2013

Municipal Bonds Performed Well

Market conditions remained favorable even though supply picked up considerably in the past year. Total new issuance for the 12 months ended February 28, 2013 was \$383 billion as compared to \$303 billion in the prior 12-month period. However, it is important to note that a significant portion (roughly 60%) of the new supply during the most recent 12-month period was attributable to refinancing activity as issuers took advantage of lower interest rates to reduce their borrowing costs.

Increased supply was met with strong demand during the period as investors were starved for yield in the low- rate environment. Investors poured into municipal bond mutual funds, particularly long-duration and high-yield funds as they tend to provide higher levels of income. For the 12 months ended February 28, 2013, municipal bond fund inflows exceeded \$46 billion (according to the Investment Company Institute).

S&P Municipal Bond Index

Total Returns as of February 28, 2013

6 months: 2.40%

12 months: 5.71%

A Closer Look at Yields

From February 29, 2012 to February 28, 2013, muni yields declined by 32 basis points (bps) from 3.23% to 2.91% on AAA-rated 30-year municipal bonds, while falling a modest 4 bps from 1.85% to 1.81% on 10-year bonds and rising 9 bps from 0.68% to 0.77% on 5-year bonds (as measured by Thomson Municipal Market Data). (Bond prices rise as yields fall.) Overall, the municipal yield curve remained relatively steep, but flattened over the 12-month period as the spread between 2- and 30-year maturities tightened by 37 bps and the spread between 2- and 10-year maturities tightened by 9 bps.

During the same time period, US Treasury rates fell by 10 bps in both the 5- and 10-year space while rising 1 bp on 30-year bonds. Accordingly, tax-exempt municipal bonds moderately underperformed Treasuries in the 5- and 10-year space, but significantly outperformed Treasury bonds on the long end of the curve. This outperformance was driven largely by a supply/demand imbalance within the municipal market while evidence of a recovering domestic economy pushed interest rates higher. Additionally, as higher US tax rates began to appear imminent late in 2012, municipal bonds benefited from the increased appeal of tax-exempt investing. Municipals have become an appropriate avenue for investors seeking yield in the low-rate environment as the asset class is known for its lower volatility and preservation of earnings as tax rates rise.

Financial Conditions of Municipal Issuers Continue to Improve

Austerity and de-leveraging have been the general themes across the country as states seek to balance their budgets, although a small number of states continue to rely on a "kick-the-can" approach to close their budget gaps. Broadly speaking, state governments have demonstrated better fiscal health as their revenues have steadily improved in recent years. Many local municipalities, however, continue to face higher costs passed down from the state level. BlackRock maintains the view that municipal bond defaults will be minimal and remain in the periphery, and that 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.

Table of Contents

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and net asset value (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) (VRDP Shares and VMTP Shares 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.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Trusts had not used leverage.

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 holders of Common Shares (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 Common Shareholders and may reduce income to the Common Shares.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

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 total assets less the sum of its accrued liabilities). In addition, each Trust with VRDP or VMTP Shares limits its economic leverage to 45% of its total managed assets. As of February 28, 2013, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
BIE	39%
BBK	36%
BAF	36%
BYM	37%
BLE	39%
MFL	40%
MVF	39%

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts and options, 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 security, index and/or 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.

Table of Contents

Trust Summary as of February 28, 2013

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 28, 2013, the Trust returned 4.15% based on market price and 3.94% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% 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 Trust's holdings in the State of California contributed positively to performance. While federal tax rate increases were supportive of municipal bonds overall, the addition of a state tax rate increase in California made these issues even more compelling on an after-tax basis. Also enhancing results were holdings in the health, education and transportation sectors. Particularly strong returns came from the Trust's lower-quality holdings in those sectors, which benefited from strong demand as investors sought higher-yielding investments in the low interest rate environment.

Conversely, exposure to Puerto Rico sales tax bonds had a negative impact on performance as the continued decline of the local economy and concerns about credit rating downgrades resulted in falling prices across Puerto Rico-issued securities broadly. 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 28, 2013 (\$16.83) ¹	5.56%
Tax Equivalent Yield ²	9.82%
Current Monthly Distribution per Common Share ³	\$0.0780
Current Annualized Distribution per Common Share ³	\$0.9360
Economic Leverage as of February 28, 2013 ⁴	39%

¹ 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.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The Monthly Distribution per Common Share, declared on March 1, 2013, was decreased to \$0.076 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.
- ⁴ 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 5.

Table of Contents**BlackRock Municipal Bond Investment Trust****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 16.83	\$ 16.61	1.32%	\$ 17.99	\$ 16.20
Net Asset Value	\$ 17.07	\$ 16.88	1.13%	\$ 17.70	\$ 16.61

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
County/City/Special District/School District	21%	19%
Transportation	21	18
Health	16	17
Utilities	16	16
Education	11	12
State	9	12
Housing	4	4
Corporate	1	1
Tobacco	1	1

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	13%	15%
AA/Aa	57	60
A	26	20
BBB/Baa	4	5

¹ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2013	
2014	4%
2015	
2016	2
2017	1

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents**Trust Summary** as of February 28, 2013**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 28, 2013, the Trust returned 4.98% based on market price and 5.01% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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.

The Trust's lower-quality investment grade holdings contributed positively to performance as the tightening of credit spreads drove their outperformance over higher-quality bonds during the period. Additional positive performance came from the Trust's allocations to the higher-yielding health, corporate and school district sectors. Heavy exposure to California credits, the best performing state for the period, boosted returns. The Trust also benefited from the roll-down effect, whereby effective maturities become shorter with the passing of the year and therefore bonds are evaluated at lower yield levels, which, in a steep yield curve environment, results in higher prices.

Detracting from performance was the Trust's neutral-to-long average duration (greater sensitivity to interest rates) as most of the municipal yield curve experienced slightly higher yields and lower bond prices. The Trust's yield curve positioning favoring longer-dated maturities also had a negative effect. Exposure to Puerto Rico credits detracted from results as the commonwealth's deteriorating credit metrics and ratings downgrades led to the underperformance of those issues.

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 NYSE	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 28, 2013 (\$17.35) ¹	5.78%
Tax Equivalent Yield ²	10.21%
Current Monthly Distribution per Common Share ³	\$0.0835
Current Annualized Distribution per Common Share ³	\$1.0020
Economic Leverage as of February 28, 2013 ⁴	36%

¹ 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.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The Monthly Distribution per Common Share, declared on March 1, 2013, was decreased to \$0.0785 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.
- ⁴ 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 5.

Table of Contents**BlackRock Municipal Bond Trust****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 17.35	\$ 17.16	1.11%	\$ 18.74	\$ 16.85
Net Asset Value.	\$ 16.98	\$ 16.79	1.13%	\$ 17.62	\$ 16.56

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
Health	23%	25%
County/City/Special District/School District	14	13
Utilities	14	8
Transportation	13	13
State	12	14
Education	11	11
Housing	6	8
Corporate	6	5
Tobacco	1	3

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	6%	9%
AA/Aa	40	35
A	30	26
BBB/Baa	12	18
BB/Ba	5	4
B	1	2
Not Rated ²	6	6

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2013 and August 31, 2012, the market value of these securities was \$4,854,688, representing 2%, and \$3,199,110, representing 1%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2013	9%
2014	5
2015	2
2016	3
2017	3

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents**Trust Summary** as of February 28, 2013**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 28, 2013, the Trust returned 2.83% based on market price and 3.50% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount 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.

The Trust's holdings in the State of California contributed positively to performance. While federal tax rate increases were supportive of municipal bonds overall, the addition of a state tax rate increase in California made these issues even more compelling on an after-tax basis. Also enhancing results were holdings in the health, education and transportation sectors. Particularly strong returns came from the Trust's lower-quality holdings in those sectors, which benefited from strong demand as investors sought higher-yielding investments in the low interest rate environment.

