

BLACKROCK MUNICIPAL INCOME QUALITY TRUST  
Form N-CSRS  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21178

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2014

Date of reporting period: 02/28/2014

Item 1 Report to Stockholders

**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**

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## Dear Shareholder

One year ago, US financial markets were improving despite a sluggish global economy, as easy monetary policy gave investors enough conviction to take on more risk in their portfolios. Slow but positive growth in the US was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced expectations that the Federal Reserve would continue its aggressive monetary stimulus programs. International markets were more volatile given uneven growth rates and more direct exposure to macro risks such as the banking crisis in Cyprus and a generally poor outlook for European economies. Emerging markets significantly lagged the rest of the world amid fears over slowing growth and debt problems.

Global financial markets were rattled in May when then-Fed Chairman Bernanke mentioned the possibility of reducing (or tapering) the central bank's asset purchase programs' comments that were widely misinterpreted as signaling an end to the Fed's zero-interest-rate policy. US Treasury yields rose sharply, triggering a steep sell-off across fixed income markets. (Bond prices move in the opposite direction of yields.) Equity prices also suffered as investors feared the implications of a potential end of a program that had greatly supported the markets. Markets rebounded in late June, however, when the Fed's tone turned more dovish, and improving economic indicators and better corporate earnings helped extend gains through most of the summer.

Although autumn brought mixed events, it was a surprisingly positive period for most asset classes. Early on, the Fed defied market expectations with its decision to delay tapering, but higher volatility returned in late September when the US Treasury Department warned that the national debt would soon breach its statutory maximum. The ensuing political brinksmanship led to a partial government shutdown, roiling global financial markets through the first half of October. Equities and other so-called risk assets managed to resume their rally when politicians engineered a compromise to reopen the government and extend the debt ceiling, at least temporarily.

The remainder of 2013 was generally positive for stock markets in the developed world, although investors continued to grapple with uncertainty about when and how much the Fed would scale back on stimulus. When the long-awaited taper announcement ultimately came in mid-December, the Fed reduced the amount of its monthly asset purchases but at the same time reaffirmed its commitment to maintaining low short-term interest rates. Markets reacted positively, as the taper signaled the Fed's perception of real improvement in the economy, and investors were finally relieved from the anxiety that had gripped them for quite some time.

The start of the new year brought another turn in sentiment, as heightened volatility in emerging markets and mixed US economic data caused global equities to weaken in January while bond markets found renewed strength. Although these headwinds persisted, equities were back on the rise in February thanks to positive developments in Washington, DC. For one, Congress extended the nation's debt ceiling through mid-March 2015, thereby reducing some degree of fiscal uncertainty for the next year. Additionally, investors were encouraged by market-friendly comments in new Fed Chair Janet Yellen's Congressional testimony, giving further assurance that short-term rates would remain low for a prolonged period.

While accommodative monetary policy was the main driver behind positive market performance over the period, it was also a key cause of investor uncertainty. Developed market stocks were the strongest performers for the six- and 12-month periods ended February 28. In contrast, emerging markets were weighed down by uneven growth, high levels of debt and severe currency weakness, in addition to the broader concern about reduced global liquidity. The anticipation of Fed tapering during 2013 pressured US Treasury bonds and other high-quality fixed income sectors, including tax-exempt municipals and investment grade corporate bonds. High yield bonds, to the contrary, benefited from income-oriented investors' search for yield in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit [www.blackrock.com](http://www.blackrock.com) for further insight about investing in today's world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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*While accommodative monetary policy was the main driver behind positive market performance over the period, it was also a key cause of investor uncertainty.*

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of February 28, 2014

|                                                                                        | 6-month | 12-month |
|----------------------------------------------------------------------------------------|---------|----------|
| US large cap equities<br>(S&P 500® Index)                                              | 15.07%  | 25.37%   |
| US small cap equities<br>(Russell 2000® Index)                                         | 17.75   | 31.56    |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                | 15.01   | 19.28    |
| Emerging market equities<br>(MSCI Emerging Markets Index)                              | 4.77    | (6.01)   |
| 3-month Treasury bill<br>(BofA Merrill Lynch<br>3-Month US Treasury<br>Bill Index)     | 0.03    | 0.08     |
| US Treasury securities<br>(BofA Merrill Lynch<br>10-Year US Treasury Index)            | 2.61    | (3.65)   |
| US investment grade<br>bonds (Barclays US<br>Aggregate Bond Index)                     | 2.84    | 0.15     |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                            | 6.08    | (0.27)   |
| US high yield bonds<br>(Barclays US Corporate<br>High Yield 2% Issuer<br>Capped Index) | 7.46    | 8.36     |

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

For the Reporting Period Ended February 28, 2014

### Municipal Market Conditions

In the earlier months of 2013, municipal bond supply was met with robust demand as investors were starved for yield in the low-rate, low-return environment and seeking tax-exempt investments in light of higher US tax rates that became effective at the turn of the year. Investors moved into municipal bond mutual funds, favoring long-duration and high-yield funds as they tend to provide higher levels of income.

However, market conditions turned less favorable in May when the US Federal Reserve initially mentioned the eventual reduction of its bond-buying stimulus program (which ultimately took effect in January 2014). Further signals from the Fed alluding to a retrenchment of asset purchases led to rising interest rates and waning municipal bond performance in June. (Bond prices fall as rates rise.) Municipal bond mutual funds saw strong outflows in the last six months of 2013, before investors again sought the relative safety of the asset class in the new year. For the 12-month period ended February 28, 2014, net outflows were approximately \$64 billion (based on data from the Investment Company Institute).

High levels of interest rate volatility resulted in a sharp curtailment of tax-exempt issuance in May through the end of the period. However, from a historical perspective, total new issuance for the 12 months ended February 28, 2014 remained relatively strong at \$315 billion (but meaningfully lower than the \$387 billion issued in the prior 12-month period). A significant portion of new supply during this period was attributable to refinancing activity (roughly 40%) as issuers took advantage of lower interest rates to reduce their borrowing costs.

|                                       |         |
|---------------------------------------|---------|
| S&P Municipal Bond Index              |         |
| Total Returns as of February 28, 2014 |         |
| 6 months :                            | 6.08%   |
| 12 months :                           | (0.27)% |

### A Closer Look at Yields

From February 28, 2013 to February 28, 2014, muni yields increased by 81 basis points ( bps ) from 2.91% to 3.72% on AAA-rated 30-year municipal bonds, while increasing 59 bps from 1.81% to 2.40% on 10-year bonds and rising another 23 bps from 0.77% to 1.00% on 5-year issues (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep over the 12-month period as the spread between 2- and 30-year maturities widened by 86 bps and the spread between 2- and 10-year maturities widened by 64 bps.

During the same time period, US Treasury rates rose by 49 bps on 30-year and 77 bps on 10-year bonds, while moving up 74 bps in 5-years. Accordingly, tax-exempt municipal bonds underperformed Treasuries on the long end of the yield curve as investors sought to reduce interest rate risk later in the period. On the short end of the curve, the outperformance of municipal bonds versus Treasuries was driven largely by a supply/demand imbalance within the municipal market and a rotation from long-duration assets (which are more sensitive to interest rate movements) into short- and intermediate-duration investments (which are less sensitive to interest rate movements). Additionally, municipal bonds benefited from the increased appeal of tax-exempt investing in the new higher tax rate environment. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise. The municipal market continues to be an attractive avenue for investors seeking yield in today's environment, particularly as the recent correction has restored value in the market and placed yields at levels not obtainable since early 2011. However, opportunities have not been as broad-based as in 2011 and 2012, warranting a more tactical approach going forward.

### Financial Conditions of Municipal Issuers Continue to Improve

Following an extended period of nation-wide austerity and de-leveraging as states sought to balance their budgets, 15 consecutive quarters of positive revenue growth coupled with the elimination of more than 750,000 jobs in recent years have put state and local governments in a better financial position. Many local municipalities, however, continue to face increased health care and pension 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, appropriate structure and security selection remain imperative amid uncertainty in this tepid economic environment.

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. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.





## 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.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the 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.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Trust's costs of leverage are significantly lower than the income earned on the Trust's longer-term investments acquired from leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to

shareholders will be lower than if the Trust had not used leverage. Furthermore, the value of the Trust's 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 value of the Trust's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Trust's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, the 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 the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The 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.

To obtain leverage, each Trust has issued Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP Shares ) (collectively, Preferred Shares ) and/or leveraged its assets through the use of tender option bond trusts ( TOBs ) as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940 (the 1940 Act ), each Trust is permitted to issue debt up to 33 1/3% of its total managed assets or equity securities (e.g., Preferred Shares) up to 50% of its total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by the Preferred Shares' governing instrument or by rating agencies rating the Preferred Shares, which may be more stringent than those imposed by the 1940 Act.

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 4 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 and/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.

## Trust Summary as of February 28, 2014

## 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. Effective January 1, 2007, the Florida intangible personal property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.84% based on market price and 11.95% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal.

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, 2014 (\$13.96) <sup>1</sup> | 6.53%          |
| Tax Equivalent Yield <sup>2</sup>                                            | 11.54%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.076        |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.912        |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 40%            |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.

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

<sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2014

## BlackRock Municipal Bond Investment Trust

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.96 | \$ 13.14 | 6.24%  | \$ 14.01 | \$ 12.85 |
| Net Asset Value | \$ 15.45 | \$ 14.27 | 8.27%  | \$ 15.45 | \$ 14.14 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| Transportation                               | 24%     | 21%     |
| County/City/Special District/School District | 23      | 22      |
| Utilities                                    | 17      | 17      |
| Health                                       | 14      | 15      |
| State                                        | 9       | 8       |
| Education                                    | 7       | 10      |
| Housing                                      | 4       | 5       |
| Tobacco                                      | 1       | 1       |
| Corporate                                    | 1       | 1       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 10%     | 10%     |
| AA/Aa                                        | 58      | 60      |
| A                                            | 29      | 26      |
| BBB/Baa                                      | 2       | 4       |
| BB/Ba2                                       | 1       |         |

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

Call/Maturity Schedule<sup>2</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2014                             | 4% |
| 2015                             |    |
| 2016                             | 2  |
| 2017                             | 1  |
| 2018                             | 19 |

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

## Trust Summary as of February 28, 2014

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 month period ended February 28, 2014, the Trust returned 12.12% based on market price and 13.42% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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.

As tax-exempt rates declined over the period, the Trust's longer-duration (higher sensitivity to interest rate movements) and longer-dated bond holdings tended to provide the largest returns. (Bond prices rise when rates fall.) In this environment, the Trust's transportation, health and corporate holdings contributed positively to performance as these were among the better performing sectors. Exposure to lower-coupon and zero-coupon bonds also drove returns as they had strong price performance due to their relatively long durations for their respective maturities. The Trust's significant exposure to high-quality issues had a positive impact on results as the market's strongest performance during the period was concentrated in this quality segment. Additionally, the Trust benefited from the accrual of income generated from coupon payments on its municipal bond holdings. The use of leverage allowed the Trust to enhance its level of income.

The Trust's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Trust sold its exposure to these deteriorating securities early in the period.

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, 2014 (\$14.54) <sup>1</sup> | 6.48%          |
| Tax Equivalent Yield <sup>2</sup>                                            | 11.45%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0785       |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.9420       |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 38%            |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.

