

BLACKROCK BROAD INVESTMENT GRADE 2009 TERM TRUST INC

Form N-30D

June 28, 2002

 BCT SUBSIDIARY, INC.
 PORTFOLIO OF INVESTMENTS
 APRIL 30, 2002 (UNAUDITED)

| PRINCIPAL AMOUNT RATING* (000) | DESCRIPTION | VALUE (NOTE 1) |
|--------------------------------------|---|-------------------|
| | LONG-TERM INVESTMENTS--141.0% | |
| | MORTGAGE PASS-THROUGHS--3.7% | |
| | Federal National Mortgage Association, | |
| \$1,294 | 5.50%, 1/01/17 - 2/01/17 | \$1,285,308 |
| 217 | 6.50%, 7/01/29 | 219,839 |
| | | ----- |
| | | 1,505,147 |
| | | ----- |
| | AGENCY MULTIPLE CLASS MORTGAGE | |
| | PASS-THROUGHS--18.9% | |
| 400 | Federal Home Loan Mortgage Corp., Multiclass Mortgage Participation Certificates, Series 1534, Class 1534-IG, 2/15/10 | 385,872 |
| | Federal National Mortgage Association, REMIC Pass-Through Certificates, | |
| 319 | Trust 1992-43, Class 43-E, 4/25/22 | 332,942 |
| 3,053+ | Trust 1993-79, Class 79-PK, 4/25/22 | 3,161,407 |
| 3,146+ | Trust 1993-87, Class 87-J, 4/25/22 | 3,114,005 |
| 643 | Trust 1994-13, Class 13-SJ, 2/25/09 | 662,398 |
| | | ----- |
| | | 7,656,624 |
| | | ----- |
| | INVERSE FLOATING RATE | |
| | MORTGAGES--32.0% | |
| AAA | Citicorp Mortgage Securities, Inc., Series 1993-14, Class A-4, 11/25/23 | 467,299 |
| Aaa | Countrywide Funding Corp., Series 1994-2, Class A-12S, 2/25/09 | 582,302 |
| Aaa | Countrywide Mortgage-Backed Securities, Inc., Series 1993-D, Class A-15, 1/25/09 | 896,529 |
| | Federal Home Loan Mortgage Corp., Multiclass Mortgage Participation Certificates, | |
| 336 | Series 1425, Class 1425-SB, 12/15/07 | 386,097 |
| 87 | Series 1506, Class 1506-S, 5/15/08 | 98,742 |
| 465 | Series 1515, Class 1515-S, | |

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| | | |
|-----|---|---------|
| | 5/15/08 | 507,026 |
| 193 | Series 1580, Class 1580-SD, 9/15/08 | 199,809 |
| 647 | Series 1606, Class 1606-SC, 11/15/08 | 712,338 |
| 423 | Series 1618, Class 1618-SA, 11/15/08 | 435,543 |

| RATING* | PRINCIPAL AMOUNT (000) | DESCRIPTION | VALUE (NOTE 1) |
|---------|------------------------|---|------------------------------|
| | \$ 1,023 | Series 1626, Class 1626-SA, 12/15/08 | \$ 977,324 |
| | 555 | Series 1661, Class 1661-SB, 1/15/09 | 602,350 |
| | 608 | Federal National Mortgage Association, REMIC Pass-Through Certificates, Trust 1992-187, Class 187-SB, 10/25/07 | 703,465 |
| | 645 | Trust 1992-190, Class 190-S, 11/25/07 | 794,005 |
| | 1,515 | Trust 1993-156, Class 156-SE, 10/25/19 | 1,566,525 |
| | 605 | Trust 1993-173, Class 173-SA, 9/25/08 | 580,258 |
| | 166 | Trust 1993-209, Class 209-SG, 8/25/08 | 167,445 |
| | 498 | Trust 1993-214, Class 214-SH, 12/25/08 | 520,798 |
| | 544 | Trust 1993-224, Class 224-SE, 11/25/23 | 552,486 |
| Aaa | 600 | PaineWebber Mortgage Acceptance Corp., Series 1994-6, Class A-9, 4/25/09 | 607,781 |
| AAA | 751 | Residential Funding Mortgage Securities, Inc., Series 1993-S23, Class A-12, 6/25/08 | 784,111 |
| AAA | 776 | Series 1993-S23, Class A-16, 6/25/08 | 821,737 |
| | | | ----- 12,963,970 ----- |
| | | INTEREST ONLY MORTGAGE-BACKED SECURITIES--18.3% | |
| | 18,416 | Chase Mortgage Finance Corp., Series 1999-S4, Class A-14, 4/25/29 | 54,672 |
| | 8,846 | Credit Suisse First Boston Mortgage Securities Corp., Series 1998-1, Class A-7, 9/25/28 | 9,675 |
| | 2,698 | Federal Home Loan Mortgage Corp., Multiclass Mortgage Participation Certificates, Series 194, Class 194-IO, | |

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| | | |
|---|---|---------|
| | 4/01/28 | 613,582 |
| 6 | Series 1114, Class 1114-J, 7/15/06 | 78,550 |
| 7 | Series 1285, Class 1285-M, 5/15/07 | 52,531 |

See Notes to Financial Statements.