Conversely, exposure to Puerto Rico sales tax bonds had a negative impact on performance as the continued decline of the local economy and concerns about credit rating downgrades resulted in falling prices across Puerto Rico-issued securities broadly.

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 NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2013 (\$16.29) ¹	5.05%
Tax Equivalent Yield ²	8.92%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Economic Leverage as of February 28, 2013 ⁴	36%

¹ 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.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ 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 5.

Table of Contents**BlackRock Municipal Income Investment Quality Trust****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 16.29	\$ 16.24	0.31%	\$ 17.49	\$ 15.80
Net Asset Value	\$ 16.69	\$ 16.53	0.97%	\$ 17.35	\$ 16.26

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
County/City/Special District/School District	31%	29%
Transportation	20	19
Utilities	17	20
Health	11	12
State	10	8
Education	9	10
Housing	1	1
Tobacco	1	1

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	10%	11%
AA/Aa	69	74
A	19	14
BBB/Baa		1
Not Rated	2	

¹ Using the higher of S&P's or Moody's ratings.

Call/Maturity Schedule²

Calendar Year Ended December 31,	
2013	
2014	
2015	
2016	1%
2017	1

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents**Trust Summary** as of February 28, 2013**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 28, 2013, the Trust returned (1.32)% based on market price and 3.62% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount 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.

The Trust's positive performance was derived largely from income accrual as well as spread compression (price appreciation) in certain sectors, most notably health and transportation. Exposure to capital appreciation bonds (zero coupons) also had a positive impact on results as spreads generally tightened in this segment.

Trust performance was negatively impacted by a slight rise in interest rates during the period (bond prices fall as rates rise). Exposure to certain Puerto Rico credits detracted from performance as concerns about credit rating agency downgrades resulted in wider credit spreads (falling prices) for Puerto Rico municipal securities broadly.

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 NYSE	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2013 (\$16.04) ¹	5.84%
Tax Equivalent Yield ²	10.32%
Current Monthly Distribution per Common Share ³	\$0.0780
Current Annualized Distribution per Common Share ³	\$0.9360
Economic Leverage as of February 28, 2013 ⁴	37%

¹ 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.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

³ The distribution rate is not constant and is subject to change.

⁴ 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 5.

Table of Contents**BlackRock Municipal Income Quality Trust****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 16.04	\$ 16.73	(4.12)%	\$ 17.79	\$ 15.71
Net Asset Value	\$ 16.22	\$ 16.11	0.68%	\$ 16.64	\$ 15.88

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
County/City/Special District/School District	25%	19%
Transportation	19	21
Utilities	19	19
State	16	17
Health	7	9
Tobacco	5	5
Education	4	6
Corporate	4	3
Housing	1	1

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	22%	17%
AA/Aa	52	55
A	21	19
BBB/Baa	4	7
B	1	1
Not Rated		1 ²

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2012, the market value of these securities was \$8,360,761, representing 1% of the Trust's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2013	9%
2014	7
2015	5
2016	5
2017	8

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

SEMI-ANNUAL REPORT

FEBRUARY 28, 2013

13

Table of Contents**Trust Summary** as of February 28, 2013**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 28, 2013, the Trust returned 2.29% based on market price and 4.17% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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.

The Trust's holdings generated a high distribution yield, which in the aggregate, had a meaningful impact on returns. Credit spread compression drove price appreciation, particularly within the Trust's concentration of holdings in lower-quality investment grade and non-investment grade municipal bonds. Also boosting returns were the Trust's allocations to corporate, health and transportation-related debt. Exposure to capital appreciation bonds (zero coupons) had a positive impact on results as this segment tends to outperform in a spread tightening environment.

Conversely, security selection within the corporate and tax-backed sectors hindered performance. The Trust's long duration (greater sensitivity to interest rate movements) detracted as yields slightly rose during the period. Modest exposure to certain Puerto Rico credits had a negative impact on results as concerns about the commonwealth's deteriorating credit metrics and ratings downgrades led to the underperformance of those issues.

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 NYSE MKT	BLE
Initial Offering Date	July 30, 2002
Yield on Closing Market Price as of February 28, 2013 (\$16.59) ¹	6.15%
Tax Equivalent Yield ²	10.87%
Current Monthly Distribution per Common Share ³	\$0.0850
Current Annualized Distribution per Common Share ³	\$1.0200
Economic Leverage as of February 28, 2013 ⁴	39%

¹ 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.

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ 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 5.

Table of Contents**BlackRock Municipal Income Trust II****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 16.59	\$ 16.74	(0.90)%	\$ 17.61	\$ 15.85
Net Asset Value	\$ 16.25	\$ 16.10	0.93%	\$ 16.78	\$ 15.88

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
Transportation	20%	17%
Health	17	18
Utilities	17	15
State	13	16
County/City/Special District/School District	12	11
Corporate	8	7
Education	8	9
Tobacco	3	4
Housing	2	3

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	10%	13%
AA/Aa	35	36
A	30	25
BBB/Baa	18	17
BB/Ba		2
B	1	1
Not Rated ²	6	6

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2013 and August 31, 2012, the market value of these securities was \$12,353,604 and \$12,361,560, each representing 2%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule³**Calendar Year Ended December 31,**

2013	6%
2014	1
2015	6
2016	5
2017	5

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents

Trust Summary as of February 28, 2013

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 28, 2013, the Trust returned 0.13% based on market price and 3.97% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount 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.

The Trust s holdings in the State of California contributed positively to performance. While federal tax rate increases were supportive of municipal bonds overall, the addition of a state tax rate increase in California made these issues even more compelling on an after-tax basis. Also enhancing results were holdings in the health, education and transportation sectors. Particularly strong returns came from the Trust s lower-quality holdings in those sectors, which benefited from strong demand as investors sought higher-yielding investments in the low interest rate environment.

Conversely, exposure to Puerto Rico sales tax bonds had a negative impact on performance as the continued decline of the local economy and concerns about credit rating downgrades resulted in falling prices across Puerto Rico-issued securities broadly.

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 NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of February 28, 2013 (\$15.70) ¹	5.85%
Tax Equivalent Yield ²	10.34%
Current Monthly Distribution per Common Share ³	\$0.0765
Current Annualized Distribution per Common Share ³	\$0.9180
Economic Leverage as of February 28, 2013 ⁴	40%

1

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

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.

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ 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 5.

Table of Contents**BlackRock MuniHoldings Investment Quality Fund****Market Price and Net Asset Value**

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 15.70	\$ 16.13	(2.67)%	\$ 17.20	\$ 15.52
Net Asset Value	\$ 16.13	\$ 15.96	1.07%	\$ 16.77	\$ 15.70

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
Transportation	28%	21%
Utilities	18	18
County/City/Special District/School District	15	16
State	14	16
Health	12	14
Education	10	11
Housing	2	3
Tobacco	1	1

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	13%	14%
AA/Aa	59	66
A	26	18
BBB/Baa		1
Not Rated ²	2	1

¹ Using the higher of S&P's or Moody's ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2013 and August 31, 2012, the market value of these securities was \$8,585,448 and \$4,206,588, each representing less than 1%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2013	1%
2014	1
2015	
2016	1
2017	3

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents**Trust Summary** as of February 28, 2013**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 28, 2013, the Trust returned 3.39% based on market price and 3.97% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 2.51% based on market price and 4.16% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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.

The Trust's positive performance was derived mainly from its coupon income component as municipal market performance during the six-month period, although positive, was less robust than it had been in the prior eighteen months. The Trust benefited from its zero-coupon bond holdings due to positive price movement in that segment. Exposure to lower-quality investment grade credits boosted results given strong demand from investors seeking higher-yielding investments in the low interest rate environment.

Interest rates inched higher during the period, which negatively impacted performance (bond prices fall as rates rise). Exposure to Puerto Rico debt detracted from performance as concerns about credit rating agency downgrades resulted in wider credit spreads (falling prices) for Puerto Rico municipal securities broadly.