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- <sup>3</sup> The monthly distribution per common share, declared on March 3, 2014, was increased to \$0.0820 per share. The yield on closing market price, current monthly distribution per common share and current annualized distribution per common share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- <sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 14.54 | \$ 13.49 | 7.78%  | \$ 14.54 | \$ 13.21 |
| Net Asset Value | \$ 15.46 | \$ 14.18 | 9.03%  | \$ 15.46 | \$ 14.06 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| Health                                       | 23%     | 24%     |
| County/City/Special District/School District | 16      | 13      |
| Transportation                               | 16      | 14      |
| Utilities                                    | 13      | 13      |
| Education                                    | 11      | 10      |
| Corporate                                    | 7       | 7       |
| State                                        | 7       | 12      |
| Housing                                      | 6       | 6       |
| Tobacco                                      | 1       | 1       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 7%      | 7%      |
| AA/Aa                                        | 36      | 37      |
| A                                            | 37      | 33      |
| BBB/Baa                                      | 8       | 11      |
| BB/Ba                                        | 5       | 5       |
| B                                            | 1       | 1       |
| Not Rated <sup>2</sup>                       | 6       | 6       |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

<sup>2</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2014 and August 31, 2013, the market value of these securities was \$5,720,442 and \$4,866,578, each representing 2%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule<sup>3</sup>

## Calendar Year Ended December 31,

|      |     |
|------|-----|
| 2014 | 12% |
| 2015 | 2   |
| 2016 | 3   |
| 2017 | 3   |
| 2018 | 11  |



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

SEMI-ANNUAL REPORT

FEBRUARY 28, 2014

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## Trust Summary as of February 28, 2014

## 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. Effective January 1, 2007, the Florida intangible property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.77% based on market price and 12.05% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal.

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, 2014 (\$13.64) <sup>1</sup> | 6.03%            |
| Tax Equivalent Yield <sup>2</sup>                                            | 10.65%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0685         |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.8220         |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 36%              |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.

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

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- <sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

## BlackRock Municipal Income Investment Quality Trust

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.64 | \$ 12.82 | 6.40%  | \$ 13.70 | \$ 12.44 |
| Net Asset Value | \$ 15.02 | \$ 13.83 | 8.60%  | \$ 15.02 | \$ 13.69 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| County/City/Special District/School District | 30%     | 28%     |
| Transportation                               | 27      | 24      |
| Utilities                                    | 20      | 20      |
| Health                                       | 12      | 12      |
| State                                        | 6       | 7       |
| Education                                    | 2       | 7       |
| Tobacco                                      | 2       | 1       |
| Housing                                      | 1       | 1       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 3%      | 5%      |
| AA/Aa                                        | 76      | 74      |
| A                                            | 21      | 21      |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

Call/Maturity Schedule<sup>2</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2014                             |    |
| 2015                             |    |
| 2016                             | 1% |
| 2017                             | 1  |
| 2018                             | 16 |

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

## Trust Summary as of February 28, 2014

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 month period ended February 28, 2014, the Trust returned 11.82% based on market price and 12.90% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 duration exposure (sensitivity to interest rate movements) was the largest contributor to performance as long-term municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) The Trust also benefited from income generated in the form of coupon payments from its portfolio of municipal bond holdings. Exposure to longer-dated bonds had a positive impact as the municipal yield curve flattened during the period (i.e., longer-term rates fell more than shorter-term rates).

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal.

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, 2014 (\$13.59) <sup>1</sup> | 6.80%            |
| Tax Equivalent Yield <sup>2</sup>                                            | 12.01%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.077          |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.924          |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 38%              |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.

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

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- <sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.59 | \$ 12.59 | 7.94%  | \$ 13.69 | \$ 12.18 |
| Net Asset Value | \$ 14.67 | \$ 13.46 | 8.99%  | \$ 14.67 | \$ 13.33 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| County/City/Special District/School District | 32%     | 29%     |
| Transportation                               | 23      | 21      |
| Utilities                                    | 17      | 20      |
| State                                        | 10      | 13      |
| Health                                       | 8       | 8       |
| Education                                    | 7       | 6       |
| Tobacco                                      | 2       | 2       |
| Corporate                                    | 1       | 1       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 21%     | 20%     |
| AA/Aa                                        | 53      | 54      |
| A                                            | 24      | 24      |
| BBB/Baa                                      | 2       | 2       |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

Call/Maturity Schedule<sup>2</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2014                             | 8% |
| 2015                             | 4  |
| 2016                             | 5  |
| 2017                             | 9  |
| 2018                             | 17 |

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

## Trust Summary as of February 28, 2014

## 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 month period ended February 28, 2014, the Trust returned 9.08% based on market price and 12.85% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 duration positioning (sensitivity to interest rate movements) drove positive performance as long-term municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) Exposure to longer-dated bonds had a positive impact as the municipal yield curve flattened (i.e., longer-term rates fell more than shorter-term rates). The Trust also benefited from maintaining concentrations in low investment grade bonds as well as non-investment grade and non-rated securities as credit spreads tightened during the period.

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal. The Trust's exposure to Puerto Rico government-related credits, although limited, was a detractor from results as credit spreads on these bonds widened materially due to investors' lack of confidence and a weak local economy. The Trust sold its exposure to these deteriorating securities during the period.

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**Trust Information**

|                                                                              |               |
|------------------------------------------------------------------------------|---------------|
| Symbol on NYSE MKT                                                           | BLE           |
| Initial Offering Date                                                        | July 30, 2002 |
| Yield on Closing Market Price as of February 28, 2014 (\$13.88) <sup>1</sup> | 7.09%         |
| Tax Equivalent Yield <sup>2</sup>                                            | 12.53%        |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.082       |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.984       |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 39%           |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.



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

<sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.88 | \$ 13.20 | 5.15%  | \$ 14.20 | \$ 12.59 |
| Net Asset Value | \$ 14.49 | \$ 13.32 | 8.78%  | \$ 14.49 | \$ 13.18 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| Utilities                                    | 18%     | 18%     |
| Transportation                               | 18      | 21      |
| Health                                       | 15      | 16      |
| State                                        | 15      | 12      |
| County/City/Special District/School District | 10      | 11      |
| Education                                    | 9       | 9       |
| Corporate                                    | 8       | 6       |
| Tobacco                                      | 4       | 4       |
| Housing                                      | 3       | 3       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 11%     | 10%     |
| AA/Aa                                        | 35      | 36      |
| A                                            | 28      | 31      |
| BBB/Baa                                      | 14      | 13      |
| BB/Ba                                        | 4       | 3       |
| B                                            | 1       | 1       |
| Not Rated <sup>2</sup>                       | 7       | 6       |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

<sup>2</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2014 and August 31, 2013, the market value of these securities was \$8,227,306, representing 1%, and \$10,339,771, representing 2%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule<sup>3</sup>

## Calendar Year Ended December 31,

|      |    |
|------|----|
| 2014 | 6% |
| 2015 | 5  |
| 2016 | 5  |
| 2017 | 4  |
| 2018 | 6  |

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

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## Trust Summary as of February 28, 2014

## 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. Effective January 1, 2007, the Florida intangible personal property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.53% based on market price and 12.95% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal.

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, 2014 (\$13.34) <sup>1</sup> | 6.43%              |
| Tax Equivalent Yield <sup>2</sup>                                            | 11.36%             |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0715           |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.8580           |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                       | 40%                |

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

<sup>2</sup> Tax equivalent yield assumes the maximum 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.

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

<sup>4</sup> Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

## BlackRock MuniHoldings Investment Quality Fund

## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14  | 8/31/13  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.34 | \$ 12.59 | 5.96%  | \$ 13.42 | \$ 12.15 |
| Net Asset Value | \$ 14.50 | \$ 13.27 | 9.27%  | \$ 14.50 | \$ 13.14 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| Transportation                               | 33%     | 28%     |
| Utilities                                    | 19      | 21      |
| County/City/Special District/School District | 17      | 17      |
| Health                                       | 11      | 11      |
| State                                        | 10      | 10      |
| Education                                    | 6       | 9       |
| Housing                                      | 2       | 2       |
| Tobacco                                      | 1       | 2       |
| Corporate                                    | 1       |         |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 5%      | 4%      |
| AA/Aa                                        | 66      | 70      |
| A                                            | 28      | 25      |
| BBB/Baa                                      | 1       | 1       |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

Call/Maturity Schedule<sup>2</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2014                             | 1% |
| 2015                             |    |
| 2016                             | 1  |
| 2017                             | 3  |
| 2018                             | 15 |

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

## Trust Summary as of February 28, 2014

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). Under normal market conditions, the Trust primarily invests in long term municipal obligations rated investment grade at the time of investment and in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest up to 20% of its total assets in securities rated below investment grade or deemed equivalent at the time of purchase. 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 month period ended February 28, 2014, the Trust returned 10.67% based on market price and 11.07% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% 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 duration exposure (sensitivity to interest rate movements) was the largest contributor to performance as municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) Additionally, the Trust's credit exposure had a positive impact on results as spreads tightened during the period. Especially beneficial was the Trust's exposure to tobacco as it was the best performing sector for the period. Exposure to zero-coupon bonds also boosted returns as this sector benefited significantly from the decline in interest rates and spread tightening during the period.

Conversely, the use of US Treasury futures to protect the Trust against interest rate increases detracted from returns, although the impact was minimal. The persistently low interest rate environment exposed the Trust to reinvestment rate risk as it had to reinvest cash that resulted from bond redemptions at yields well below where maturing bonds were originally held. This, combined with a lower amount of leverage, resulted in a reduction to the income component of the Trust.

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, 2014 (\$9.50) <sup>1</sup> | 7.14%              |
| Tax Equivalent Yield <sup>2</sup>                                           | 12.61%             |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.0565           |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.6780           |
| Economic Leverage as of February 28, 2014 <sup>4</sup>                      | 39%                |

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

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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.

- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents VMTP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.



## Market Price and Net Asset Value Per Share Summary

|                 | 2/28/14 | 8/31/13 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 9.50 | \$ 8.91 | 6.62%  | \$ 9.70 | \$ 8.62 |
| Net Asset Value | \$ 9.78 | \$ 9.14 | 7.00%  | \$ 9.78 | \$ 9.07 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Long-Term Investments

| Sector Allocation                            | 2/28/14 | 8/31/13 |
|----------------------------------------------|---------|---------|
| Health                                       | 23%     | 22%     |
| Transportation                               | 20      | 20      |
| County/City/Special District/School District | 13      | 14      |
| Utilities                                    | 11      | 11      |
| Corporate                                    | 10      | 9       |
| Education                                    | 10      | 9       |
| State                                        | 6       | 7       |
| Housing                                      | 5       | 6       |
| Tobacco                                      | 2       | 2       |
| Credit Quality Allocation <sup>1</sup>       | 2/28/14 | 8/31/13 |
| AAA/Aaa                                      | 11%     | 11%     |
| AA/Aa                                        | 47      | 48      |
| A                                            | 26      | 27      |
| BBB/Baa                                      | 12      | 11      |
| BB/Ba                                        | 1       |         |
| B                                            | 1       | 1       |
| Not Rated <sup>2</sup>                       | 2       | 2       |

<sup>1</sup> Using the higher of S&P's or Moody's ratings.

<sup>2</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2014 and August 31, 2013, the market value of these securities was \$13,860,261, representing 1%, and \$18,941,672, representing 2%, respectively, of the Trust's long-term investments.