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| RATING* | PRINCIPAL AMOUNT (000) | DESCRIPTION | VALUE (NOTE 1) |
|---------|------------------------------|--|-------------------|
| | | INTEREST ONLY MORTGAGE-BACKED SECURITIES (CONT'D) | |
| | | Federal Home Loan Mortgage Corp., Multiclass Mortgage Participation Certificates, (cont'd) | |
| | \$1,842 | Series 1645, Class 1645-IB, 9/15/08 | \$ 197,078 |
| | 259 | Series 1747, Class 1747-I, 6/15/23 | 5,330 |
| | 1,317 | Series 2039, Class 2039-PI, 2/15/12 | 117,675 |
| | 443 | Series 2049, Class 2049-LC, 10/15/23 | 28,493 |
| | 2,266 | Series 2063, Class 2063-PU, 10/15/26 | 507,043 |
| | 1,134 | Series 2075, Class 2075-IB, 12/15/21 | 45,366 |
| | 9,410 | Series 2081, Class 2081-S, 5/15/25 | 623,424 |
| | 3,024 | Series 2306, Class 2306-PM, 5/15/26 | 476,359 |
| | 6,909 | Series 2376, Class 2376-MI, 7/15/11 | 788,068 |
| | | Federal National Mortgage Association, REMIC Pass-Through Certificates, | |
| | 1 | Trust G-21, Class 21-L, 7/25/21 | 31,839 |
| | 4 | Trust 1991-72, Class 72-H, 7/25/06 | 80,992 |
| | 39 | Trust 1992-51, Class 51-K, 4/25/07 | 592,612 |
| | 25 | Trust 1992-174, Class 174-S, 9/25/22 | 67,014 |
| | 14 | Trust 1993-8, Class 8-HA, 1/25/08 | 316,798 |
| | 30 | Trust 1993-49, Class 49-L, 4/25/13 | 300,000 |
| | 930 | Trust 1993-223, Class 223-PT, 10/25/23 | 98,984 |
| | 443 | Trust 1994-39, Class 39-PE, 1/25/23 | 44,496 |
| | 7,358 | Trust 1997-81, Class 81-SD, | |

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| | | | |
|--------|-----|--|------------|
| | | 12/18/27 | 1,150 |
| 1,223 | | Trust 1998-30, Class 30-QG, | |
| | | 12/18/25 | 189,559 |
| 400 | | Trust 1998-43, Class 43-YI, | |
| | | 7/18/28 | 7,746 |
| 3,206 | | Trust 2001-9, Class 9-IB, | |
| | | 5/25/27 | 547,024 |
| 2,069 | | Trust 2001-29, Class 29-BE, | |
| | | 5/25/28 | 234,682 |
| 4,895 | | Trust 2001-80, Class 80-PI, | |
| | | 9/25/23 | 569,099 |
| 1,351 | | Norwest Asset Securities Corp., | |
| | | Series 1998-5, Class A-5, | |
| | | 3/25/28 | 94,584 |
| \$ 692 | | PNC Mortgage Securities Corp., | |
| | | Series 1998-8, Class 4-X, | |
| | | 10/25/13 | \$ 117,635 |
| | | Residential Funding Mortgage | |
| | | Securities, Inc., | |
| 3,772 | | Series 1993-S44, Class A-4, | |
| | | 11/25/23 | 254,624 |
| 5,799 | | Series 1998-S19, Class A-8, | |
| | | 8/25/28 | 15,403 |
| 86 | | Salomon Brothers Mortgage | |
| | | Securities Inc. VI, | |
| | | Series 1987-3, Class B, | |
| | | 10/23/17 | 15,713 |
| 20,166 | | Structured Asset Securities Corp., | |
| | | Series 1999-ALS1, Class ALS1-3AX, | |
| | | 5/25/29 | 138,642 |
| 33,049 | | Vendee Mortgage Trust, | |
| | | Series 2002-1, Class 1-1IO, | |
| | | 10/15/31 | 72,295 |
| | | | ----- |
| | | | 7,388,737 |
| | | | ----- |
| | | PRINCIPAL ONLY MORTGAGE-BACKED | |
| | | SECURITIES--0.7% | |
| 98 | | Federal National Mortgage Association, | |
| | | REMIC Pass-Through Certificates, | |
| | | Trust 1996-54, Class 54-A, | |
| | | 4/25/21 | 96,791 |
| AAA | 104 | PaineWebber Mortgage | |
| | | Acceptance Corp. IV, | |
| | | Series 1993-5, Class A-14, | |
| | | 6/25/08 | 92,454 |
| AAA | 86 | Salomon Brothers Mortgage | |
| | | Securities Inc. VI, | |
| | | Series 1987-3, Class A, | |
| | | 10/23/17 | 74,714 |
| | | | ----- |
| | | | 263,959 |
| | | | ----- |
| | | COMMERCIAL MORTGAGE-BACKED | |
| | | SECURITIES--4.7% | |
| AAA | 79 | Citicorp Mortgage Securities, Inc., | |
| | | Series 1998-3, Class A-6, | |
| | | 6.75%, 5/25/28 | 80,363 |
| AAA | 750 | NYC Mortgage Loan Trust, Multifamily, | |