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 NYSE MKT	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of February 28, 2013 (\$11.29) ¹	6.27%
Tax Equivalent Yield ²	11.08%
Current Monthly Distribution per Common Share ³	\$0.0590
Current Annualized Distribution per Common Share ³	\$0.7080
Economic Leverage as of February 28, 2013 ⁴	39%

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

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.

- ² Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ 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 5.

Table of Contents

BlackRock MuniVest Fund, Inc.

Market Price and Net Asset Value

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

	2/28/13	8/31/12	Change	High	Low
Market Price	\$ 11.29	\$ 11.28	0.09%	\$ 12.29	\$ 10.87
Net Asset Value	\$ 10.75	\$ 10.68	0.66%	\$ 11.06	\$ 10.53

The following charts show the sector allocation, credit quality allocation and call/maturity schedule of the Trust's long-term investments:

Sector Allocation

	2/28/13	8/31/12
Health	23%	28%
Transportation	21	17
Utilities	13	6
Corporate	11	10
County/City/Special District/School District	11	8
Education	8	10
State	6	6
Housing	5	9
Tobacco	2	6

Credit Quality Allocation¹

	2/28/13	8/31/12
AAA/Aaa	12%	12%
AA/Aa	47	46
A	26	25
BBB/Baa	12	12
BB/Ba		2
B	1	
Not Rated ²	2	3

¹ Using the higher of S&P's or Moody's ratings.² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2013 and August 31, 2012, the market value of these securities was \$20,449,481, representing 2%, and \$30,422,382, representing 3%, respectively, of the Trust's long-term investments.**Call/Maturity Schedule³**

Calendar Year Ended December 31,	
2013	9%
2014	5
2015	1
2016	6
2017	7

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Table of Contents

Schedule of Investments February 28, 2013 (Unaudited)

BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Alabama 3.3%		
Alabama Incentives Financing Authority, RB, Series A, 5.00%, 9/01/42	\$ 1,500	\$ 1,700,115
Selma IDB, RB, International Paper Co. Project, Series A, 5.38%, 12/01/35	145	159,938
		1,860,053
Alaska 0.3%		
Northern Tobacco Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/46	180	157,910
Arizona 0.5%		
Arizona Board of Regents, Refunding RB, University of Arizona, Series A, 5.00%, 6/01/42	250	284,510
California 8.3%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	700	826,273
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39	120	142,472
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,660	1,928,339
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36	850	969,714
State of California, GO, Various Purpose, 6.00%, 3/01/33	685	849,688
		4,716,486
Colorado 1.6%		
City & County of Denver Colorado, Refunding ARB, Airport System, Series B, 5.00%, 11/15/37	235	269,221
Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare Initiatives, Series A, 5.50%, 7/01/34	580	662,064
		931,285
Florida 1.1%		
City of Jacksonville Florida, Refunding RB, Better Jacksonville Sale Tax, Series A, 5.00%, 10/01/30	295	344,120
Orlando-Orange County Expressway Authority, Refunding RB, Series A, 5.00%, 7/01/29	250	293,083
		637,203
Georgia 1.2%		
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23	555	678,676
Illinois 13.8%		
Chicago Illinois Board of Education, GO, Series A: 5.50%, 12/01/39	500	579,340
5.00%, 12/01/42	715	778,285
	Par	
Municipal Bonds		
	(000)	Value
Illinois (concluded)		
Chicago Transit Authority, RB, Sales Tax Receipts Revenue, 5.25%, 12/01/36	\$ 165	\$ 189,697
City of Chicago Illinois, ARB, O Hare International Airport, General, Third Lien, Series C, 6.50%, 1/01/41	1,590	2,056,013
City of Chicago Illinois, Refunding RB, Sales Tax Revenue, Series A, 5.25%, 1/01/38	205	235,430
City of Chicago Illinois Wastewater Transmission, RB, Second Lien, 5.00%, 1/01/42 (a)	310	345,585
Cook County Forest Preserve District, GO, Series C, 5.00%, 12/15/32	150	172,207
Cook County Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/32	70	80,364
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	750	897,855
Illinois Finance Authority, Refunding RB: Northwestern Memorial Healthcare, 5.00%, 8/15/37	115	130,879

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Northwestern Memorial Hospital, 6.00%, 8/15/39	1,000	1,186,630
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Project, Series B, 5.00%, 12/15/28	530	621,054
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	365	440,394
6.00%, 6/01/28	105	125,677
		7,839,410
Indiana 2.5%		
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	1,190	1,424,311
Kansas 3.4%		
Kansas Development Finance Authority, Refunding RB, Adventist Health System/Sunbelt Obligated Group:		
Series A, 5.00%, 11/15/32	750	871,252
Series C, 5.50%, 11/15/29	900	1,054,359
		1,925,611
Kentucky 2.5%		
Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	350	420,693
Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34	800	984,808
		1,405,501
Louisiana 0.8%		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	380	448,833

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:

AGC	Assured Guaranty Corp.	HRB	Housing Revenue Bonds
AGM	Assured Guaranty Municipal Corp.	IDA	Industrial Development Authority
AMBAC	American Municipal Bond Assurance Corp.	IDB	Industrial Development Board
AMT	Alternative Minimum Tax (subject to)	IDRB	Industrial Development Revenue Bonds
ARB	Airport Revenue Bonds	ISD	Independent School District
BARB	Building Aid Revenue Bonds	LRB	Lease Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.	MRB	Mortgage Revenue Bonds
CAB	Capital Appreciation Bonds	M/F	Multi-Family
COP	Certificates of Participation	NPFGC	National Public Finance Guarantee Corp.
EDC	Economic Development Corp.	PSF-GTD	Permanent School Fund Guaranteed
EDA	Economic Development Authority	Q-SBLF	Qualified School Bond Loan Fund
ERB	Education Revenue Bonds	RB	Revenue Bonds
GARB	General Airport Revenue Bonds	SAN	State Aid Notes
GO	General Obligation Bonds	SBPA	Stand-by Bond Purchase Agreements
HDA	Housing Development Authority	S/F	Single-Family
HFA	Housing Finance Agency	VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Maine 1.5%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32	\$ 675	\$ 869,387
Massachusetts 0.7%		
Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40	375	430,234
Michigan 3.2%		
Lansing Board of Water & Light Utilities System, RB, Series A, 5.50%, 7/01/41	485	573,478
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38	500	603,235
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	530	675,252
		1,851,965
Mississippi 2.4%		
Mississippi Development Bank, Refunding RB:		
Jackson Mississippi Water & Sewer (AGM), 5.00%, 9/01/30	535	623,425
Jackson Public School District Project, Series A, 5.00%, 4/01/28	645	735,474
		1,358,899
Multi-State 5.7%		
Centerline Equity Issuer Trust, 7.20%, 11/15/52 (b)(c)	3,000	3,269,220
Nevada 4.1%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,000	1,173,150
County of Clark Nevada, ARB, Series B, 5.75%, 7/01/42	1,000	1,175,670
		2,348,820
New Jersey 5.2%		
New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29	750	871,305
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	610	676,917
New Jersey Transportation Trust Fund Authority, RB, Transportation System: 5.50%, 6/15/41	500	582,405
5.88%, 12/15/38	695	822,637
		2,953,264
New York 2.0%		
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	145	172,573
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	325	386,493
New York State Dormitory Authority, RB, Series B, 5.00%, 3/15/42	500	570,630
		1,129,696
North Carolina 1.1%		
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/32	530	618,378
Ohio 1.1%		
Ohio State University, RB, Special Purpose General Receipts, Series A, 5.00%, 6/01/38	545	632,772
	Par	
Municipal Bonds		
Pennsylvania 6.2%		
	(000)	Value
	\$ 300	\$ 349,263

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Pennsylvania Economic Development Financing Authority, RB, American Water Co.