Call/Maturity Schedule<sup>3</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2014                             | 6% |
| 2015                             | 1  |
| 2016                             | 6  |
| 2017                             | 8  |
| 2018                             | 16 |

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



## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

|                                                                                                                    | Par<br>(000) | Value      |
|--------------------------------------------------------------------------------------------------------------------|--------------|------------|
| <b>Municipal Bonds</b>                                                                                             |              |            |
| <b>Alabama 0.3%</b>                                                                                                |              |            |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35   | \$ 145       | \$ 149,673 |
| <b>Alaska 0.2%</b>                                                                                                 |              |            |
| Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 5.00%, 6/01/46    | 180          | 126,706    |
| <b>California 13.7%</b>                                                                                            |              |            |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38      | 700          | 784,777    |
| California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39 | 120          | 131,796    |
| Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33     | 410          | 470,979    |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38                          | 1,660        | 1,852,477  |
| San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36              | 850          | 952,961    |
| State of California, GO, Various Purposes, 6.00%, 3/01/33                                                          | 685          | 816,719    |
| State of California Public Works Board, LRB:                                                                       |              |            |
| Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33                                               | 210          | 228,858    |
| Various Capital Projects, Series I, 5.50%, 11/01/31                                                                | 500          | 576,125    |
| Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40             | 160          | 178,555    |
| University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38                    | 1,000        | 1,076,310  |
|                                                                                                                    |              | 7,069,557  |
| <b>Colorado 2.8%</b>                                                                                               |              |            |
| City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32                        | 750          | 816,607    |
| Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiative, Series A, 5.50%, 7/01/34           | 580          | 646,967    |
|                                                                                                                    |              | 1,463,574  |
| <b>Florida 6.6%</b>                                                                                                |              |            |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33                                              | 105          | 115,455    |
| <b>Municipal Bonds</b>                                                                                             |              |            |
| <b>Florida (concluded)</b>                                                                                         |              |            |
| County of Miami-Dade Florida, RB, Seaport, Series A, 6.00%, 10/01/38                                               | 1,875        | 2,115,431  |
| County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29                        | 740          | 828,075    |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32                                                     | 305          | 335,976    |
|                                                                                                                    |              | 3,394,937  |
| <b>Georgia 1.3%</b>                                                                                                |              |            |
| Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23                   | 555          | 653,174    |
| <b>Illinois 16.5%</b>                                                                                              |              |            |
| City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien, Series C, 6.50%, 1/01/41                   | 1,590        | 1,825,765  |
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38                                        | 205          | 215,883    |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts:                                                |              |            |
| 5.25%, 12/01/36                                                                                                    | 500          | 527,980    |
| 5.25%, 12/01/40                                                                                                    | 750          | 785,940    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:                           |              |            |
| 5.50%, 12/01/38                                                                                                    | 250          | 271,195    |
| 5.25%, 12/01/43                                                                                                    | 1,000        | 1,044,170  |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41                                         | 750          | 829,140    |
| Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39                 | 1,000        | 1,133,520  |
| Railsplitter Tobacco Settlement Authority, RB:                                                                     |              |            |
| 5.50%, 6/01/23                                                                                                     | 365          | 421,320    |
| 6.00%, 6/01/28                                                                                                     | 105          | 120,028    |
| State of Illinois, GO:                                                                                             |              |            |
| 5.25%, 2/01/31                                                                                                     | 255          | 269,956    |
| 5.25%, 2/01/32                                                                                                     | 395          | 416,871    |
| 5.50%, 7/01/33                                                                                                     | 500          | 536,970    |

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|                                                                                                                                |       |           |
|--------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 5.50%, 7/01/38                                                                                                                 | 110   | 116,841   |
|                                                                                                                                |       | 8,515,579 |
| <b>Indiana 2.6%</b>                                                                                                            |       |           |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39                                                                   | 1,190 | 1,316,914 |
| <b>Kansas 1.9%</b>                                                                                                             |       |           |
| Kansas Development Finance Authority, Refunding RB, Adventist Health System/Sunbelt Obligated Group, Series C, 5.50%, 11/15/29 | 900   | 1,001,799 |

## Portfolio Abbreviations

|                    |                                          |                |                                         |
|--------------------|------------------------------------------|----------------|-----------------------------------------|
| <b>AGC</b>         | Assured Guarantee Corp.                  | <b>HDA</b>     | Housing Development Authority           |
| <b>AGM</b>         | Assured Guaranty Municipal Corp.         | <b>HFA</b>     | Housing Finance Agency                  |
| <b>AMBAC</b>       | American Municipal Bond Assurance Corp.  | <b>HRB</b>     | Housing Revenue Bonds                   |
| <b>AMT</b>         | Alternative Minimum Tax (subject to)     | <b>IDA</b>     | Industrial Development Authority        |
| <b>ARB</b>         | Airport Revenue Bonds                    | <b>IDB</b>     | Industrial Development Board            |
| <b>BARB</b>        | Building Aid Revenue Bonds               | <b>IDRB</b>    | Industrial Development Revenue Bonds    |
| <b>BHAC</b>        | Berkshire Hathaway Assurance Corp.       | <b>ISD</b>     | Independent School District             |
| <b>CAB</b>         | Capital Appreciation Bonds               | <b>LRB</b>     | Lease Revenue Bonds                     |
| <b>COP</b>         | Certificates of Participation            | <b>M/F</b>     | Multi-Family                            |
| <b>EDA</b>         | Economic Development Authority           | <b>MRB</b>     | Mortgage Revenue Bonds                  |
| <b>EDC</b>         | Economic Development Corp.               | <b>NPFGC</b>   | National Public Finance Guarantee Corp. |
| <b>ERB</b>         | Education Revenue Bonds                  | <b>PILOT</b>   | Payment in Lieu of Taxes                |
| <b>Fannie Mae</b>  | Federal National Mortgage Association    | <b>PSF-GTD</b> | Permanent School Fund Guaranteed        |
| <b>Freddie Mac</b> | Federal Home Loan Mortgage Corporation   | <b>Q-SBLF</b>  | Qualified School Bond Loan Fund         |
| <b>GARB</b>        | General Airport Revenue Bonds            | <b>RB</b>      | Revenue Bonds                           |
| <b>Ginnie Mae</b>  | Government National Mortgage Association | <b>S/F</b>     | Single Family                           |
| <b>GO</b>          | General Obligation Bonds                 | <b>VRDN</b>    | Variable Rate Demand Notes              |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

|                                                                                                                                                         | Par<br>(000) | Value      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|
| <b>Municipal Bonds</b>                                                                                                                                  |              |            |
| <b>Kentucky 1.8%</b>                                                                                                                                    |              |            |
| County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34                                      | \$ 800       | \$ 922,784 |
| <b>Louisiana 2.0%</b>                                                                                                                                   |              |            |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35 | 380          | 416,492    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:<br>5.50%, 5/15/28                                                             | 295          | 308,723    |
| 5.50%, 5/15/29                                                                                                                                          | 315          | 328,967    |
|                                                                                                                                                         |              | 1,054,182  |
| <b>Maine 1.5%</b>                                                                                                                                       |              |            |
| Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32                                                | 675          | 770,891    |
| <b>Massachusetts 1.4%</b>                                                                                                                               |              |            |
| Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40                                                  | 375          | 405,551    |
| Metropolitan Boston Transit Parking Corp., Refunding RB, 5.25%, 7/01/36                                                                                 | 300          | 326,223    |
|                                                                                                                                                         |              | 731,774    |
| <b>Michigan 3.4%</b>                                                                                                                                    |              |            |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41                                                         | 485          | 532,477    |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38                                                          | 500          | 564,405    |
| Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39                                                 | 530          | 646,345    |
|                                                                                                                                                         |              | 1,743,227  |
| <b>Mississippi 3.0%</b>                                                                                                                                 |              |            |
| Mississippi Development Bank, RB, Special Obligation, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40                                       | 1,000        | 1,271,190  |
| Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38                 | 250          | 275,775    |
|                                                                                                                                                         |              | 1,546,965  |
| <b>Multi-State 6.0%</b>                                                                                                                                 |              |            |
| Centerline Equity Issuer Trust, Series B-2, 7.20%, 11/15/14 (a)(b)                                                                                      | 3,000        | 3,118,590  |
| <b>Nevada 5.4%</b>                                                                                                                                      |              |            |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34                                                                       | 1,000        | 1,137,250  |
| County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38                                                                                                 | 500          | 523,765    |
| County of Clark Nevada Airport System, ARB, Series B, 5.75%, 7/01/42                                                                                    | 1,000        | 1,127,740  |
|                                                                                                                                                         |              | 2,788,755  |
| <b>New Jersey 6.0%</b>                                                                                                                                  |              |            |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29                                                                | 750          | 824,198    |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29                                                               | 610          | 644,788    |
| New Jersey Transportation Trust Fund Authority, RB:<br>Transportation Program, Series AA, 5.50%, 6/15/39                                                | 760          | 839,663    |
| Transportation System, Series A, 5.88%, 12/15/38                                                                                                        | 695          | 786,094    |
|                                                                                                                                                         |              | 3,094,743  |
| <b>New York 3.4%</b>                                                                                                                                    |              |            |
| Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47                                                                    | 620          | 676,494    |
|                                                                                                                                                         | Par<br>(000) | Value      |
| <b>Municipal Bonds</b>                                                                                                                                  |              |            |