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| | | | |
|-----|--------|---|-----------|
| | | Series 1996, Class A-2, 6.75%, 6/25/11** | 770,625 |
| AAA | 1,000 | Prudential Securities Secured Financing Corp., Series 1998-C1, Class A1-B, 6.506%, 7/15/08 | 1,048,709 |
| | | | ----- |
| | | | 1,899,697 |
| | | | ----- |
| | | ASSET-BACKED SECURITIES--3.3% | |
| AAA | 1,230+ | Chase Credit Card Master Trust, Series 1997-5, Class A, 6.194%, 8/15/05 | 1,259,405 |

See Notes to Financial Statements.

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| PRINCIPAL | | | VALUE |
|-----------|----------|--|------------|
| RATING* | AMOUNT | DESCRIPTION | (NOTE 1) |
| (000) | | | |
| | | ASSET-BACKED SECURITIES (CONT'D) | |
| NR | \$ 240++ | Global Rated Eligible Asset Trust, Series 1998-A, Class A-1, 7.33%, 3/15/06 @/** | \$ 22,181 |
| | | Structured Mortgage Asset Residential Trust, Series 1997-2, 8.24%, 3/15/06 @/@@ | 33,291 |
| NR | 579++ | | |
| NR | 642++ | Series 1997-3, 8.724%, 4/15/06 @/@@ | 36,904 |
| | | | ----- |
| | | | 1,351,781 |
| | | | ----- |
| | | U.S. GOVERNMENT AND AGENCY SECURITIES--33.2% | |
| | 268 | Small Business Administration, Series 1998-10, Class 10-A, 6.12%, 2/01/08 | 270,602 |
| | 11,000+ | U.S. Treasury Bond Strip, Zero Coupon, 11/15/09 | 7,328,750 |
| | 1,450+ | U.S. Treasury Notes, 3.50%, 11/15/06 | 1,396,075 |
| | 100 | 4.25%, 5/31/03 | 102,016 |
| | 500+ | 5.00%, 8/15/11 | 496,015 |
| | 2,700+ | 5.75%, 11/15/05 | 2,846,799 |
| | 550+ | 6.00%, 8/15/09 | 585,321 |
| | 385+ | 6.625%, 5/15/07 | 420,551 |
| | | | ----- |
| | | | 13,446,129 |
| | | | ----- |
| | | TAXABLE MUNICIPAL BONDS--8.2% | |
| AAA | 500 | Fresno California Pension Obligation, Series 1994, 7.80%, 6/01/14 | 568,775 |

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| | | | |
|------|--------|---|------------|
| AAA | 500 | Kern County California Pension Obligation, 6.98%, 8/15/09 | 538,570 |
| | | Los Angeles County California Pension Obligation, Series A, 8.62%, 6/30/06 | 1,129,790 |
| AAA | 1,000 | Series D, 6.97%, 6/30/08 | 541,545 |
| AAA | 500 | Orleans Parish Louisiana School Board, Series A, 6.60%, 2/01/08 | 524,970 |
| | | | ----- |
| | | | 3,303,650 |
| | | | ----- |
| | | CORPORATE BONDS--18.0% | |
| | | FINANCE & BANKING--7.1% | |
| A+ | 600 | Equitable Life Assured Society, 6.95%, 12/01/05** | 623,858 |
| A+ | 500 | Metropolitan Life Insurance Co., 6.30%, 11/01/03** | 515,460 |
| AA- | 1,000 | Morgan Stanley Group, Inc., 10.00%, 6/15/08 | 1,175,060 |
| AAA | 500 | PaineWebber Group, Inc., 8.875%, 3/15/05 | 554,905 |
| | | | ----- |
| | | | 2,869,283 |
| | | | ----- |
| | | INDUSTRIALS--5.7% | |
| BBB- | 100 | American Airlines, Inc., Secured Equipment Trust, Series 1990-M, 10.44%, 3/04/07 | 106,086 |
| A | 1,000 | Dow Capital BV, 9.20%, 6/01/10 | 1,172,390 |
| BBB+ | \$ 500 | Ralcorp Holdings, Inc., 8.75%, 9/15/04 | \$ 546,205 |
| BBB+ | 500 | TCI Communications, Inc., 8.25%, 1/15/03 | 512,860 |
| | | | ----- |
| | | | 2,337,541 |
| | | | ----- |
| | | UTILITIES--2.6% | |
| A | 500 | Alltel Corp., 7.50%, 3/01/06 | 524,485 |
| Baa1 | 500 | Ohio Edison Co., 8.625%, 9/15/03 | 523,505 |
| | | | ----- |
| | | | 1,047,990 |
| | | | ----- |
| | | YANKEE--2.6% | |
| BBB | 500 | Empresa Electric Guacolda SA, 7.95%, 4/30/03** | 518,943 |
| A- | 500 | Israel Electric Corp., Ltd., 7.25%, 12/15/06** | 528,765 |
| | | | ----- |
| | | | 1,047,708 |
| | | | ----- |
| | | Total corporate bonds | 7,302,522 |
| | | | ----- |
| | | Total long-term investments | |