Project, 6.20%, 4/01/39

Pennsylvania Turnpike Commission, RB:

Sub-Series A, 5.63%, 12/01/31	750	880,230
Sub-Series A, 6.00%, 12/01/41	1,500	1,708,665
Sub-Series C, (AGC), 6.25%, 6/01/38	500	605,185

3,543,343

Texas 12.6%

Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41	890	1,035,417
City of Houston Texas, Refunding RB, Utility System, Series D, 5.00%, 11/15/42	500	574,610
Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35	470	560,489
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	250	319,305
Houston Community College System, GO, 5.00%, 2/15/36 (a)	205	232,798
North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41	500	594,080
North Texas Tollway Authority, Refunding RB, First Tier:		
Series B, 5.00%, 1/01/42	750	833,677
Series K-1 (AGC), 5.75%, 1/01/38	250	281,723
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,020	1,232,354
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	500	596,450
Texas Transportation Commission, Refunding RB, First Tier, Series A, 5.00%, 8/15/41	175	191,998
University of Texas System, Refunding RB, Financing System Bonds, Series B, 5.00%, 8/15/43	615	718,996

7,171,897

Utah 2.0%

Utah Transit Authority, Refunding RB, Subordinated Sales Tax, 5.00%, 6/15/42	1,000	1,128,270
--	-------	-----------

Virginia 3.7%

Fairfax County IDA, RB, Health Care, Inova Health System, Series A, 5.00%, 5/15/40	275	312,571
Norfolk EDA, Refunding RB, Sentara Healthcare, Series B, 5.00%, 11/01/36	500	571,670
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/18 (d)	500	657,335
Virginia Resources Authority, RB, Series A-1, 5.00%, 11/01/42	485	561,499

2,103,075

Washington 2.0%

Port of Seattle, Refunding RB, Intermediate Lien, Series A, 5.00%, 8/01/32	1,000	1,165,790
--	-------	-----------

Wisconsin 3.2%

University of Wisconsin Hospitals & Clinics Authority, Refunding RB, Series A, 5.00%, 4/01/38 (a)	145	162,175
Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Alliance, Series D, 5.00%, 11/15/41	485	545,019

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Wisconsin (concluded)		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert Health, Inc.:		
Series A, 5.00%, 4/01/42	\$ 125	\$ 140,486
Series C, 5.25%, 4/01/39	890	985,560
		1,833,240
Total Municipal Bonds 96.0%		54,718,039
Municipal Bonds Transferred to Tender Option Bond Trusts (e)		
California 19.4%		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (f)	1,005	1,178,121
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40	1,300	1,451,710
Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 (f)	1,410	1,705,381
Los Angeles Community College District California, GO, Refunding, Series A, 6.00%, 8/01/33	2,079	2,597,309
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	200	224,448
San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39	2,234	2,615,912
University of California, RB, Series O, 5.75%, 5/15/34	810	976,158
University of California, Refunding RB, Limited Project, Series G, 5.00%, 5/15/37	250	288,684
		11,037,723
District of Columbia 3.4%		
District of Columbia, RB, Series A, 5.50%, 12/01/30 (f)	735	893,662
District of Columbia Water & Sewer Authority, Refunding RB, Series A, 5.50%, 10/01/39	899	1,061,426
		1,955,088
Florida 0.5%		
County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42	260	292,159
Illinois 8.1%		
City of Chicago Illinois Waterworks, Refunding RB, Second Lien, 5.00%, 11/01/42	400	451,474
Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38	1,500	1,860,045
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	2,000	2,283,353
		4,594,872
Massachusetts 1.6%		
Massachusetts School Building Authority, Sales Tax RB, Senior Lien, Series B, 5.00%, 10/15/41	790	906,091
Nevada 3.2%		
Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38	1,500	1,813,485
New Hampshire 1.2%		
New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (f)	585	684,893
New Jersey 3.7%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A (AGM), 5.00%, 12/15/32	1,000	1,138,810
Series B, 5.25%, 6/15/36	840	959,314
		2,098,124
	Par	Value

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Municipal Bonds Transferred to Tender Option Bond Trusts (e)	(000)	
New York 14.3%		
New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40	\$ 750	\$ 894,809
New York City Municipal Water Finance Authority, Refunding RB:		
Series FF, 5.00%, 6/15/45	1,000	1,130,475
Series FF-2, 5.50%, 6/15/40	990	1,172,004
New York City Transitional Finance Authority, BARB, Building Aid, Fiscal 2009, Series S-3, 5.25%, 1/15/39	1,000	1,117,917
New York City Transitional Finance Authority, RB, Future Tax Secured, Fiscal 2012, Series E, 5.00%, 2/01/42	460	524,110
New York Liberty Development Corp., RB, 1 World Trade Center Project, 5.25%, 12/15/43	1,170	1,342,884
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51	680	805,800
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	1,000	1,171,800
		8,159,799
Ohio 1.6%		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	840	939,170
Puerto Rico 0.9%		
Puerto Rico Sales Tax Financing Corp., Sales Tax, Refunding RB, Sales Tax Revenue, Series C, 5.25%, 8/01/40	460	502,154
Texas 7.2%		
City of San Antonio Texas, Refunding RB, Electric and Gas Systems Revenue, Series A, 5.25%, 2/01/31 (f)	1,050	1,250,462
Harris County Cultural Education Facilities Finance Corp., RB, Texas Children s Hospital Project, 5.50%, 10/01/39	1,450	1,715,713
Waco Educational Finance Corp., Refunding RB, Baylor University, 5.00%, 3/01/43	1,005	1,144,765
		4,110,940
Virginia 0.9%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	460	528,879
Washington 1.5%		
University of Washington, Refunding RB, Series A, 5.00%, 7/01/41	735	850,540
Total Municipal Bonds Transferred to Tender Option Bond Trusts 67.5%		38,473,917
Total Long-Term Investments (Cost \$82,732,308) 163.5%		93,191,956
Short-Term Securities	Shares	
FFI Institutional Tax-Exempt Fund, 0.01% (g)(h)	1,154,435	1,154,435
Total Short-Term Securities (Cost \$1,154,435) 2.0%		1,154,435
Total Investments (Cost \$83,886,743) 165.5%		94,346,391
Liabilities in Excess of Other Assets (0.4)%		(206,749)
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (33.9)%		(19,347,621)
VRDP Shares, at Liquidation Value (31.2)%		(17,800,000)
Net Assets Applicable to Common Shares 100.0%		\$ 56,992,021

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

Notes to Schedule of investments

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

Counterparty	Value	Unrealized Appreciation (Depreciation)
Stifel Nicolaus & Co.	\$ 345,585	\$ (180)
JPMorgan Securities, Inc.	\$ 394,973	\$ 16

- (b) 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.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) 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.
- (e) 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.
- (f) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements is \$2,954,469.
- (g) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2012	Net Activity	Shares Held at February 28, 2013	Income
FFI Institutional Tax-Exempt Fund	159,677	994,758	1,154,435	\$ 94

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

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

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks associated with 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 Trust's investments categorized in the disclosure hierarchy as of February 28, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 93,191,956		\$ 93,191,956
Short-Term Securities	\$ 1,154,435			1,154,435
Total	\$ 1,154,435	\$ 93,191,956		\$ 94,346,391

¹ See above Schedule of Investments for values in each state or political subdivision.

Certain of the Trust's liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Liabilities:				
TOB trust certificates		\$ (19,340,052)		\$ (19,340,052)
VRDP Shares		(17,800,000)		(17,800,000)
Total		\$ (37,140,052)		\$ (37,140,052)

There were no transfers between levels during the six months ended February 28, 2013.

See Notes to Financial Statements.