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|                                                                                                                                                                    |        |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------|
| <b>New York (concluded)</b>                                                                                                                                        |        |                   |
| Metropolitan Transportation Authority, RB, Series A, 5.25%, 11/15/38                                                                                               | \$ 500 | \$ 534,595        |
| New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49                          | 500    | 536,460           |
|                                                                                                                                                                    |        | 1,747,549         |
| <b>Ohio 3.3%</b>                                                                                                                                                   |        |                   |
| County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38                                                     | 840    | 885,209           |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 2/15/30                                                            | 250    | 278,522           |
| 5.25%, 2/15/31                                                                                                                                                     | 500    | 553,835           |
|                                                                                                                                                                    |        | 1,717,566         |
| <b>Pennsylvania 7.6%</b>                                                                                                                                           |        |                   |
| Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39                                                              | 300    | 336,615           |
| Pennsylvania Turnpike Commission, RB:                                                                                                                              |        |                   |
| Sub-Series A, 5.63%, 12/01/31                                                                                                                                      | 750    | 820,110           |
| Sub-Series A, 6.00%, 12/01/41                                                                                                                                      | 1,500  | 1,634,685         |
| Sub-Series C (AGC), 6.25%, 6/01/38                                                                                                                                 | 500    | 566,155           |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37                                                                                               | 530    | 567,248           |
|                                                                                                                                                                    |        | 3,924,813         |
| <b>South Carolina 1.4%</b>                                                                                                                                         |        |                   |
| County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38                                                                                           | 635    | 702,354           |
| <b>Texas 9.1%</b>                                                                                                                                                  |        |                   |
| Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41                                                                               | 890    | 940,961           |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37                                                                                             | 395    | 438,663           |
| Conroe Texas ISD, GO, School Building, Series A, 5.75%, 2/15/35                                                                                                    | 470    | 529,145           |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45                                                  | 1,020  | 1,188,066         |
| North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41                                                                                      | 500    | 549,930           |
| North Texas Tollway Authority, Refunding RB, 1st Tier, Series K-1 (AGC), 5.75%, 1/01/38                                                                            | 250    | 279,085           |
| Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38                                                                        | 180    | 199,094           |
| 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    | 555,600           |
|                                                                                                                                                                    |        | 4,680,544         |
| <b>Virginia 0.8%</b>                                                                                                                                               |        |                   |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43                                                                                    | 145    | 155,882           |
| Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (c)                                                                        | 200    | 251,248           |
|                                                                                                                                                                    |        | 407,130           |
| <b>Wisconsin 1.8%</b>                                                                                                                                              |        |                   |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Series C, 5.25%, 4/01/39                                    | 890    | 929,089           |
| <b>Total Municipal Bonds 103.8%</b>                                                                                                                                |        | <b>53,572,869</b> |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (d)                                                              | Par<br>(000) | Value        |
|------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>California 19.8%</b>                                                                                                      |              |              |
| California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (e)            | \$ 1,005     | \$ 1,126,716 |
| Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40                                         | 1,300        | 1,377,506    |
| Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 (e)                        | 1,410        | 1,578,361    |
| Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33                 | 2,079        | 2,426,093    |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34                                                 | 200          | 218,550      |
| San Diego Public Facilities Financing Authority Water, RB, Series B, 5.50%, 8/01/39                                          | 2,234        | 2,539,005    |
| University of California, RB, Series O, 5.75%, 5/15/34                                                                       | 810          | 928,098      |
|                                                                                                                              |              | 10,194,329   |
| <b>District of Columbia 3.6%</b>                                                                                             |              |              |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 (e)                                                                      | 735          | 835,555      |
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 5.50%, 10/01/39                           | 899          | 995,757      |
|                                                                                                                              |              | 1,831,312    |
| <b>Illinois 7.5%</b>                                                                                                         |              |              |
| State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38                                     | 1,500        | 1,706,175    |
| State of Illinois Toll Highway Authority, RB, Senior Priority, Series B, 5.50%, 1/01/33                                      | 2,000        | 2,187,333    |
|                                                                                                                              |              | 3,893,508    |
| <b>Nevada 3.3%</b>                                                                                                           |              |              |
| County of Clark Nevada Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38                                           | 1,500        | 1,717,350    |
| <b>New Hampshire 1.3%</b>                                                                                                    |              |              |
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (e)                             | 585          | 652,603      |
| <b>New Jersey 3.8%</b>                                                                                                       |              |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System:                                                   |              |              |
| Series A (AGM), 5.00%, 12/15/32                                                                                              | 1,000        | 1,079,180    |
| Series B, 5.25%, 6/15/36 (e)                                                                                                 | 840          | 897,801      |
|                                                                                                                              |              | 1,976,981    |
| <b>New York 13.9%</b>                                                                                                        |              |              |
| City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40 | 750          | 842,804      |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (d)</b>                                                      |              |              |
| <b>New York (concluded)</b>                                                                                                  |              |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System 2nd General Resolution:      |              |              |
| Series FF, 5.00%, 6/15/45                                                                                                    | \$ 1,000     | \$ 1,055,170 |
| Series FF-2, 5.50%, 6/15/40                                                                                                  | 990          | 1,072,816    |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39                      | 1,000        | 1,087,632    |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43              | 1,170        | 1,246,085    |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (e)                          | 680          | 739,915      |
| New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38                                       | 1,000        | 1,117,950    |
|                                                                                                                              |              | 7,162,372    |
| <b>Texas 5.4%</b>                                                                                                            |              |              |
| City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/31 (e)                                   | 1,050        | 1,172,443    |
| County of Harris Texas Cultural Education Facilities Finance Corp., RB, Texas Children's Hospital Project, 5.50%, 10/01/39   | 1,450        | 1,625,581    |
|                                                                                                                              |              | 2,798,024    |
| <b>Virginia 1.0%</b>                                                                                                         |              |              |

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|                                                                                                          |               |               |
|----------------------------------------------------------------------------------------------------------|---------------|---------------|
| County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 460           | 497,435       |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 59.6%</b>                              |               | 30,723,914    |
| <b>Total Long-Term Investments (Cost \$77,702,807) 163.4%</b>                                            |               | 84,296,783    |
|                                                                                                          |               |               |
| <b>Short-Term Securities</b>                                                                             | <b>Shares</b> |               |
| <b>Money Market Funds 0.8%</b>                                                                           |               |               |
| FBI Institutional Tax-Exempt Fund, 0.03% (f)(g)                                                          | 412,295       | 412,295       |
| <b>Total Short-Term Securities (Cost \$412,295) 0.8%</b>                                                 |               | 412,295       |
| <b>Total Investments (Cost \$78,115,102) 164.2%</b>                                                      |               | 84,709,078    |
| <b>Other Assets Less Liabilities 1.8%</b>                                                                |               | 915,166       |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (31.5)%</b>         |               | (16,238,202)  |
| <b>VRDP Shares, at Liquidation Value (34.5)%</b>                                                         |               | (17,800,000)  |
|                                                                                                          |               |               |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                                     |               | \$ 51,586,042 |

### Notes to Schedule of investments

- (a) 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.
- (b) 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) 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.
- (d) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) 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, which expire from October 1, 2016 to November 15, 2019 is \$4,097,449.

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

(f) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|--------|
| FFI Institutional Tax-Exempt Fund | 1,380,043                            | (967,748)       | 412,295                                | \$ 144 |

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts<br>Sold | Issue                    | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-------------------|--------------------------|------------------------|------------|-------------------|----------------------------|
| (47)              | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 5,852,969      | \$ (10,524)                |

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 or 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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                | Level 1 | Level 2 | Level 3 | Total |
|----------------|---------|---------|---------|-------|
| <b>Assets:</b> |         |         |         |       |

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Investments:

|                                    |                   |                      |                      |
|------------------------------------|-------------------|----------------------|----------------------|
| Long-Term Investments <sup>1</sup> |                   | \$ 84,296,783        | \$ 84,296,783        |
| Short-Term Securities              | \$ 412,295        |                      | 412,295              |
| <b>Total</b>                       | <b>\$ 412,295</b> | <b>\$ 84,296,783</b> | <b>\$ 84,709,078</b> |

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

|                                               | Level 1     | Level 2 | Level 3 | Total       |
|-----------------------------------------------|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (10,524) |         |         | \$ (10,524) |

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

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1          | Level 2                | Level 3 | Total                  |
|----------------------------------------------|------------------|------------------------|---------|------------------------|
| <b>Assets:</b>                               |                  |                        |         |                        |
| Cash pledged for financial futures contracts | \$ 73,000        |                        |         | \$ 73,000              |
| <b>Liabilities:</b>                          |                  |                        |         |                        |
| TOB trust certificates                       |                  | \$ (16,235,837)        |         | (16,235,837)           |
| VRDP Shares                                  |                  | (17,800,000)           |         | (17,800,000)           |
| <b>Total</b>                                 | <b>\$ 73,000</b> | <b>\$ (34,035,837)</b> |         | <b>\$ (33,962,837)</b> |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.

## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

|                                                                                                                      | Par        |              |
|----------------------------------------------------------------------------------------------------------------------|------------|--------------|
|                                                                                                                      | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                               |            |              |
| <b>Alabama 1.9%</b>                                                                                                  |            |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):               |            |              |
| 6.00%, 6/01/34                                                                                                       | \$ 1,150   | \$ 1,306,089 |
| 6.00%, 6/01/39                                                                                                       | 450        | 511,079      |
| City of Hoover Alabama Board of Education, Refunding, Special Tax, Capital Outlay Warrants, 4.25%, 2/15/40           | 1,275      | 1,270,996    |
|                                                                                                                      |            | 3,088,164    |
| <b>Arizona 8.7%</b>                                                                                                  |            |              |
| Arizona Board of Regents, RB, Arizona State University, Series C, 5.50%, 7/01/26                                     | 200        | 229,482      |
| Arizona Health Facilities Authority, Refunding RB, Phoenix Children's Hospital, Series A, 5.00%, 2/01/42             | 2,200      | 2,193,334    |
| County of Pima Arizona IDA, Refunding, IDR, Tucson Electric Power Co. Project, Remarketing, Series B, 5.75%, 9/01/29 | 900        | 919,584      |
| County of Pinal Arizona Electric District No. 3, Refunding RB, Electric System, 4.75%, 7/01/31                       | 3,750      | 3,924,787    |
| Salt Verde Financial Corp., RB, Senior:                                                                              |            |              |
| 5.00%, 12/01/32                                                                                                      | 1,500      | 1,586,400    |
| 5.00%, 12/01/37                                                                                                      | 2,065      | 2,165,091    |
| San Luis Facility Development Corp., RB, Senior Lien Project, Regional Detention Center Project:                     |            |              |
| 6.25%, 5/01/15                                                                                                       | 125        | 122,636      |
| 7.00%, 5/01/20                                                                                                       | 300        | 271,269      |
| 7.25%, 5/01/27                                                                                                       | 600        | 453,138      |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29                                 | 750        | 810,615      |
| University Medical Center Corp., RB, 6.50%, 7/01/39                                                                  | 500        | 545,490      |
| University Medical Center Corp., Refunding RB, 6.00%, 7/01/39                                                        | 900        | 952,407      |
|                                                                                                                      |            | 14,174,233   |
| <b>Arkansas 2.3%</b>                                                                                                 |            |              |
| Arkansas State University, RB, Jonesboro Campus, Series B:                                                           |            |              |
| 4.00%, 12/01/28                                                                                                      | 400        | 410,728      |
| 4.88%, 12/01/43                                                                                                      | 690        | 710,755      |
| City of Benton Arkansas, RB (a):                                                                                     |            |              |
| 4.00%, 6/01/39                                                                                                       | 905        | 896,430      |
| 4.38%, 6/01/44                                                                                                       | 490        | 491,421      |
| City of Hot Springs Arkansas, RB, Wastewater, 5.00%, 12/01/38                                                        | 1,200      | 1,271,208    |
|                                                                                                                      |            | 3,780,542    |
| <b>California 18.7%</b>                                                                                              |            |              |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 5.88%, 8/15/31                        | 1,900      | 2,241,601    |
| California HFA, RB, Home Mortgage, Series G, AMT, 5.05%, 2/01/29                                                     | 2,285      | 2,277,597    |
| Carlsbad California Unified School District, GO, Election of 2006, Series B, 6.00%, 5/01/34 (b)                      | 1,000      | 816,730      |
| City of San Jose California, Refunding ARB, Series A-1, AMT, 5.75%, 3/01/34                                          | 2,000      | 2,176,600    |
| County of Stanislaus California Tobacco Securitization Agency, RB, CAB, Sub-Series C, 0.00%, 6/01/55 (c)             | 4,500      | 55,125       |
| Dinuba California Unified School District, GO, Election of 2006 (AGM):                                               |            |              |
| 5.63%, 8/01/31                                                                                                       | 250        | 269,628      |
| 5.75%, 8/01/33                                                                                                       | 500        | 539,245      |
| Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.00%, 8/01/34 (b)              | 1,650      | 1,199,979    |
| Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (c)  | 8,000      | 2,156,480    |
|                                                                                                                      | <b>Par</b> |              |
|                                                                                                                      | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                               |            |              |
| <b>California (concluded)</b>                                                                                        |            |              |
| Palomar Community College District, GO, CAB, Election of 2006, Series B:                                             |            |              |