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| | | |
|-----------------------------|--|---------------|
| | (cost \$55,115,341) | 57,082,216 |
| | | ----- |
| | SHORT-TERM INVESTMENT--3.0% | |
| | DISCOUNT NOTE | |
| 1,200 | Federal Home Loan Bank, 1.79%, 5/01/02 (cost \$1,200,000) | 1,200,000 |
| | | ----- |
| | Total investments before outstanding put options written--144.0% | |
| | (cost \$56,315,341) | 58,282,216 |
| | | ----- |
| NOTIONAL AMOUNT (000) | | |
| ----- | | |
| | OUTSTANDING PUT OPTION WRITTEN--(0.1%) | |
| 25,000 | Interest Rate Swap, 3 month LIBOR over 3.98% expires 6/05/02 (premium received \$118,750) | (38,802) |
| | | ----- |
| | Total investments, net of outstanding put option written--143.9% | 58,243,414 |
| | | |
| | Liabilities in excess of other assets--(43.9)% | (17,764,197) |
| | | ----- |
| | NET ASSETS--100% | \$ 40,479,217 |
| | | ===== |

-
- * Using the higher of Standard & Poor's, Moody's or Fitch's rating.
 - ** Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional buyers. As of April 30, 2002, the Trust held 7.4% of its net assets in securities restricted as to resale.
 - + Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.
 - ++ Security is fair valued. (Note 1)
 - @ Illiquid securities representing 0.23% of net assets.
 - @@ Security is restricted as to public resale. The securities were acquired in 1997 and have an aggregate current cost of \$107,729.

KEY TO ABBREVIATION:
REMIC -- Real Estate Mortgage Investment Conduit.

See Notes to Financial Statements.

| | |
|---|--------------|
| ASSETS | |
| Investments, at value (cost \$56,315,341) (Note 1) | \$58,282,216 |
| Cash | 20,652 |
| Interest receivable | 874,027 |
| Due from broker-- variation margin (Notes 1 & 3) | 9,113 |
| Receivable for investment sold | 4,027 |
| | ----- |
| | 59,190,035 |
| | ----- |
| LIABILITIES | |
| Reverse repurchase agreements (Note 4) | 18,347,931 |
| Due to parent (Note 2) | 305,180 |
| Outstanding option written, at value (premium received \$118,750) (Note 1 & 3) | 38,802 |
| Interest payable | 18,905 |
| | ----- |
| | 18,710,818 |
| | ----- |
| NET ASSETS | \$40,479,217 |
| | ===== |
| Net assets were comprised of: | |
| Common stock at par (Note 5) | \$ 29,571 |
| Paid-in capital in excess of par | 34,067,292 |
| | ----- |
| | 34,096,863 |
| | ----- |
| Undistributed net investment income | 4,809,443 |
| Accumulated net realized loss | (705,146) |
| Net unrealized appreciation | 2,278,057 |
| | ----- |
| Net assets, April 30, 2002 | \$40,479,217 |
| | ===== |
| NET ASSET VALUE PER SHARE: | |
| (\$40,479,217 / \$2,957,093 shares of common stock issued and outstanding) | \$ 13.69 |
| | ===== |

 BCT SUBSIDIARY, INC.
 STATEMENT OF OPERATIONS
 SIX MONTHS ENDED APRIL 30, 2002 (UNAUDITED)

| | |
|---|--------------|
| NET INVESTMENT INCOME | |
| Income | |
| Interest earned (net of discount/premium accretion/amortization of \$1,124,458 and interest expense of \$127,641) | \$ 2,667,520 |
| | ----- |
| Operating expenses | |
| Investment advisory | 107,704 |
| Administration | 29,374 |
| Custodian | 25,000 |
| Independent accountants | 20,000 |
| Legal | 5,000 |
| Reports to Shareholders | 4,000 |
| Miscellaneous | 9,743 |
| | ----- |
| Total operating expenses | 200,821 |
| | ----- |