Table of Contents**Schedule of Investments** February 28, 2013 (Unaudited)**BlackRock Municipal Bond Trust (BBK)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 4.0%		
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC):		
6.00%, 6/01/34	\$ 1,150	\$ 1,352,940
6.00%, 6/01/39	450	529,547
Birmingham Water Works Board, RB, 4.75%, 1/01/36	2,100	2,295,132
Hoover City Board of Education, Special Tax, Refunding, 4.25%, 2/15/40	2,750	2,930,702
		7,108,321
Arizona 9.4%		
Arizona Health Facilities Authority, Refunding RB, Phoenix Children s Hospital, Series A,		
5.00%, 2/01/42	2,200	2,372,260
Arizona Sports & Tourism Authority, RB, Multipurpose Stadium Facilities, Series A (NPFGC),		
5.00%, 7/01/13 (a)	1,500	1,524,570
Arizona State University, RB, Series D, 5.50%, 7/01/26	200	241,648
County of Pinal Arizona Election District No. 3, Refunding RB, 4.75%, 7/01/31	3,750	4,106,287
Pima County IDA, Refunding IDR, Tucson Electric Power, 5.75%, 9/01/29	900	952,470
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	1,500	1,737,090
5.00%, 12/01/37	2,065	2,387,512
San Luis Facility Development Corp., RB, Senior Lien, Regional Detention Center Project:		
6.25%, 5/01/15	185	184,273
7.00%, 5/01/20	300	305,130
7.25%, 5/01/27	600	576,858
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29	750	851,085
University Medical Center Corp. Arizona, RB, 6.50%, 7/01/39	500	580,915
University Medical Center Corp. Arizona, Refunding RB, 6.00%, 7/01/39	900	1,040,364
		16,860,462
Arkansas 1.2%		
City of Conway Arkansas, RB, Wastewater Revenue Improvement, Series A, 4.20%, 10/01/37		
	500	534,840
City of Springdale Arkansas, RB, Sales and Tax Use:		
3.00%, 11/01/30	650	628,778
3.00%, 11/01/31	1,010	969,347
		2,132,965
California 19.6%		
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C,		
11.06%, 6/01/55 (b)	4,500	47,655
California Educational Facilities Authority, Refunding RB, Santa Clara University, 5.00%,		
2/01/40	1,000	1,114,270
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 5.88%, 8/15/31	1,900	2,322,560
California HFA, RB, Home Mortgage, Series G, AMT, 5.05%, 2/01/29	2,285	2,269,850
Carlsbad Unified School District, GO, Election of 2006, Series B, 4.99%, 5/01/34 (c)	1,000	823,790
City of Manteca California Sewer, Refunding RB, 4.00%, 12/01/33	3,395	3,557,077
City of San Jose California, Refunding ARB, San Jose Airport, Series A1, AMT, 5.75%,		
3/01/34	2,000	2,314,940
Dinuba Unified School District, GO, Election of 2006 (AGM):		
5.63%, 8/01/31	250	288,243
5.75%, 8/01/33	500	578,845
Hartnell Community College District California, GO, CAB, Election of 2002, Series D,		
4.94%, 8/01/34 (c)	1,650	1,247,945
	Par (000)	Value
Municipal Bonds		
California (concluded)		
Norwalk-La Mirada Unified School District California, GO, CAB, Refunding, Election of 2002,		
Series E (AGC), 4.81%, 8/01/38 (b)	\$ 8,000	\$ 2,392,240

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Palomar Community College District, GO, CAB, Election of 2006, Series B:		
4.36%, 8/01/30 (b)	1,500	707,445
5.53%, 8/01/33 (b)	4,000	1,312,560
4.76%, 8/01/39 (c)	2,000	1,293,800
San Diego Community College District California, GO, CAB, Election of 2002, 4.73%, 8/01/33 (c)		
	2,800	2,361,240
San Jose Evergreen Community College District, GO, Election of 2010, Series B, 3.50%, 8/01/32		
	1,200	1,224,948
State of California, GO, Various Purpose:		
5.75%, 4/01/31	2,000	2,390,080
6.00%, 3/01/33	1,000	1,240,420
6.50%, 4/01/33	1,950	2,444,500
5.50%, 3/01/40	2,350	2,779,110
State of California, GO, Refunding, Veterans, AMT, 5.05%, 12/01/36		
	555	567,549
Val Verde Unified School District California, Special Tax Bonds, Refunding, Junior Lien, 6.25%, 10/01/28		
	1,585	1,627,953
		34,907,020
Colorado 1.2%		
Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33		
	1,070	1,293,673
Park Creek Metropolitan District, Refunding RB, Limited Property Tax (AGM), 6.00%, 12/01/38		
	750	875,272
		2,168,945
Connecticut 1.4%		
Connecticut State Health & Educational Facilities Authority, Refunding RB:		
Hartford Healthcare, Series A, 5.00%, 7/01/32		
	1,250	1,392,225
Lawrence & Memorial Hospital, Series F, 5.00%, 7/01/36		
	550	606,700
Sacred Heart University, Series G, 5.38%, 7/01/31		
	400	444,356
		2,443,281
Delaware 0.9%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40		
	1,200	1,353,948
Florida 1.7%		
County of Lee Florida, Refunding ARB, Lee Airport, Series A, AMT (AGM), 5.00%, 10/01/28		
	2,000	2,233,620
Orange County Health Facilities Authority, Refunding RB, Mayflower Retirement Center, 5.00%, 6/01/36		
	125	132,177
Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35 (d)(e)		
	910	682,846
		3,048,643
Hawaii 0.2%		
Hawaii State Department of Budget & Finance Senior Living, Refunding RB, Special Purpose, Kahala Nui, 5.25%, 11/15/37		
	400	432,528
Idaho 1.2%		
Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/33		
	1,750	2,097,445
Illinois 8.5%		
Chicago Transit Authority, RB, Sales Tax Receipts Revenue, 5.25%, 12/01/40		
	665	760,181
City of Chicago, Refunding ARB, O Hare International Airport, Passenger Facility Charge, Series B, AMT, 4.00%, 1/01/29		
	4,000	4,080,560

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
Illinois Finance Authority, RB:		
Navistar International, Recovery Zone, 6.50%, 10/15/40	\$ 560	\$ 605,438
Rush University Medical Center, Series C, 6.63%, 11/01/39	650	795,594
Illinois Finance Authority, Refunding RB:		
Friendship Village Schaumburg, Series A, 5.63%, 2/15/37	210	211,117
OSF Healthcare System, 6.00%, 5/15/39	1,025	1,189,185
Roosevelt University Project, 6.50%, 4/01/44	1,000	1,136,730
Railsplitter Tobacco Settlement Authority, RB:		
6.25%, 6/01/24	1,000	1,117,890
6.00%, 6/01/28	1,150	1,376,458
Village of Bolingbrook Illinois, GO, Refunding, Series B (NPPFGC), 6.25%, 1/01/36 (b)	16,065	3,936,728
		15,209,881
Indiana 0.6%		
Indiana Finance Authority, Refunding RB, Improvement, U.S. Steel Corp., 6.00%, 12/01/26	1,000	1,060,780
Iowa 0.9%		
Iowa Higher Education Loan Authority, Refunding RB, Private College Facility:		
5.75%, 9/01/30	500	566,310
6.00%, 9/01/39	1,000	1,124,680
		1,690,990
Kansas 0.6%		
Pratt County Public Building Commission, RB, 3.25%, 12/01/32	1,000	989,880
Louisiana 2.5%		
Lafayette Public Trust Financing Authority, Refunding RB, Ragin Cajun Facilities Project (AGM), 3.75%, 10/01/32		
	520	534,264
Louisiana Local Government Environmental Facilities & Community Development Authority, RB:		
Parish of Plaquemines Project (AGM), 4.00%, 9/01/42	480	487,214
Westlake Chemical Corp, Series A-1, 6.50%, 11/01/35	1,050	1,240,197
Louisiana Public Facilities Authority, RB:		
Belle Chasse Educational Foundation Project, 6.50%, 5/01/31	400	466,688
Franciscan Missionaries of Our Lady Health System Project, Series B, 5.00%, 7/01/42	1,600	1,764,272
		4,492,635
Maryland 2.0%		
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	250	278,648
Maryland Health & Higher Educational Facilities Authority, Refunding RB, Doctor s Community Hospital,		
5.63%, 7/01/30	2,900	3,273,781
		3,552,429
Michigan 3.0%		
Board of Control of Michigan Technological University, Refunding RB, General, Series A, 4.00%, 10/01/30		
	1,290	1,357,635
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.25%, 10/15/38		
	1,250	1,524,600
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39		
	1,950	2,484,417
		5,366,652
Municipal Bonds		
Minnesota 3.2%		
	\$ 4,600	\$ 5,667,522