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|                                                                                                                                |          |            |
|--------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| 0.00%, 8/01/30 (c)                                                                                                             | \$ 1,500 | \$ 690,450 |
| 0.00%, 8/01/33 (c)                                                                                                             | 4,000    | 1,329,120  |
| 6.20%, 8/01/39 (b)                                                                                                             | 2,000    | 1,169,760  |
| San Diego Community College District, GO, CAB, Election of 2002, 6.00%, 8/01/33 (b)                                            | 2,800    | 2,308,516  |
| San Jose California Evergreen Community College District, GO, Election of 2010, Series B, 3.50%, 8/01/32                       | 1,200    | 1,109,460  |
| State of California, GO, Refunding:                                                                                            |          |            |
| Various Purposes, 5.00%, 2/01/38                                                                                               | 3,000    | 3,206,970  |
| Veterans, AMT, 5.05%, 12/01/36                                                                                                 | 305      | 306,674    |
| State of California, GO, Various Purposes:                                                                                     |          |            |
| 5.75%, 4/01/31                                                                                                                 | 2,000    | 2,305,800  |
| 6.00%, 3/01/33                                                                                                                 | 1,000    | 1,192,290  |
| 6.50%, 4/01/33                                                                                                                 | 1,950    | 2,382,257  |
| 5.50%, 3/01/40                                                                                                                 | 2,350    | 2,622,905  |
|                                                                                                                                |          | 30,357,187 |
| <b>Colorado 1.3%</b>                                                                                                           |          |            |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33                               | 1,070    | 1,210,491  |
| Park Creek Metropolitan District, Refunding RB, Senior Limited Property Tax (AGM), 6.00%, 12/01/38                             | 750      | 819,435    |
|                                                                                                                                |          | 2,029,926  |
| <b>Connecticut 1.2%</b>                                                                                                        |          |            |
| Connecticut State Health & Educational Facility Authority, Refunding RB:                                                       |          |            |
| Hartford Healthcare, Series A, 5.00%, 7/01/32                                                                                  | 1,250    | 1,295,750  |
| Lawrence & Memorial Hospital, Series F, 5.00%, 7/01/36                                                                         | 550      | 573,287    |
|                                                                                                                                |          | 1,869,037  |
| <b>Delaware 0.8%</b>                                                                                                           |          |            |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40                               | 1,200    | 1,283,868  |
| <b>District of Columbia 0.5%</b>                                                                                               |          |            |
| Metropolitan Washington Airports Authority, Refunding RB, Series A, 5.00%, 10/01/35                                            | 750      | 800,663    |
| <b>Florida 4.6%</b>                                                                                                            |          |            |
| County of Lee Florida, Refunding ARB, Series A, AMT (AGM), 5.00%, 10/01/28                                                     | 2,000    | 2,126,600  |
| County of Miami-Dade Florida, RB, AMT, Seaport, Series B, 6.00%, 10/01/31                                                      | 4,135    | 4,600,022  |
| County of Orange Florida Health Facilities Authority, Refunding RB, Mayflower Retirement Center, Inc. Project, 5.00%, 6/01/36  | 125      | 125,823    |
| Stevens Plantation Community Development District, Special Assessment, Series A, 7.10%, 5/01/35 (d)(e)                         | 910      | 678,077    |
|                                                                                                                                |          | 7,530,522  |
| <b>Hawaii 0.3%</b>                                                                                                             |          |            |
| Hawaii State Department of Budget & Finance, Refunding RB, Special Purpose, Senior Living, Kahala Nui, 5.25%, 11/15/37         | 400      | 412,092    |
| <b>Idaho 1.2%</b>                                                                                                              |          |            |
| Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/33                               | 1,750    | 2,007,740  |
| <b>Illinois 7.0%</b>                                                                                                           |          |            |
| City of Chicago Illinois, Refunding ARB, O Hare International Airport Passenger Facility Charge, Series B, AMT, 4.00%, 1/01/29 | 4,000    | 3,777,520  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

|                                                                                                                 | Par        |            |
|-----------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                 | (000)      | Value      |
| <b>Municipal Bonds</b>                                                                                          |            |            |
| <b>Illinois (concluded)</b>                                                                                     |            |            |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40                             | \$ 665     | \$ 696,867 |
| Illinois Finance Authority, RB:                                                                                 |            |            |
| Memorial Health System, Series A, 5.00%, 7/01/35                                                                | 800        | 813,088    |
| Rush University Medical Center, Series C, 6.63%, 11/01/39                                                       | 650        | 728,676    |
| Illinois Finance Authority, Refunding RB:                                                                       |            |            |
| Friendship Village Schaumburg, Series A, 5.63%, 2/15/37                                                         | 210        | 186,520    |
| OSF Healthcare System, Series A, 6.00%, 5/15/39                                                                 | 1,010      | 1,109,606  |
| Roosevelt University Project, 6.50%, 4/01/44                                                                    | 1,000      | 1,023,860  |
| Railsplitter Tobacco Settlement Authority, RB:                                                                  |            |            |
| 6.25%, 6/01/24                                                                                                  | 1,000      | 1,107,750  |
| 6.00%, 6/01/28                                                                                                  | 1,150      | 1,314,588  |
| State of Illinois, GO, 5.00%, 2/01/39                                                                           | 665        | 676,957    |
|                                                                                                                 |            | 11,435,432 |
| <b>Indiana 0.6%</b>                                                                                             |            |            |
| Indiana Finance Authority, Refunding RB, US Steel Corp. Project, 6.00%, 12/01/26                                | 1,000      | 1,017,080  |
| <b>Iowa 0.9%</b>                                                                                                |            |            |
| Iowa Higher Education Loan Authority, Refunding RB, Private College Facility, Upper Iowa University Project:    |            |            |
| 5.75%, 9/01/30                                                                                                  | 500        | 501,340    |
| 6.00%, 9/01/39                                                                                                  | 1,000      | 1,005,330  |
|                                                                                                                 |            | 1,506,670  |
| <b>Kentucky 1.8%</b>                                                                                            |            |            |
| Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 1/01/40      | 1,830      | 1,930,595  |
| Kentucky Public Transportation Infrastructure Authority, RB, Convertible CAB, 1st Tier (b):                     |            |            |
| 6.45%, 7/01/34                                                                                                  | 500        | 297,775    |
| Downtown Crossing Project, Series C, 6.75%, 7/01/43                                                             | 270        | 155,482    |
| Series C, 6.60%, 7/01/39                                                                                        | 830        | 488,289    |
|                                                                                                                 |            | 2,872,141  |
| <b>Louisiana 3.4%</b>                                                                                           |            |            |
| City of Alexandria Louisiana Utilities, RB, 5.00%, 5/01/39                                                      | 1,860      | 1,959,994  |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB:                      |            |            |
| Parish of Plaquemines Project (AGM), 4.00%, 9/01/42                                                             | 280        | 254,540    |
| Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35                                                    | 1,050      | 1,150,831  |
| Louisiana Public Facilities Authority, RB:                                                                      |            |            |
| Belle Chasse Educational Foundation Project, 6.50%, 5/01/31                                                     | 400        | 424,628    |
| Cleco Power LLC Project, Series B, 4.25%, 12/01/38                                                              | 1,400      | 1,264,074  |
| Terrebonne Levee & Conservation District, RB, Sales Tax, 4.25%, 7/01/32                                         | 385        | 389,939    |
|                                                                                                                 |            | 5,444,006  |
| <b>Maryland 0.4%</b>                                                                                            |            |            |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25                                          | 580        | 611,813    |
| <b>Massachusetts 1.1%</b>                                                                                       |            |            |
| Massachusetts Development Finance Agency, Refunding RB, Series A, 5.00%, 9/01/43                                | 1,600      | 1,757,376  |
|                                                                                                                 | <b>Par</b> |            |
|                                                                                                                 | (000)      | Value      |
| <b>Municipal Bonds</b>                                                                                          |            |            |
| <b>Michigan 3.9%</b>                                                                                            |            |            |
| Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group, Series C, 4.00%, 12/01/32 | 2,600      | 2,477,826  |
| Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39         | 1,950      | 2,378,064  |
| State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 6.25%, 10/15/38               | 1,250      | 1,432,575  |

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|                                                                                                                             |        |            |
|-----------------------------------------------------------------------------------------------------------------------------|--------|------------|
|                                                                                                                             |        | 6,288,465  |
| <b>Minnesota 3.3%</b>                                                                                                       |        |            |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38                      | 4,600  | 5,327,214  |
| <b>Mississippi 3.4%</b>                                                                                                     |        |            |
| County of Warren Mississippi, RB, Gulf Opportunity Zone Bonds, International Paper Co. Project, Series A, 5.38%, 12/01/35   | 400    | 412,892    |
| Mississippi Development Bank, RB, Special Obligation:                                                                       |        |            |
| CAB, Hinds Community College District (AGM), 5.00%, 4/01/36                                                                 | 845    | 888,171    |
| County of Jackson Limited Tax Note (AGC), 5.50%, 7/01/32                                                                    | 1,750  | 1,882,878  |
| University of Southern Mississippi, RB, Campus Facilities Improvements Project, 5.38%, 9/01/36                              | 2,100  | 2,254,350  |
|                                                                                                                             |        | 5,438,291  |
| <b>Missouri 3.4%</b>                                                                                                        |        |            |
| Missouri Development Finance Board, RB:                                                                                     |        |            |
| Annual Appropriation Sewer System, Series B, 5.00%, 11/01/41                                                                | 900    | 925,344    |
| St. Joseph Sewage System Improvements, Series E, 5.25%, 5/01/31                                                             | 580    | 598,769    |
| Missouri Development Finance Board, Refunding RB, Electric System Projects, Series F, 4.00%, 6/01/32                        | 500    | 491,695    |
| Missouri State Health & Educational Facilities Authority, RB:                                                               |        |            |
| A.T. Still University of Health Sciences, 5.25%, 10/01/31                                                                   | 500    | 537,170    |
| Heartland Regional Medical Center, 4.13%, 2/15/43                                                                           | 770    | 695,803    |
| University of Central Missouri, Series C-2, 4.00%, 10/01/28                                                                 | 400    | 408,308    |
| University of Central Missouri, Series C-2, 5.00%, 10/01/34                                                                 | 1,000  | 1,066,660  |
| Missouri State Health & Educational Facilities Authority, Refunding RB, CoxHealth, Series A, 5.00%, 11/15/38                | 800    | 823,520    |
|                                                                                                                             |        | 5,547,269  |
| <b>Montana 2.5%</b>                                                                                                         |        |            |
| Montana Facility Finance Authority, Refunding RB, Sisters of Charity of Leavenworth Health System, Series A, 4.75%, 1/01/40 | 450    | 460,107    |
| State of Montana Board of Regents, RB, 5.00%, 11/15/43                                                                      | 2,230  | 2,406,036  |
| Yellowstone County School District No. 2 Billings, GO:                                                                      |        |            |
| 4.50%, 6/15/33                                                                                                              | 670    | 715,520    |
| 4.00%, 6/15/34                                                                                                              | 400    | 406,404    |
|                                                                                                                             |        | 3,988,067  |
| <b>Multi-State 6.7%</b>                                                                                                     |        |            |
| Centerline Equity Issuer Trust, Series B-2, 7.20%, 10/31/14 (f)(g)                                                          | 10,500 | 10,915,065 |
| <b>Nebraska 1.5%</b>                                                                                                        |        |            |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 9/01/42                                               | 600    | 606,630    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