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| | |
|---|--------------|
| Net investment income before excise tax | 2,466,699 |
| Excise tax | 104,500 |
| | ----- |
| Net investment income | 2,362,199 |
| | ----- |
| REALIZED AND UNREALIZED GAIN (LOSS) | |
| ON INVESTMENTS | |
| Net realized gain (loss) on: | |
| Investments | (12,961) |
| Option written | 89,077 |
| Futures | (507,127) |
| | ----- |
| | (431,011) |
| | ----- |
| Net change in unrealized appreciation on: | |
| Investments | (1,162,906) |
| Option written | 79,948 |
| Futures | 208,863 |
| Interest rate cap | 9,803 |
| | ----- |
| | (864,292) |
| | ----- |
| Net loss on investments | (1,295,303) |
| | ----- |
| NET INCREASE IN NET ASSETS | |
| RESULTING FROM OPERATIONS | \$ 1,066,896 |
| | ===== |

See Notes to Financial Statements.

 BCT SUBSIDIARY, INC.
 STATEMENT OF CASH FLOWS
 SIX MONTHS ENDED APRIL 30, 2002 (UNAUDITED)

| | |
|---|--------------|
| RECONCILIATION OF NET INCREASE IN | |
| NET ASSETS RESULTING FROM OPERATIONS | |
| TO NET CASH FLOWS USED FOR | |
| OPERATING ACTIVITIES | |
| Net increase in net assets resulting from | |
| operations | \$ 1,066,896 |
| | ----- |
| Increase in investments | (10,503,166) |
| Decrease in receivable for securities sold | 1,510 |
| Decrease in payable for securities purchased | (872,656) |
| Net realized loss | 431,011 |
| Decrease in unrealized appreciation | 864,292 |
| Increase in interest rate cap | (71,419) |
| Increase in interest receivable | (42,455) |
| Decrease in due from broker--variation margin | 66,203 |
| Increase in interest payable | 15,296 |
| Increase in net options written | 207,827 |
| Decrease in due to parent | (536,203) |
| | ----- |
| Total adjustments | (10,439,760) |
| | ----- |

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| | |
|--|----------------|
| Net cash flows used for operating activities | \$ (9,372,864) |
| | ===== |
| INCREASE (DECREASE) IN CASH | |
| Net cash flows used for operating activities | \$ (9,372,864) |
| | ----- |
| Cash flows provided by financing activities: | |
| Increase in reverse repurchase agreements | 9,342,294 |
| | ----- |
| Net cash provided by financing activities | 9,342,294 |
| | ----- |
| Net decrease in cash | (30,570) |
| Cash at beginning of period | 51,222 |
| | ----- |
| Cash at end of period | \$ 20,652 |
| | ===== |

BCT SUBSIDIARY, INC.
STATEMENTS OF CHANGES IN
NET ASSETS (UNAUDITED)

| | SIX MONTHS ENDED APRIL 30, 2002 | YEAR ENDED OCTOBER 31, 2001 |
|---|--|--------------------------------------|
| | ----- | ----- |
| INCREASE (DECREASE) IN NET ASSETS | | |
| OPERATIONS: | | |
| Net investment income | \$ 2,362,199 | \$ 2,634,090 |
| Net realized loss | (431,011) | (133,301) |
| Net change in unrealized appreciation (depreciation) | (864,292) | 4,211,098 |
| | ----- | ----- |
| Net increase in net assets resulting from operations | 1,066,896 | 6,711,887 |
| Dividends from net investment income | -- | (2,092,314) |
| | ----- | ----- |
| Total increase | 1,066,896 | 4,619,573 |
| NET ASSETS | | |
| Beginning of period | 39,412,321 | 34,792,748 |
| | ----- | ----- |
| End of period (including undistributed net investment income of \$4,809,443 and \$2,447,244, respectively) | \$40,479,217 | \$39,412,321 |
| | ===== | ===== |

See Notes to Financial Statements.

 BCT SUBSIDIARY, INC.
 FINANCIAL HIGHLIGHTS (UNAUDITED)

| | SIX MONTHS ENDED APRIL 30, 2002 | YEAR ENDED OCTOBER 31, 2001 | FOR THE PERIOD DECEMBER 31, THROUGH OCTOBER 31, 2001 |
|---|--|--------------------------------------|--|
| | ----- | ----- | ----- |
| PER SHARE OPERATING PERFORMANCE: | | | |
| Net asset value, beginning of period | \$ 13.33 | \$ 11.77 | \$ 11.5 |
| | ----- | ----- | ----- |
| Net investment income (net of interest expense of \$0.04, \$0.21 and \$0.21, respectively) | .80 | .89 | .6 |
| Net realized and unrealized gain (loss) | (.44) | 1.38 | (.3 |
| | ----- | ----- | ----- |
| Net increase from investment operations | .36 | 2.27 | .2 |
| | ----- | ----- | ----- |
| Dividends from net investment income | -- | (.71) | - |
| | ----- | ----- | ----- |
| Net asset value, end of period | \$ 13.69 | \$ 13.33 | \$ 11.7 |
| | ===== | ===== | ===== |
| TOTAL INVESTMENT RETURN+ | 2.70% | 19.27% | 2.2 |
| | ===== | ===== | ===== |
| RATIOS TO AVERAGE NET ASSETS: | | | |
| Operating expenses | 1.02%+++ | 1.03% | 1.1 |
| Operating expenses and interest expense | 1.67%+++ | 2.69% | 3.2 |
| Operating expenses, interest expense and excise taxes ... | 2.20%+++ | 2.84% | 3.4 |
| Net investment income | 12.06%+++ | 7.08% | 6.1 |
| SUPPLEMENTAL DATA: | | | |
| Average net assets (000) | \$39,490 | \$37,193 | \$33,06 |
| Portfolio turnover | 13% | 20% | 3 |
| Net assets, end of period (000) | \$40,479 | \$39,412 | \$34,79 |
| Reverse repurchase agreements outstanding, end of period (000) | \$18,348 | \$ 9,006 | \$12,15 |
| Asset coverage++ | \$ 3,206 | \$ 5,376 | \$ 3,86 |