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC),
6.50%, 11/15/38

Mississippi 3.2%

Mississippi Development Bank, RB, Special Obligation:

Hinds Community College District, CAB (AGM), 5.00%, 4/01/36	845	943,713
Jackson County Limited Tax Note (AGC), 5.50%, 7/01/32	1,750	1,990,047
University of Southern Mississippi, RB, Campus Facilities Improvements Project, 5.38%, 9/01/36	2,100	2,384,907
Warren County Mississippi, RB, Gulf Opportunity Zone Bonds, International Paper Co. Project, Series A, AMT, 5.38%, 12/01/35	400	441,208

5,759,875

Missouri 3.1%

Missouri State Development Finance Board, RB:

St. Joseph Sewage System Improvements, Series E, 5.25%, 5/01/31	580	623,674
Annual Appropriation Sewer System, Series B, 5.00%, 11/01/41	900	978,435
Missouri State Development Finance Board, Refunding RB, Electric System Projects, Series F, 4.00%, 6/01/32	2,490	2,553,894
Missouri State Health & Educational Facilities Authority, RB:		
A.T. Still University Health Sciences, 5.25%, 10/01/31	500	568,005
Heartland Regional Medical Center, 4.13%, 2/15/43	770	769,330

5,493,338

Montana 0.8%

Montana Facility Finance Authority, Refunding RB, Sisters of Leavenworth, Series A,
4.75%, 1/01/40

1,350	1,468,949
-------	-----------

Multi-State 6.4%

Centerline Equity Issuer Trust, 7.20%, 11/15/14 (f)(g)	10,500	11,442,270
--	--------	------------

Nebraska 3.8%

Central Plains Energy Project Nebraska, RB, Gas Project No. 3, Gas Project No. 3,
5.00%, 9/01/42

600	655,014
-----	---------

Omaha Nebraska Sanitation Sewer, RB, System:

3.25%, 11/15/37	2,400	2,294,688
4.25%, 11/15/38	1,440	1,541,678
4.00%, 11/15/42	2,200	2,310,198

6,801,578

Nevada 1.1%

City of Las Vegas Nevada, Special Assessment Bonds, Summerlin Area, 5.65%, 6/01/23
County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project,
5.00%, 5/15/29

1,265	1,252,274
575	631,287

1,883,561

New Jersey 10.3%

Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series
B, 6.25%, 1/01/37 (d)(e)

915	68,094
-----	--------

New Jersey EDA, RB, Continental Airlines, Inc. Project, AMT, 7.25%, 11/15/30 (h)

3,000	3,011,910
-------	-----------

New Jersey EDA, Refunding RB:

First Mortgage, Winchester, Series A, 5.80%, 11/01/31	1,500	1,535,745
Kapkowski Road Landfill Project, 6.50%, 4/01/28	7,500	8,983,275

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
New Jersey (concluded)		
New Jersey Educational Facilities Authority, Refunding RB, University of Medicine & Dentistry, Series B:		
7.13%, 12/01/23	\$ 630	\$ 805,487
7.50%, 12/01/32	800	1,000,344
New Jersey Health Care Facilities Financing Authority, Refunding RB Barnabas Health, Series A:		
4.63%, 7/01/23	510	577,779
5.63%, 7/01/37	1,700	1,916,036
New Jersey State Housing & Mortgage Finance Agency, RB, Series AA, 6.50%, 10/01/38	485	507,349
		18,406,019
New York 5.8%		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (d)(e)		
	455	68,218
Hudson New York Yards Infrastructure Corp., RB, Series A (NPFGC), 4.50%, 2/15/47	750	782,242
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (d)(e)(h)	3,165	3,599,270
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	800	951,368
New York State Dormitory Authority, RB, Rochester Institute of Technology, Series A, 6.00%, 7/01/18 (a)	1,000	1,258,540
Niagara Area Development Corp., Refunding RB, Covanta Energy Project, Series A, AMT, 5.25%, 11/01/42	400	419,020
Onondaga Civic Development Corp., Refunding RB, Saint Joseph's Hospital Health Center Project:		
4.50%, 7/01/32	1,110	1,093,028
5.00%, 7/01/42	540	553,743
Westchester County Healthcare Corp. New York, Refunding RB, Senior Lien, Series A, Remarketing, 5.00%, 11/01/30	1,500	1,676,535
		10,401,964
North Carolina 3.3%		
Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35		
	2,945	2,725,126
North Carolina Capital Facilities Finance Agency, Refunding RB, Duke Energy Carolinas, Series B, 4.38%, 10/01/31	1,000	1,074,430
North Carolina Medical Care Commission, Refunding RB:		
South Eastern Regional Medical Center, 3.25%, 6/01/27	300	301,425
South Eastern Regional Medical Center, 5.00%, 6/01/32	660	760,221
University Health System, Series D, 6.25%, 12/01/33	800	962,160
		5,823,362
North Dakota 1.1%		
City of Fargo North Dakota, Refunding RB, University Facilities Development Foundation Project, 3.00%, 12/01/30		
	400	388,208
City of Grand Forks North Dakota, Refunding RB, Healthcare Systems, 5.00%, 12/01/32	1,415	1,541,515
		1,929,723
Ohio 0.9%		
Kent State University, RB, General Receipts, Series A, 5.00%, 5/01/42	800	901,472
	Par (000)	Value
Municipal Bonds		
Ohio (concluded)		

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Miami University/Oxford Ohio, RB, General Receipts, 3.25%, 9/01/34 \$ 800 \$ 770,184

		1,671,656
Oklahoma 1.3%		
Oklahoma Municipal Power Authority, RB, Power Supply System, Series A, 4.00%, 1/01/38	2,250	2,312,663
Oregon 3.5%		
City of Madras Oregon, GO, Refunding, 4.00%, 2/15/33	500	492,550
Clackamas County Housing Authority, RB, M/F Housing, Easton Ridge Apartments Project, Series A (i):		
3.50%, 9/01/33	755	745,193
4.00%, 9/01/43	660	653,103
4.00%, 9/01/49	1,000	981,150
Oregon Health & Science University, RB, Series A, 5.75%, 7/01/39	750	886,552
Oregon Health & Science University, Refunding RB:		
Series A, 3.00%, 7/01/24	1,000	1,016,150
Series E, 5.00%, 7/01/32	750	868,073
Oregon State Facilities Authority, Refunding RB, Limited College Project, Series A, 5.25%, 10/01/40	500	553,310
		6,196,081
Pennsylvania 3.3%		
County of Allegheny Pennsylvania IDA, Refunding RB, U.S. Steel Corp. Project, 6.55%, 12/01/27	1,695	1,880,602
Delaware River Port Authority, RB, Series D (AGM), 5.00%, 1/01/40	2,600	2,897,258
Pennsylvania Higher Educational Facilities Authority, RB, University of the Sciences Philadelphia, 5.00%, 11/01/42	1,000	1,102,300
		5,880,160
Puerto Rico 1.3%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37	1,000	1,080,610
Puerto Rico Sales Tax Financing Corp., RB, CAB, Series A, 5.79%, 8/01/35 (b)	1,000	278,110
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.60%, 8/01/41 (b)	5,000	1,040,900
		2,399,620
Rhode Island 1.2%		
Rhode Island Health & Educational Building Corp., RB, Hospital Financing, LifeSpan Obligation, Series A (AGC), 7.00%, 5/15/39	1,000	1,204,150
State of Rhode Island, COP, Series C, School for the Deaf (AGC), 5.38%, 4/01/28	900	1,021,392
		2,225,542
Tennessee 1.4%		
Johnson City Health & Educational Facilities Board, RB, Mountain States Health, 5.00%, 8/15/42	800	874,368
Memphis-Shelby County Sports Authority, Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28	275	310,415
Shelby County Health Educational & Housing Facilities Board, RB, Methodist Le Bonheur Healthcare, 5.00%, 5/01/42	1,200	1,338,168
		2,522,951
Texas 16.6%		
Harris County Cultural Education Facilities Finance Corp., Refunding RB, Young Men s Christian Association of the Greater Houston Area, Series A, 5.00%, 6/01/38	345	370,468