|                                                                                                                                           | Par        |              |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
|                                                                                                                                           | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                                                    |            |              |
| <b>Nebraska (concluded)</b>                                                                                                               |            |              |
| City of Omaha Nebraska, RB, Sanitary Sewerage System, 4.00%, 11/15/42                                                                     | \$ 1,050   | \$ 1,048,173 |
| Nebraska Public Power District, Refunding RB, Series A:                                                                                   |            |              |
| 5.00%, 1/01/32                                                                                                                            | 250        | 272,468      |
| 5.00%, 1/01/33                                                                                                                            | 500        | 542,805      |
|                                                                                                                                           |            | 2,470,076    |
| <b>Nevada 1.1%</b>                                                                                                                        |            |              |
| City of Las Vegas Nevada, Special Assessment, No. 809 Summerlin Area, 5.65%, 6/01/23                                                      | 1,240      | 1,238,586    |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29                                              | 575        | 611,622      |
|                                                                                                                                           |            | 1,850,208    |
| <b>New Jersey 12.0%</b>                                                                                                                   |            |              |
| County of Middlesex New Jersey Improvement Authority, RB, Heldrich Center Hotel, Sub-Series B, 6.25%, 1/01/37 (d)(e)                      | 915        | 63,538       |
| New Jersey EDA, RB:                                                                                                                       |            |              |
| Continental Airlines, Inc. Project, AMT, 5.63%, 11/15/30                                                                                  | 660        | 659,940      |
| Continental Airlines, Inc. Project, AMT, 7.20%, 11/15/30 (h)                                                                              | 3,000      | 3,000,480    |
| Goethals Bridge Replacement Project, AMT (AGM), 5.13%, 7/01/42                                                                            | 200        | 201,896      |
| Rutgers-The State University of New Jersey, College Avenue Redevelopment Project, 5.00%, 6/15/38                                          | 450        | 489,366      |
| New Jersey EDA, Refunding RB:                                                                                                             |            |              |
| 1st Mortgage, Winchester, Series A, 5.80%, 11/01/31                                                                                       | 1,500      | 1,505,610    |
| Special Assessment, Kapkowski Road Landfill Project, 6.50%, 4/01/28                                                                       | 7,500      | 8,521,425    |
| New Jersey Educational Facilities Authority, Refunding RB, University of Medicine & Dentistry, Series B (i):                              |            |              |
| 7.13%, 6/01/19                                                                                                                            | 630        | 817,778      |
| 7.50%, 6/01/19                                                                                                                            | 800        | 1,053,664    |
| New Jersey Health Care Facilities Financing Authority, Refunding RB, St. Barnabas Health Care System, Series A:                           |            |              |
| 4.63%, 7/01/23                                                                                                                            | 510        | 541,416      |
| 5.00%, 7/01/25                                                                                                                            | 500        | 540,670      |
| 5.63%, 7/01/37                                                                                                                            | 1,700      | 1,787,941    |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series AA, 6.50%, 10/01/38                                                 | 325        | 326,290      |
|                                                                                                                                           |            | 19,510,014   |
| <b>New York 7.0%</b>                                                                                                                      |            |              |
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (d)(e)                            | 455        | 68,273       |
| City of New York New York, GO, Fiscal 2014, Sub-Series A-1:                                                                               |            |              |
| 5.00%, 8/01/29                                                                                                                            | 400        | 445,428      |
| 5.00%, 8/01/35                                                                                                                            | 1,580      | 1,705,578    |
| City of New York New York Industrial Development Agency, ARB, American Airlines, Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (h) | 3,165      | 3,468,017    |
| City of New York New York Industrial Development Agency, RB, PILOT, Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39                       | 1,500      | 1,372,425    |
| County of Westchester New York Healthcare Corp., Refunding RB, Senior Lien, Remarketing, Series A, 5.00%, 11/01/30                        | 1,500      | 1,571,925    |
| Hudson Yards Infrastructure Corp., RB, Series A (NPFGC), 5.00%, 2/15/47                                                                   | 750        | 759,128      |
|                                                                                                                                           | <b>Par</b> |              |
|                                                                                                                                           | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                                                    |            |              |
| <b>New York (concluded)</b>                                                                                                               |            |              |
| New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49 | 800        | 858,336      |
| Niagara Area Development Corp., Refunding RB, Solid Waste Disposal Facility, Covanta Energy Project, Series A, AMT, 5.25%, 11/01/42       | 400        | 383,952      |
|                                                                                                                                           | 750        | 797,242      |

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State of New York Dormitory Authority, Refunding RB, State University Dormitory Facilities, Series A,  
5.00%, 7/01/42

|                                                                                                                                                                           |       |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
|                                                                                                                                                                           |       | 11,430,304 |
| <b>North Carolina 2.5%</b>                                                                                                                                                |       |            |
| County of Gaston North Carolina Industrial Facilities & Pollution Control Financing Authority, RB,<br>Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | 2,695 | 2,434,097  |
| North Carolina Medical Care Commission, Refunding RB:                                                                                                                     |       |            |
| Health Care Facilities, Novant Health Obligated Group, Series A, 4.00%, 11/01/46                                                                                          | 900   | 788,220    |
| University Health System, Series D, 6.25%, 12/01/33                                                                                                                       | 800   | 908,680    |
|                                                                                                                                                                           |       | 4,130,997  |
| <b>North Dakota 0.2%</b>                                                                                                                                                  |       |            |
| City of Fargo North Dakota, Refunding RB, University Facilities Development Foundation Project,<br>3.00%, 12/01/30                                                        | 400   | 357,992    |
| <b>Oklahoma 0.7%</b>                                                                                                                                                      |       |            |
| Oklahoma Municipal Power Authority, RB, Power Supply System, Series A, 4.00%, 1/01/38                                                                                     | 1,140 | 1,114,225  |
| <b>Oregon 2.7%</b>                                                                                                                                                        |       |            |
| City of Madras Oregon, GO, Refunding, 4.00%, 2/15/33                                                                                                                      | 500   | 452,060    |
| County of Clackamas Oregon Housing Authority, HRB, M/F, Easton Ridge Apartments Project, Series<br>A:                                                                     |       |            |
| 3.50%, 9/01/33                                                                                                                                                            | 755   | 674,864    |
| 4.00%, 9/01/49                                                                                                                                                            | 750   | 673,335    |
| County of Umatilla Pendleton School District No. 16R, GO, Series A:                                                                                                       |       |            |
| 5.00%, 6/15/37                                                                                                                                                            | 745   | 822,562    |
| 4.00%, 6/15/38                                                                                                                                                            | 415   | 414,979    |
| Oregon Health & Science University, RB, Series A, 5.75%, 7/01/39                                                                                                          | 750   | 840,653    |
| Oregon State Facilities Authority, Refunding RB, Linfield College Project, Series A, 5.25%, 10/01/40                                                                      | 500   | 513,985    |
|                                                                                                                                                                           |       | 4,392,438  |
| <b>Pennsylvania 3.7%</b>                                                                                                                                                  |       |            |
| County of Allegheny Pennsylvania IDA, Refunding RB, US Steel Corp. Project, 6.55%, 12/01/27                                                                               | 1,695 | 1,757,274  |
| Delaware River Port Authority, RB:                                                                                                                                        |       |            |
| 4.50%, 1/01/32                                                                                                                                                            | 1,500 | 1,549,350  |
| Series D (AGM), 5.00%, 1/01/40                                                                                                                                            | 2,600 | 2,721,706  |
|                                                                                                                                                                           |       | 6,028,330  |
| <b>Rhode Island 2.4%</b>                                                                                                                                                  |       |            |
| Rhode Island Health & Educational Building Corp., RB:                                                                                                                     |       |            |
| City of Newport Issue, Series C, 4.00%, 5/15/33                                                                                                                           | 980   | 977,246    |
| Hospital Financing, LifeSpan Obligation, Series A (AGC), 7.00%, 5/15/39                                                                                                   | 1,000 | 1,126,810  |
| Rhode Island Health & Educational Building Corp., Refunding RB, Brown University, 4.50%, 9/01/32                                                                          | 800   | 856,872    |
| State of Rhode Island, COP, School for the Deaf Project, Series C (AGC), 5.38%, 4/01/28                                                                                   | 900   | 971,946    |
|                                                                                                                                                                           |       | 3,932,874  |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

|                                                                                                                                                            | Par          |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                            | (000)        | Value        |
| <b>Municipal Bonds</b>                                                                                                                                     |              |              |
| <b>Tennessee 1.9%</b>                                                                                                                                      |              |              |
| Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/40                                         | \$ 1,950     | \$ 2,039,661 |
| County of Memphis-Shelby Tennessee Sports Authority, Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28                                  | 275          | 296,763      |
| Johnson City Health & Educational Facilities Board, RB, Mountain States Health, Series A, 5.00%, 8/15/42                                                   | 800          | 798,776      |
|                                                                                                                                                            |              | 3,135,200    |
| <b>Texas 17.6%</b>                                                                                                                                         |              |              |
| County of Harris Texas Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B (i):                                |              |              |
| 7.13%, 12/01/18                                                                                                                                            | 500          | 641,005      |
| 7.25%, 12/01/18                                                                                                                                            | 1,750        | 2,253,632    |
| County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 0.00%, 11/15/41 (c)                                     | 11,690       | 2,061,765    |
| County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29                            | 1,500        | 1,687,860    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A (c):                                                 |              |              |
| 0.00%, 9/15/36                                                                                                                                             | 4,900        | 1,660,071    |
| 0.00%, 9/15/38                                                                                                                                             | 10,760       | 3,271,363    |
| County of Midland Texas Fresh Water Supply District No. 1, Refunding RB, City of Midland Project, 3.38%, 9/15/32                                           | 1,575        | 1,432,258    |
| Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38                                                                | 760          | 840,621      |
| 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        | 2,258,600    |
| Texas State Turnpike Authority, RB, CAB (AMBAC), 0.00%, 8/15/35 (c)                                                                                        | 45,000       | 12,434,850   |
|                                                                                                                                                            |              | 28,542,025   |
| <b>Vermont 2.0%</b>                                                                                                                                        |              |              |
| Vermont Educational & Health Buildings Financing Agency, RB, Fletcher Allen Health Hospital, Series A, 4.75%, 12/01/36                                     | 800          | 797,736      |
| Vermont Educational & Health Buildings Financing Agency, Refunding RB, Fletcher Allen Health Hospital, Series B (AGM), 5.00%, 12/01/34                     | 2,400        | 2,463,648    |
|                                                                                                                                                            |              | 3,261,384    |
| <b>Virginia 1.2%</b>                                                                                                                                       |              |              |
| County of Prince William Virginia IDA, Refunding RB, Novant Health Obligation Group, Series B, 4.00%, 11/01/46                                             | 1,200        | 1,055,988    |
| Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 6.00%, 1/01/37                              | 880          | 935,651      |
|                                                                                                                                                            |              | 1,991,639    |
| <b>Washington 0.9%</b>                                                                                                                                     |              |              |
| Washington Health Care Facilities Authority, RB, MultiCare Health System, Series B (AGC), 6.00%, 8/15/39                                                   | 1,400        | 1,526,140    |
| <b>West Virginia 1.3%</b>                                                                                                                                  |              |              |
| City of Wheeling West Virginia Waterworks & Sewerage System, RB, 5.00%, 6/01/38                                                                            | 2,000        | 2,087,220    |
|                                                                                                                                                            | <b>Par</b>   |              |
|                                                                                                                                                            | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                                                     |              |              |
| <b>Wyoming 0.8%</b>                                                                                                                                        |              |              |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 7/15/26                                                           | 1,200        | 1,301,556    |
| <b>Total Municipal Bonds 139.4%</b>                                                                                                                        |              | 226,545,485  |