 * Commencement of investment operations.

+ This entity is not publicly traded and therefore total investment return is calculated assuming a purchase of common stock at the current net asset value on the first day and a sale at the current net asset value on the last day of the periods reported. Total investment returns for periods less than one full year are not annualized. Past performance is no guarantee of future results.

++ Per \$1,000 of reverse repurchase agreements outstanding.

+++ Annualized.

The information above represents the unaudited operating performance data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for the periods indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

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BCT SUBSIDIARY, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. ORGANIZATION & ACCOUNTING POLICIES

BCT Subsidiary, Inc., (the "Trust") was incorporated under the laws of the State of Maryland on November 12, 1999, and is a diversified closed-end management investment company. The Trust was incorporated solely for the purpose of receiving all or a substantial portion of the assets of the BlackRock Broad Investment Grade 2009 Term Trust Inc. ("BCT"), incorporated under the laws of the State of Maryland and as such, is a wholly-owned subsidiary of BCT. The Trust's investment objective is to manage a portfolio of fixed income securities while providing cash flow definitions to BCT. No assurance can be given that the Trust's investment objective will be achieved.

The following is a summary of significant accounting policies followed by the Trust.

SECURITIES VALUATION: The Trust values mortgage-backed and asset-backed securities, interest rate swaps, caps, floors and non-exchange traded options and other debt securities on the basis of current market quotations provided by dealers or pricing services approved by the Trust's Board of Directors. In determining the value of a particular security, pricing services may use certain information with respect to transactions in such securities, quotations from dealers, market transactions in comparable securities, various relationships observed in the market between securities, and calculated yield measures based on valuation technology commonly employed in the market for such securities. Exchange-traded options are valued at their last sales price as of the close of options trading on the applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades. Short-term securities are valued at amortized cost. Any securities or other assets for which such current market quotations are not readily available may be valued at fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Trust's Board of Directors. On April 30, 2002, the Trust held two positions that were valued at fair value, which is significantly lower than their purchase cost.

REPURCHASE AGREEMENTS: In connection with transactions in repurchase agreements, the Trust's custodian takes possession of the underlying collateral securities, the value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Trust may be delayed or limited.

OPTION SELLING/PURCHASING: When the Trust sells or purchases an option, an amount equal to the premium received or paid by the Trust is recorded as a

liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether the Trust has realized a gain or a loss on investment transactions. The Trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

Options, when used by the Trust, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of five would imply that the price would move approximately five percent in relation to a one percent change in interest rates.

Option selling and purchasing is used by the Trust to effectively "hedge" positions, or collections of positions, so that changes in interest rates do not change the duration of the portfolio unexpectedly. In general, the Trust uses options to hedge a long or short position or an overall portfolio that is longer or shorter than the benchmark security. A call option gives the purchaser of the option the right (but not obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period. Put options can be purchased to effectively hedge a position or a portfolio against price declines if a portfolio is long. In the same sense, call options can be purchased to hedge a portfolio that is shorter than its benchmark against price changes. The Trust can also sell (or write) covered call options and put options to hedge portfolio positions.

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The main risk that is associated with purchasing options is that the option expires without being exercised. In this case, the option expires worthless and the premium paid for the option is considered the loss. The risk associated with writing call options is that the Trust may forego the opportunity for a profit if the market value of the underlying position increases and the option is exercised. The risk in writing put options is that the Trust may incur a loss if the market value of the underlying position decreases and the option is exercised. In addition, as with futures contracts, the Trust risks not being able to enter into a closing transaction for the written option as the result of an illiquid market.

INTEREST RATE SWAPS: In an interest rate swap, one investor pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, an investor may pay a fixed rate and receive a floating rate. Interest rate swaps are efficient as asset/liability management tools. In more complex swaps, the notional principal amount may decline (or amortize) over time.