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Texas (concluded)		
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B:		
7.13%, 12/01/31	\$ 500	\$ 638,610
7.25%, 12/01/35	1,750	2,174,025
Harris County-Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 5.58%, 11/15/41 (b)		
	11,690	2,409,894
Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29		
	1,500	1,765,695
Midland County Fresh Water Supply District No. 1, Refunding RB:		
CAB, City of Midland Project, Series A, 4.49%, 9/15/36 (b)		
	4,900	1,724,261
CAB, City of Midland Project, Series A, 4.67%, 9/15/38 (b)		
	10,760	3,306,440
City of Midland Project, 3.38%, 9/15/32		
	1,575	1,582,796
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40		
	2,000	2,426,380
Texas State Turnpike Authority, RB, CAB (AMBAC), 6.02%, 8/15/35 (b)		
	50,000	13,201,500
		29,600,069
Vermont 1.7%		
University of Vermont & State Agricultural College, Refunding RB, Series A, 4.00%, 10/01/38		
	1,200	1,245,924
Vermont Educational & Health Buildings Financing Agency, RB, Hospital, Fletcher Allen Health, Series A, 4.75%, 12/01/36		
	800	838,536
Vermont Educational & Health Buildings Financing Agency, Refunding RB, St. Michaels College, 5.00%, 10/01/42		
	900	988,380
		3,072,840
Virginia 0.6%		
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 5.50%, 1/01/42		
	940	1,038,155
Washington 0.9%		
Washington Healthcare Facilities Authority, RB, MultiCare Health System, Series B (AGC), 6.00%, 8/15/39		
	1,400	1,632,932
West Virginia 0.7%		
West Virginia State University, RB, West Virginia University Projects, Series B, 5.00%, 10/01/36		
	1,100	1,279,080
Wyoming 0.8%		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26		
	1,200	1,363,236
Total Municipal Bonds	135.2%	241,189,951

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

Colorado 2.3%		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36		
	3,750	4,031,625
Massachusetts 0.9%		
Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41		
	1,450	1,636,847

Municipal Bonds Transferred to

	Par (000)	Value
Tender Option Bond Trusts (j)		

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Michigan 2.3%		
Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group, Series C, 4.00%, 12/01/32	\$ 4,000	\$ 4,131,240
New Jersey 0.9%		
New Jersey Transportation Trust Fund Authority, RB, Series B, 5.25%, 6/15/36	1,400	1,598,856
New York 12.5%		
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	2,500	2,975,139
New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40	450	536,885
New York City Municipal Water Finance Authority, Refunding RB: 5.50%, 6/15/40	405	479,456
Second General Resolution, Series CC, 5.00%, 6/15/47	6,000	6,804,420
Water & Sewer System, Series A, 4.75%, 6/15/30	3,000	3,365,250
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority, 5.25%, 12/15/43	2,505	2,875,150
New York State Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38	2,199	2,498,221
New York State Dormitory Authority, Refunding LRB, State University Dormitory Facilities, Series A, 5.00%, 7/01/42	760	874,311
New York State Thruway Authority, Refunding RB, Transportation, Series A, 5.00%, 3/15/31	1,560	1,833,515
		22,242,347
Ohio 2.0%		
County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 10/01/41	1,260	1,344,269
Ohio Higher Educational Facility Commission, Refunding RB, Hospital, Cleveland Clinic Health, Series A, 5.25%, 1/01/33	2,000	2,227,060
		3,571,329
Total Municipal Bonds Transferred to		
		37,212,244
Tender Option Bond Trusts 20.9%		
Total Long-Term Investments		
(Cost \$253,103,120) 156.1%		278,402,195
Short-Term Securities		
	Shares	
FBI Institutional Tax-Exempt Fund, 0.01% (k)(l)	3,101,522	3,101,522
Total Short-Term Securities		
(Cost \$3,101,522) 1.7%		3,101,522
Total Investments (Cost \$256,204,642) 157.8%		
		281,503,717
Liabilities in Excess of Other Assets (1.4)%		
		(2,513,458)
Liability for TOB Trust Certificates, Including Interest		
Expense and Fees Payable (11.6)%		(20,615,148)
VMTP Shares, at Liquidation Value (44.8)%		(79,900,000)
Net Assets Applicable to Common Shares 100.0%		
		\$ 178,475,111

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

Notes to Schedule of Investments

- (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 zero-coupon bond. Rate shown reflects the current yield as of report date.
 - (c) 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.
 - (d) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
 - (e) Non-income producing security.
 - (f) 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.
 - (g) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
 - (h) Variable rate security. Rate shown is as of report date.
 - (i) When-issued security. Unsettled when-issued transactions were as follows:
- | Counterparty | Value | Unrealized
Appreciation |
|---------------------------|--------------|----------------------------|
| Wedbush Morgan Securities | \$ 2,379,446 | \$ 2,207 |
- (j) 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.
 - (k) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31,	Net Activity	Shares Held at February 28,	Income
-----------	------------------------------	-----------------	--------------------------------	--------

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

	2012		2013	
FFI Institutional Tax-Exempt Fund	583,607	2,517,915	3,101,522	\$ 340

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

Financial futures contracts as of February 28, 2013 were as follows:

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(22)	30-Year US Treasury Bond	Chicago Board of Trade	June 2013	\$ 3,163,188	\$ (1,409)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques 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 that the Trust has the ability to access

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)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. 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 is not necessarily an indication of the risks associated with 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 Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

Table of Contents**Schedule of Investments (concluded)****BlackRock Municipal Bond Trust (BBK)**

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 278,402,195		\$ 278,402,195
Short-Term Securities	\$ 3,101,522			3,101,522
Total	\$ 3,101,522	\$ 278,402,195		\$ 281,503,717

¹ See above Schedule of Investments for values in each state or political subdivision.

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Liabilities:				
Interest rate contracts	\$ (1,409)			\$ (1,409)

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

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Cash	\$ 122,644			\$ 122,644
Cash pledged as collateral for financial futures contracts		\$ 66,000		66,000
Liabilities:				
TOB trust certificates		(20,608,872)		(20,608,872)
VMTP Shares		(79,900,000)		(79,900,000)
Total	\$ 122,644	\$ (100,442,872)		\$ (100,320,228)

There were no transfers between levels during the six months ended February 28, 2013.

See Notes to Financial Statements.