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

|                                                                                                                              |       |             |
|------------------------------------------------------------------------------------------------------------------------------|-------|-------------|
| <b>Colorado 2.4%</b>                                                                                                         |       |             |
| Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36                                  | 3,750 | 3,853,462   |
| <b>Massachusetts 1.0%</b>                                                                                                    |       |             |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41                                     | 1,450 | 1,550,789   |
| <b>New Jersey 0.9%</b>                                                                                                       |       |             |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (k)                      | 1,400 | 1,496,335   |
| <b>New York 12.3%</b>                                                                                                        |       |             |
| City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40 | 450   | 505,682     |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System:                             |       |             |
| 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 6/15/47                                                               | 6,000 | 6,360,915   |
| 2nd General Resolution, Series FF-2, 5.50%, 6/15/40                                                                          | 405   | 438,880     |
| Series A, 4.75%, 6/15/30                                                                                                     | 3,000 | 3,204,120   |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (k)                                             | 2,500 | 2,727,580   |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43              | 2,505 | 2,667,900   |
| State of New York Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38                                     | 2,199 | 2,350,777   |
| State of New York Thruway Authority, Refunding RB, Transportation, Personal Income Tax, Series A, 5.00%, 3/15/31             | 1,560 | 1,730,368   |
|                                                                                                                              |       | 19,986,222  |
| <b>Ohio 2.1%</b>                                                                                                             |       |             |
| County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 10/01/41                                            | 1,260 | 1,283,134   |
| Ohio Higher Educational Facility Commission, RB, Cleveland Clinic Health, Series A, 5.25%, 1/01/33                           | 2,000 | 2,172,660   |
|                                                                                                                              |       | 3,455,794   |
| <b>Texas 1.0%</b>                                                                                                            |       |             |
| City of San Antonio Texas, RB, Electric & Gas Systems, Junior Lien, 5.00%, 2/01/43                                           | 1,580 | 1,681,689   |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 19.7%</b>                                              |       | 32,024,291  |
| <b>Total Long-Term Investments</b>                                                                                           |       |             |
| <b>(Cost \$246,589,385) 159.1%</b>                                                                                           |       | 258,569,776 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

| Short-Term Securities                                                                            | Shares  | Value                 |
|--------------------------------------------------------------------------------------------------|---------|-----------------------|
| FPI Institutional Tax-Exempt Fund, 0.03% (1)(m)                                                  | 602,767 | \$ 602,767            |
| <b>Total Short-Term Securities</b>                                                               |         |                       |
| (Cost \$602,767) 0.4%                                                                            |         | 602,767               |
| <b>Total Investments (Cost \$247,192,152) 159.5%</b>                                             |         | <b>259,172,543</b>    |
| <b>Other Assets Less Liabilities 0.9%</b>                                                        |         | <b>1,414,539</b>      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (11.2)%</b> |         | <b>(18,229,112)</b>   |
| <b>VMTP Shares, at Liquidation Value (49.2)%</b>                                                 |         | <b>(79,900,000)</b>   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                             |         | <b>\$ 162,457,970</b> |

## Notes to Schedule of investments

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

| Counterparty   | Value        | Unrealized<br>Appreciation |
|----------------|--------------|----------------------------|
| Stephens, Inc. | \$ 1,387,851 | \$ 33,711                  |

(b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(c) Zero-coupon bond.

(d) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(e) Non-income producing security.

(f) 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.

(g) 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.

(h) Variable rate security. Rate shown is as of report date.

(i) 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.

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- (j) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (k) 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, which expire from February 15, 2019 to June 15, 2019 is \$2,411,773.
- (l) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|--------|
| FFI Institutional Tax-Exempt Fund | 1,669,953                            | (1,067,186)     | 602,767                                | \$ 544 |

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts<br>Sold | Issue                    | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-------------------|--------------------------|------------------------|------------|-------------------|----------------------------|
| (195)             | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 24,283,594     | \$ (43,662)                |

**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 or 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 fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock Municipal Bond Trust (BBK)

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, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1    | Level 2        | Level 3 | Total          |
|------------------------------------|------------|----------------|---------|----------------|
| <b>Assets:</b>                     |            |                |         |                |
| <b>Investments:</b>                |            |                |         |                |
| Long-Term Investments <sup>1</sup> |            | \$ 258,569,776 |         | \$ 258,569,776 |
| Short-Term Securities              | \$ 602,767 |                |         | 602,767        |
| <b>Total</b>                       | \$ 602,767 | \$ 258,569,776 |         | \$ 259,172,543 |

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

|                                                     | Level 1     | Level 2 | Level 3 | Total       |
|-----------------------------------------------------|-------------|---------|---------|-------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |             |         |         |             |
| <b>Liabilities:</b>                                 |             |         |         |             |
| Interest rate contracts                             | \$ (43,662) |         |         | \$ (43,662) |

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

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1    | Level 2         | Level 3 | Total           |
|----------------------------------------------|------------|-----------------|---------|-----------------|
| <b>Assets:</b>                               |            |                 |         |                 |
| Cash pledged for financial futures contracts | \$ 302,000 |                 |         | \$ 302,000      |
| <b>Liabilities:</b>                          |            |                 |         |                 |
| TOB trust certificates                       |            | \$ (18,224,759) |         | (18,224,759)    |
| VMTP Shares                                  |            | (79,900,000)    |         | (79,900,000)    |
| <b>Total</b>                                 | \$ 302,000 | \$ (98,124,759) |         | \$ (97,822,759) |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.

## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

|                                                                                                                     | Par<br>(000) | Value        |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Municipal Bonds</b>                                                                                              |              |              |
| <b>Alabama 2.0%</b>                                                                                                 |              |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s<br>Hospital (AGC):           |              |              |
| 6.13%, 6/01/34                                                                                                      | \$ 1,000     | \$ 1,139,660 |
| 6.00%, 6/01/39                                                                                                      | 1,000        | 1,135,730    |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A,<br>5.38%, 12/01/35 | 335          | 345,797      |
|                                                                                                                     |              | 2,621,187    |
| <b>California 16.1%</b>                                                                                             |              |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%,<br>10/01/38    |              |              |
|                                                                                                                     | 2,155        | 2,415,992    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42                       |              |              |
|                                                                                                                     | 1,120        | 1,306,099    |
| California State Public Works Board, LRB:                                                                           |              |              |
| Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33                                                |              |              |
|                                                                                                                     | 505          | 550,349      |
| Various Capital Projects, Series I, 5.50%, 11/01/30                                                                 |              |              |
|                                                                                                                     | 1,000        | 1,160,220    |
| Various Capital Projects, Series I, 5.50%, 11/01/31                                                                 |              |              |
|                                                                                                                     | 1,500        | 1,728,375    |
| County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41                                         |              |              |
|                                                                                                                     | 1,400        | 1,565,018    |
| Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C,<br>5.50%, 11/01/33   |              |              |
|                                                                                                                     | 1,025        | 1,177,448    |
| Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%,<br>8/01/32        |              |              |
|                                                                                                                     | 1,000        | 1,093,460    |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38                           |              |              |
|                                                                                                                     | 1,175        | 1,311,241    |
| Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%,<br>4/01/39            |              |              |
|                                                                                                                     | 3,210        | 3,589,903    |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34                               |              |              |
|                                                                                                                     | 1,000        | 1,088,140    |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 8/01/34                 |              |              |
|                                                                                                                     | 1,125        | 1,259,978    |
| Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40              |              |              |
|                                                                                                                     | 380          | 424,069      |
| University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38                     |              |              |
|                                                                                                                     | 2,355        | 2,534,710    |
|                                                                                                                     |              | 21,205,002   |
| <b>Colorado 3.9%</b>                                                                                                |              |              |
| City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32                         |              |              |
|                                                                                                                     | 3,250        | 3,538,633    |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%,<br>5/15/26           |              |              |
|                                                                                                                     | 1,425        | 1,601,942    |
|                                                                                                                     |              | 5,140,575    |
| <b>Florida 9.8%</b>                                                                                                 |              |              |
| City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31                                                         |              |              |
|                                                                                                                     | 4,525        | 4,979,084    |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33                                               |              |              |
|                                                                                                                     | 205          | 225,412      |
| County of Miami-Dade Florida, RB, Seaport, Series A, 6.00%, 10/01/38                                                |              |              |
|                                                                                                                     | 4,215        | 4,755,489    |
| County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29                         |              |              |
|                                                                                                                     | 1,845        | 2,064,592    |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32                                                      |              |              |
|                                                                                                                     | 745          | 820,662      |
|                                                                                                                     |              | 12,845,239   |
| <b>Georgia 2.2%</b>                                                                                                 |              |              |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 1/01/30                            |              |              |
|                                                                                                                     | 2,500        | 2,900,300    |
| <b>Municipal Bonds</b>                                                                                              |              |              |
| <b>Illinois 23.0%</b>                                                                                               |              |              |
| City of Chicago Illinois, GARB, O Hare International Airport 3rd Lien:                                              |              |              |
| Series A, 5.75%, 1/01/39                                                                                            |              |              |
|                                                                                                                     | 825          | 881,092      |
| Series C, 6.50%, 1/01/41                                                                                            |              |              |
|                                                                                                                     | 3,740        | 4,294,567    |
| City of Chicago Illinois, Refunding GARB, O Hare International Airport, 3rd Lien, Series C (AGC),<br>5.25%, 1/01/30 |              |              |
|                                                                                                                     | 1,000        | 1,060,750    |
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38                                         |              |              |
|                                                                                                                     | 515          | 542,341      |
| City of Chicago Illinois Transit Authority, RB:                                                                     |              |              |
| Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26                                        |              |              |
|                                                                                                                     | 1,300        | 1,427,543    |
| Sales Tax Receipts, 5.25%, 12/01/36                                                                                 |              |              |
|                                                                                                                     | 3,185        | 3,363,233    |

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|                                                                                                                              |       |            |
|------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| Sales Tax Receipts, 5.25%, 12/01/40                                                                                          | 3,000 | 3,143,760  |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28 | 3,000 | 3,145,830  |
| City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42                                               | 1,480 | 1,500,986  |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:                                     |       |            |
| 5.50%, 12/01/38                                                                                                              | 1,250 | 1,355,975  |
| 5.25%, 12/01/43                                                                                                              | 3,000 | 3,132,510  |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41                                                   | 1,885 | 2,083,905  |
| Railsplitter Tobacco Settlement Authority, RB:                                                                               |       |            |
| 5.50%, 6/01/23                                                                                                               | 915   | 1,056,185  |
| 6.00%, 6/01/28                                                                                                               | 260   | 297,211    |
| State of Illinois, GO:                                                                                                       |       |            |
| 5.25%, 2/01/31                                                                                                               | 610   | 645,777    |
| 5.25%, 2/01/32                                                                                                               | 945   | 997,325    |
| 5.50%, 7/01/33                                                                                                               | 1,000 | 1,073,940  |
| 5.50%, 7/01/38                                                                                                               | 270   | 286,791    |
|                                                                                                                              |       | 30,289,721 |
| <b>Indiana 2.0%</b>                                                                                                          |       |            |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38            | 2,415 | 2,579,461  |
| <b>Louisiana 1.7%</b>                                                                                                        |       |            |
| City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring (AGC):                                           |       |            |
| Series A-1, 6.00%, 1/01/23                                                                                                   | 375   | 426,960    |
| Series A-2, 6.00%, 1/01/23                                                                                                   | 150   | 170,784    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:                                                    |       |            |
| 5.50%, 5/15/28                                                                                                               | 740   | 774,425    |
| 5.50%, 5/15/29                                                                                                               | 790   | 825,028    |
|                                                                                                                              |       | 2,197,197  |
| <b>Michigan 4.9%</b>                                                                                                         |       |            |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien (AGM):                                            |       |            |
| Series B, 7.50%, 7/01/33                                                                                                     | 580   | 619,875    |
| Series C-1, 7.00%, 7/01/27                                                                                                   | 2,495 | 2,659,670  |
| City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36                                   | 1,700 | 1,727,217  |
| Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39                      | 1,205 | 1,469,522  |
|                                                                                                                              |       | 6,476,284  |
| <b>Minnesota 3.2%</b>                                                                                                        |       |            |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38                       | 3,680 | 4,261,771  |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