During the term of the swap, changes in the value of the swap are recognized as unrealized gains or losses by "marking-to-market" to reflect the market value of the swap. When the swap is terminated, the Trust will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract, if any.

The Trust is exposed to credit loss in the event of non-performance by the other party to the swap. However, the Trust closely monitors swaps and does not anticipate non-performance by any counterparty.

SWAP OPTIONS: Swap options are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement at any time before the expiration of the option. Premiums received or paid from writing or purchasing options are recorded as liabilities or assets and are subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commission, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether the Trust has realized a gain or loss on investment transactions.

The main risk that is associated with purchasing swap options is that the swap option expires without being exercised. In this case, the option expires worthless and the premium paid for the swap option is considered the loss. The main risk that is associated with the writing of a swap option is the market risk of an unfavorable change in the value of the interest rate swap underlying the written swap option.

Swap options may be used by the Trust to manage the duration of the Trust's portfolio in a manner similar to more generic options described above.

INTEREST RATE CAPS: Interest rate caps are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the excess, if any, of a floating rate over a specified fixed or floating rate.

Interest rate caps are intended to both manage the duration of the Trust's portfolio and its exposure to changes in short term rates. Owning interest rate caps reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from rising short term rates, which the Trust experiences primarily in the form of leverage.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate cap. However, the Trust does not anticipate non-performance by any counterparty.

Transactions fees paid or received by the Trust are recognized as assets or liabilities and amortized or accreted into interest expense or income over the life of the interest rate cap. The asset or liability is subsequently adjusted to the current market value of the interest rate cap purchased or sold. Changes in the value of the interest rate cap are recognized as unrealized gains and losses.

INTEREST RATE FLOORS: Interest rate floors are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the deficiency, if any, of a floating rate under a specified fixed or floating rate.

Interest rate floors are used by the Trust to both manage the duration of the

portfolio and its exposure to changes in short-term interest rates. Selling interest rate floors reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The Trust's leverage provides extra income in a period of falling rates. Selling floors reduces some of that advantage by partially monetizing it as an up front payment which the Trust receives.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate floor. However, the Trust does not anticipate non-performance by any counterparty.

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Transactions fees paid or received by the Trust are recognized as assets or liabilities and amortized or accreted into interest expense or income over the life of the interest rate floor. The asset or liability is subsequently adjusted to the current market value of the interest rate floor purchased or sold. Changes in the value of the interest rate floor are recognized as unrealized gains and losses.

FINANCIAL FUTURES CONTRACTS: A futures contract is an agreement between two parties to buy and sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Financial futures contracts, when used by the Trust, help in maintaining a targeted duration. Futures contracts can be sold to effectively shorten an otherwise longer duration portfolio. In the same sense, futures contracts can be purchased to lengthen a portfolio that is shorter than its duration target. Thus, by buying or selling futures contracts, the Trust can effectively "hedge" more volatile positions so that changes in interest rates do not change the duration of the portfolio unexpectedly.

The Trust may invest in financial futures contracts primarily for the purpose of hedging its existing portfolio securities or securities the Trust intends to purchase against fluctuations in value caused by changes in prevailing market interest rates. Should interest rates move unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets. The Trust is also at risk of not being able to enter into a closing transaction for the futures contract because of an illiquid secondary market. In addition, since futures are used to shorten or lengthen a portfolio's duration, there is a risk that the portfolio may have temporarily performed better without the hedge or that the Trust may lose the opportunity to realize appreciation in the market price of the underlying positions.

SHORT SALES: The Trust may make short sales of securities as a method of hedging potential price declines in similar securities owned. When the Trust makes a short sale, it may borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its

obligation to deliver the security upon conclusion of the sale. The Trust may have to pay a fee to borrow the particular securities and may be obligated to pay over any payments received on such borrowed securities. A gain, limited to the price at which the Trust sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received.

SECURITIES LENDING: The Trust may lend its portfolio securities to qualified institutions. The loans are secured by collateral at least equal, at all times, to the market value of the securities loaned. The Trust may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The Trust receives compensation for lending its securities in the form of interest on the loan. The Trust also continues to receive interest on the securities loaned, and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of the Trust.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on the trade date. Realized and unrealized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and the Trust accretes discount or amortizes premium on securities purchased using the interest method.

SEGREGATION: In cases in which the Investment Company Act of 1940, as amended and the interpretive positions of the Securities and Exchange Commission ("SEC") require that the Trust segregate assets in connection with certain Trust investments (e.g., when issued securities, reverse repurchase agreements or futures contracts), the Trust will, consistent with certain interpretive letters issued by the SEC, designate on its books and records cash or other liquid debt securities having a market value at least equal to the amount that would otherwise be required to be physically segregated.

FEDERAL INCOME TAXES: It is the Trust's intention to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute sufficient amounts of its taxable income to shareholders. Therefore, no Federal income tax provision is required. As part of a tax planning strategy, the Trust intends to retain a portion of its taxable income and pay an excise tax on the undistributed amounts.

ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of

revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. AGREEMENTS

The Trust has an Investment Advisory Agreement with BlackRock Advisors, Inc. (the "Advisor"), which is a wholly-owned subsidiary of BlackRock, Inc., which in turn is an indirect, majority-owned subsidiary of PNC Financial Services Group, Inc. The Trust has an Administration Agreement with Princeton Administrators, L.P. (the "Administrator"), an indirect wholly-owned affiliate of Merrill Lynch & Co., Inc.

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The Trust reimburses BCT for its pro-rata share of applicable expenses, including investment advisory and administrative fees, in an amount equal to the proportionate amount of average net assets which are held by the Trust relative to the average net assets of BCT.

NOTE 3. PORTFOLIO SECURITIES

Purchases and sales of investment securities, other than short-term investments and dollar rolls, for the six months ended April 30, 2002 aggregated \$16,971,888 and \$6,608,723, respectively.

The Trust may from time to time purchase in the secondary market certain mortgage pass-through securities packaged or master serviced by affiliates or mortgage related securities containing loans or mortgages originated by PNC Bank or its affiliates, including Midland Loan Services, Inc. It is possible under certain circumstances, an affiliate of PNC or its affiliates, including Midland Loan Services, Inc. could have interests that are in conflict with the holders of these mortgage-backed securities, and such holders could have rights against an affiliate of PNC or its affiliates, including Midland Loan Services, Inc.

The Federal income tax basis of the Trust's investments at April 30, 2002 was \$56,342,187, and accordingly, net unrealized appreciation was \$1,940,029 (gross unrealized appreciation--\$3,485,783, gross unrealized depreciation--\$1,545,754).

For Federal income tax purposes, the Trust had a capital loss carryforward at October 31, 2001 of approximately \$139,000 and expires in 2008. Accordingly, no capital gain distribution is expected to be paid to shareholders until net gains have been realized in excess of such amount.

Details of open financial futures contracts at April 30, 2002 were as follows:

| NUMBER OF CONTRACTS | TYPE | EXPIRATION DATE | VALUE AT TRADE DATE | VALUE AT APRIL 30, 2002 | UNREALIZED APPRECIATION |
|------------------------|----------------------|--------------------|---------------------------|-------------------------------|----------------------------|
| Long Position: | | | | | |
| 83 | 10 yr U.S. T-Note | June '02 | \$8,530,453 | \$8,761,687 | \$231,234 |

Transactions in options written during the period ended April 30, 2002, were as follows:

| | NATIONAL AMOUNT (000) | PREMIUM RECEIVED |
|---|-----------------------------|---------------------|
| Options outstanding at October 31, 2001 | -- | -- |
| Options written | \$56,700 | \$ 243,014 |
| Options terminated in closing purchase transactions | (31,700) | (124,264) |
| Options outstanding at April 30, 2002 | \$25,000 | \$ 118,750 |

NOTE 4. BORROWINGS

REVERSE REPURCHASE AGREEMENTS: The Trust may enter into reverse repurchase agreements with qualified, third party broker-dealers as determined by and under the direction of the Trust's Board of Directors. Interest on the value of reverse repurchase agreements issued and outstanding is based upon competitive market rates at the time of issuance. At the time the Trust enters into a

reverse repurchase agreement, it establishes and maintains a segregated account with the lender, containing liquid investment grade securities having a value not less than the repurchase price, including accrued interest of the reverse repurchase agreement.

The average daily balance of reverse repurchase agreements outstanding for the six months ended April 30, 2002 was approximately \$13,967,000 at a weighted average interest rate of approximately 1.85%. The maximum amount of reverse repurchase agreements outstanding at any month-end during the period was \$18,594,625 as of March 31, 2002 which was 27.9% of total assets.

DOLLAR ROLLS: The Trust may enter into dollar rolls in which the Trust sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future date. During the roll period the Trust forgoes principal and interest paid on the securities. The Trust will be compensated by the interest earned on the cash proceeds of the initial sale and by the lower repurchase price at the future date.

The Trust did not enter into any dollar roll transactions during the six months ended April 30, 2002.

NOTE 5. CAPITAL

There are 200 million shares of \$.01 par value common stock authorized. BCT owned all of the 2,957,093 shares outstanding at April 30, 2002.

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BLACKROCK
[LOGO]

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Richard E. Cavanagh
Kent Dixon
Frank J. Fabozzi
James Clayburn La Force, Jr.
Walter F. Mondale
Ralph L. Schlosstein

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Richard M. Shea, VICE PRESIDENT/TAX
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The accompanying financial statements as of April 30, 2002 were not audited and accordingly, no opinion is expressed on them.

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of any securities.

Statements and other information contained in this report are as dated and are subject to change.

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09247Q-10-6

BCT SUBSIDIARY, INC.

SEMI-ANNUAL REPORT
APRIL 30, 2002

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