Table of Contents**Schedule of Investments** February 28, 2013 (Unaudited)**BlackRock Municipal Income Investment Quality Trust (BAF)**

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Alabama 3.0%		
Alabama Incentives Financing Authority, RB, Series A, 5.00%, 9/01/42	\$ 1,500	\$ 1,700,115
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC):		
6.13%, 6/01/34	1,000	1,191,450
6.00%, 6/01/39	1,000	1,176,770
Selma IDB, RB, International Paper Co. Project, Series A, 5.38%, 12/01/35	335	369,512
		4,437,847
Arizona 0.6%		
Arizona Board of Regents, Refunding COP, University of Arizona, Series C, 5.00%, 6/01/28	250	289,707
Arizona Board of Regents, Refunding RB, University of Arizona, Series A, 5.00%, 6/01/42	500	569,020
		858,727
California 11.5%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	2,155	2,543,740
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	1,120	1,371,586
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	1,400	1,636,978
Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	1,000	1,134,510
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,175	1,364,939
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/39	3,210	3,653,654
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	1,000	1,190,610
San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33	925	1,124,171
San Diego Public Facilities Financing Authority, Refunding RB, Series B (AGC), 5.38%, 8/01/34	1,125	1,327,635
State of California, GO, Refunding, Various Purpose, 5.00%, 9/01/41	1,270	1,423,022
		16,770,845
Colorado 1.6%		
City & County of Denver Colorado, Refunding ARB, Series B, 5.00%, 11/15/37	600	687,372
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26	1,425	1,693,726
		2,381,098
Florida 4.9%		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31	4,525	5,381,492
City of Jacksonville Florida, Refunding RB, Better Jacksonville, Series A, 5.00%, 10/01/30	745	869,050
Orlando-Orange County Expressway Authority, Refunding RB, 5.00%, 7/01/29 (a)	750	879,247
		7,129,789
Georgia 2.1%		
City of Atlanta Georgia, Department of Aviation, Refunding RB, General, Series C, 6.00%, 1/01/30	2,500	3,111,425
Illinois 13.3%		
Chicago Illinois Board of Education, GO, Series A:		
5.50%, 12/01/39	1,500	1,738,020
5.00%, 12/01/42	1,865	2,030,071
	Par	
Municipal Bonds (000) Value		
Illinois (concluded)		
Chicago Transit Authority, RB:		
Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	\$ 1,300	\$ 1,510,886

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Sales Tax Receipts Revenue, 5.25%, 12/01/36	415	477,117
Sales Tax Receipts Revenue, 5.25%, 12/01/40	1,325	1,514,647
City of Chicago Illinois, ARB, O Hare International Airport, General, Third Lien:		
Series A, 5.75%, 1/01/39	825	968,591
Series C, 6.50%, 1/01/41	3,740	4,836,157
City of Chicago Illinois, Refunding RB:		
O Hare International Airport, General, Third Lien, Series C (AGC), 5.25%, 1/01/30	1,000	1,151,540
Sales Tax Revenue, Series A, 5.25%, 1/01/38	515	591,447
Cook County Forest Preserve District, GO, Series C, 5.00%, 12/15/32	380	436,259
Cook County Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/32	180	206,649
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	1,885	2,256,609
Illinois Finance Authority, Refunding RB, Northwestern Memorial Healthcare, 5.00%, 8/15/37	300	341,424
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	915	1,104,003
6.00%, 6/01/28	260	311,199
		19,474,619
Indiana 3.0%		
Indiana Finance Authority Waste Water Utility, RB, First Lien CWA Authority Project, Series A, 5.00%, 10/01/41	1,500	1,711,050
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,415	2,733,442
		4,444,492
Kansas 1.9%		
Kansas Development Finance Authority, Refunding RB, Adventist Health System/Sunbelt Obligated Group, Series A, 5.00%, 11/15/32	2,380	2,764,775
Louisiana 0.4%		
New Orleans Aviation Board Louisiana, Refunding GARB, Restructuring (AGC):		
Series A-1, 6.00%, 1/01/23	375	447,034
Series A-2, 6.00%, 1/01/23	150	178,813
		625,847
Michigan 4.4%		
City of Detroit Michigan, RB, Water Supply System, Second Lien, Series B (AGM), 6.25%, 7/01/36	1,700	1,977,372
City of Detroit Michigan, Refunding RB, Sewage Disposal System, Senior Lien, (AGM):		
Series B, 7.50%, 7/01/33	580	722,466
Series C-1, 7.00%, 7/01/27	1,800	2,215,224
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,205	1,535,242
		6,450,304
Minnesota 3.1%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	3,680	4,534,018
Mississippi 2.4%		
Mississippi Development Bank, Refunding RB:		
Jackson Mississippi Water & Sewer (AGM), 5.00%, 9/01/30	2,000	2,330,560
Jackson Public School District Project, 5.00%, 4/01/28	1,000	1,140,270
		3,470,830

See Notes to Financial Statements.

Table of Contents

Schedule of Investments (continued)

BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Nevada 1.6%		
Clark County Water Reclamation District, GO, Series A, 5.25%, 7/01/34	\$ 2,000	\$ 2,403,100
New Jersey 4.9%		
New Jersey EDA, RB, School Facilities Construction, Series KK, 5.00%, 3/01/31	1,430	1,657,370
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	1,300	1,446,653
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,540	1,708,938
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGC), 5.50%, 12/15/38	2,000	2,326,940
		7,139,901
New York 6.6%		
Metropolitan Transportation Authority, Refunding RB, Transportation, Series C, 5.00%, 11/15/28	1,300	1,524,809
New York City Transitional Finance Authority, RB:		
Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29	2,465	2,915,824
Future Tax Secured, Sub-Series E-1, 5.00%, 2/01/42	2,000	2,279,200
New York State Dormitory Authority, RB, Series B, 5.00%, 3/15/42	2,500	2,853,150
		9,572,983
North Carolina 1.1%		
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/32	1,340	1,563,445
Ohio 1.1%		
Ohio State University, RB, Special Purpose General Receipts, Series A, 5.00%, 6/01/38	1,375	1,596,444
Pennsylvania 1.6%		
Pennsylvania Higher Educational Facilities Authority, RB, Temple University, 5.00%, 4/01/42	2,000	2,263,440
Puerto Rico 1.0%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	1,350	1,522,692
South Carolina 4.7%		
City of North Charleston South Carolina, RB, Public Facilities Corp. Installment Purchase, 5.00%, 6/01/35	6,000	6,859,200
Texas 17.9%		
Austin Community College District, RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33	2,000	2,296,300
City of Houston Texas Utility System, Refunding RB, Combined, First Lien, Series A (AGC):		
6.00%, 11/15/35	2,600	3,165,734
6.00%, 11/15/36	2,215	2,711,359
5.38%, 11/15/38	1,000	1,164,480
Frisco ISD Texas, GO, School Building (AGC), 5.50%, 8/15/41	3,365	4,149,213
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	500	638,610
Houston Community College System, GO, 5.00%, 2/15/36 (a)	520	590,512
North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41	1,000	1,188,160
	Par	
	(000)	Value
Municipal Bonds		
Texas (concluded)		
North Texas Tollway Authority, Refunding RB, System, First Tier:		
(AGM), 6.00%, 1/01/43	\$ 1,000	\$ 1,181,370
Series B, 5.00%, 1/01/42	2,250	2,501,032
Series K-1 (AGC), 5.75%, 1/01/38	1,500	1,690,335
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37	1,000	1,185,040
Texas Tech University, Refunding RB, Refunding & Improvement, 14th Series A, 5.00%, 8/15/31	1,000	1,172,150

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-CSRS

Texas Transportation Commission, Refunding RB, First Tier, Series A, 5.00%, 8/15/41	335	367,539
University of Texas System, Refunding RB, Financing System, Series B, 5.00%, 8/15/43	1,805	2,110,226
		26,112,060
Utah 1.0%		
Utah Transit Authority, Refunding RB, Sales Tax Revenue, 5.00%, 6/15/42	1,250	1,410,337
Virginia 2.4%		
Fairfax County IDA, RB, Inova Health System, 5.00%, 5/15/40	685	778,585
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/18 (b)	1,000	1,314,670
Virginia Resources Authority, RB, Series A-1, 5.00%, 11/01/42	1,225	1,418,219
		3,511,474
Washington 3.9%		