|                                                                                                                                                                 | Par<br>(000)         | Value        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| <b>Municipal Bonds</b>                                                                                                                                          |                      |              |
| <b>Mississippi 2.3%</b>                                                                                                                                         |                      |              |
| Mississippi Development Bank, RB, Special Obligation, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40                                               | \$ 1,500             | \$ 1,906,785 |
| Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38                         | 1,000                | 1,103,100    |
|                                                                                                                                                                 |                      | 3,009,885    |
| <b>Nevada 6.0%</b>                                                                                                                                              |                      |              |
| County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38                                                                                                         | 5,410                | 5,667,137    |
| County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 7/01/34                                                                                 | 2,000                | 2,247,300    |
|                                                                                                                                                                 |                      | 7,914,437    |
| <b>New Jersey 5.8%</b>                                                                                                                                          |                      |              |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38                                                        | 1,300                | 1,367,340    |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29                                                                       | 1,540                | 1,627,826    |
| New Jersey Transportation Trust Fund Authority, RB:<br>Transportation Program, Series AA, 5.50%, 6/15/39                                                        | 1,620                | 1,789,808    |
| Transportation System, Series A (AGC), 5.50%, 12/15/38                                                                                                          | 2,000                | 2,226,420    |
| Rutgers - The State University of New Jersey, Refunding RB, Series L, 5.00%, 5/01/32                                                                            | 510                  | 564,922      |
|                                                                                                                                                                 |                      | 7,576,316    |
| <b>New York 5.1%</b>                                                                                                                                            |                      |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Fiscal 2014, Series BB, 5.00%, 6/15/46 | 1,000                | 1,060,200    |
| City of New York New York Transitional Finance Authority Building Aid, BARB, Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29                                      | 2,465                | 2,845,128    |
| Metropolitan Transportation Authority, RB:<br>Series A, 5.25%, 11/15/38                                                                                         | 1,565                | 1,673,282    |
| Series A-1, 5.25%, 11/15/39                                                                                                                                     | 1,000                | 1,079,670    |
|                                                                                                                                                                 |                      | 6,658,280    |
| <b>Ohio 1.2%</b>                                                                                                                                                |                      |              |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:<br>5.25%, 2/15/30                                                      | 1,000                | 1,114,090    |
| 5.25%, 2/15/31                                                                                                                                                  | 470                  | 520,605      |
|                                                                                                                                                                 |                      | 1,634,695    |
| <b>Pennsylvania 1.2%</b>                                                                                                                                        |                      |              |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37                                                                                            | 1,500                | 1,605,420    |
| <b>South Carolina 1.3%</b>                                                                                                                                      |                      |              |
| County of Charleston South Carolina, RB, Special Source, Series 2013, 5.25%, 12/01/38                                                                           | 1,525                | 1,686,757    |
| <b>Texas 15.5%</b>                                                                                                                                              |                      |              |
| Austin Community College District Public Facility Corp., RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33                                  | 2,000                | 2,197,460    |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37                                                                                          | 980                  | 1,088,329    |
| City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC):<br>6.00%, 11/15/35                                                       | 2,600                | 2,988,570    |
| 6.00%, 11/15/36                                                                                                                                                 | 2,215                | 2,552,987    |
| 5.38%, 11/15/38                                                                                                                                                 | 1,000                | 1,082,160    |
|                                                                                                                                                                 | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                                                          |                      |              |
| <b>Texas (concluded)</b>                                                                                                                                        |                      |              |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christ Health, Series A (AGC), 6.50%, 7/01/37                                | 1,000                | 1,109,450    |
| Frisco Texas ISD, GO, School Building (AGC), 5.50%, 8/15/41                                                                                                     | 3,365                | 3,917,096    |
| Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33                                                                                                    | 1,000                | 1,102,430    |
| North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41                                                                                   | 1,000                | 1,099,860    |

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North Texas Tollway Authority, Refunding RB, 1st Tier:

|                                                                                             |       |           |
|---------------------------------------------------------------------------------------------|-------|-----------|
| System, Series K-1 (AGC), 5.75%, 1/01/38                                                    | 1,500 | 1,674,510 |
| (AGM), 6.00%, 1/01/43                                                                       | 1,000 | 1,101,020 |
| Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38 | 440   | 486,675   |

20,400,547

**Virginia 1.3%**

|                                                                                             |       |           |
|---------------------------------------------------------------------------------------------|-------|-----------|
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43             | 370   | 397,769   |
| Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a) | 1,000 | 1,256,240 |

1,654,009

**Washington 1.5%**

|                                                                                            |       |           |
|--------------------------------------------------------------------------------------------|-------|-----------|
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36 | 1,025 | 1,123,872 |
| State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36                        | 795   | 874,746   |

1,998,618

|                                     |  |                    |
|-------------------------------------|--|--------------------|
| <b>Total Municipal Bonds 110.0%</b> |  | <b>144,655,701</b> |
|-------------------------------------|--|--------------------|

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

**Alabama 1.2%**

|                                                                                         |       |           |
|-----------------------------------------------------------------------------------------|-------|-----------|
| City of Mobile Alabama Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31 | 1,500 | 1,575,915 |
|-----------------------------------------------------------------------------------------|-------|-----------|

**California 9.0%**

|                                                                                    |        |            |
|------------------------------------------------------------------------------------|--------|------------|
| San Marcos Unified School District, GO, Election of 2010, Series A, 5.25%, 8/01/31 | 10,680 | 11,811,546 |
|------------------------------------------------------------------------------------|--------|------------|

**District of Columbia 0.6%**

|                                                                                                        |     |         |
|--------------------------------------------------------------------------------------------------------|-----|---------|
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/35 (c) | 760 | 859,865 |
|--------------------------------------------------------------------------------------------------------|-----|---------|

**Illinois 2.5%**

|                                                                                         |       |           |
|-----------------------------------------------------------------------------------------|-------|-----------|
| State of Illinois Toll Highway Authority, RB, Senior Priority, Series B, 5.50%, 1/01/33 | 2,999 | 3,281,000 |
|-----------------------------------------------------------------------------------------|-------|-----------|

**Kentucky 0.8%**

|                                                                                                   |     |           |
|---------------------------------------------------------------------------------------------------|-----|-----------|
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | 898 | 1,014,495 |
|---------------------------------------------------------------------------------------------------|-----|-----------|

**Nevada 5.2%**

|                                                                                    |       |           |
|------------------------------------------------------------------------------------|-------|-----------|
| County of Clark Nevada Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38 | 2,000 | 2,289,800 |
| Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 6/01/28           | 4,100 | 4,532,468 |

6,822,268

**New Jersey 6.5%**

|                                                           |     |         |
|-----------------------------------------------------------|-----|---------|
| New Jersey EDA, RB, School Facilities Construction (AGC): |     |         |
| 6.00%, 12/15/18 (a)                                       | 329 | 374,774 |
| 6.00%, 12/15/34                                           | 671 | 764,246 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (b)                                                                       | Par<br>(000)  | Value          |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|
| <b>New Jersey (concluded)</b>                                                                                                         |               |                |
| New Jersey State Turnpike Authority, RB, Series A, 5.00%, 1/01/38 (c)                                                                 | \$ 6,020      | \$ 6,377,347   |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (c)                               | 1,000         | 1,068,811      |
|                                                                                                                                       |               | 8,585,178      |
| <b>New York 11.9%</b>                                                                                                                 |               |                |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System 2nd General Resolution:               |               |                |
| Series BB, 5.25%, 6/15/44                                                                                                             | 4,993         | 5,376,035      |
| Series FF, 5.00%, 6/15/45                                                                                                             | 3,019         | 3,186,612      |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39                               | 900           | 978,869        |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (c)                                                      | 1,000         | 1,091,032      |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43                       | 2,955         | 3,147,164      |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (c)                                   | 1,740         | 1,893,311      |
|                                                                                                                                       |               | 15,673,023     |
| <b>Texas 5.5%</b>                                                                                                                     |               |                |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38 |               |                |
|                                                                                                                                       | 4,456         | 4,660,377      |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41                                                  | 2,310         | 2,540,676      |
|                                                                                                                                       |               | 7,201,053      |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (b)</b>                                                               |               |                |
| <b>Utah 0.8%</b>                                                                                                                      |               |                |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41                                                                  | 1,004         | 1,042,730      |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 44.0%</b>                                                       |               | 57,867,073     |
| <b>Total Long-Term Investments<br/>(Cost \$190,732,052) 154.0%</b>                                                                    |               | 202,522,774    |
| <b>Short-Term Securities</b>                                                                                                          |               |                |
| <b>California 0.4%</b>                                                                                                                |               |                |
| California Pollution Control Financing Authority, RB, VRDN, Air Products & Chemicals, Inc., Series B, 0.03%, 3/03/14 (d)              | 500           | 500,000        |
|                                                                                                                                       | <b>Shares</b> |                |
| <b>Money Market 0.5%</b>                                                                                                              |               |                |
| FFI Institutional Tax-Exempt Fund, 0.03% (e)(f)                                                                                       | 630,953       | 630,953        |
| <b>Total Short-Term Securities<br/>(Cost \$1,130,953) 0.9%</b>                                                                        |               | 1,130,953      |
| <b>Total Investments (Cost \$191,863,005) 154.9%</b>                                                                                  |               | 203,653,727    |
| <b>Other Assets Less Liabilities 1.8%</b>                                                                                             |               | 2,343,957      |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (24.6)%</b>                                  |               | (32,349,550)   |
| <b>VMTP Shares, at Liquidation Value (32.1)%</b>                                                                                      |               | (42,200,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                                                                  |               | \$ 131,448,134 |

Notes to Schedule of investments

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- (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) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (c) 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, which expire from October 1, 2016 to July 1, 2020 is \$7,491,042.
- (d) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (e) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|--------|
| FFI Institutional Tax-Exempt Fund | 452,174                              | 178,779         | 630,953                                | \$ 341 |

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts<br>Sold | Issue                    | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-------------------|--------------------------|------------------------|------------|-------------------|----------------------------|
| (119)             | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 14,819,219     | \$ (26,645)                |

**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 or 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)

See Notes to Financial Statements.



## Schedule of Investments (concluded)

## BlackRock Municipal Income Investment Quality Trust (BAF)

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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1    | Level 2        | Level 3 | Total          |
|------------------------------------|------------|----------------|---------|----------------|
| <b>Assets:</b>                     |            |                |         |                |
| Investments:                       |            |                |         |                |
| Long-Term Investments <sup>1</sup> |            | \$ 202,522,774 |         | \$ 202,522,774 |
| Short-Term Securities              | \$ 630,953 | 500,000        |         | 1,130,953      |
| <b>Total</b>                       | \$ 630,953 | \$ 203,022,774 |         | \$ 203,653,727 |

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

|                                               | Level 1     | Level 2 | Level 3 | Total       |
|-----------------------------------------------|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (26,645) |         |         | \$ (26,645) |

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

The carry amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1    | Level 2         | Level 3 | Total           |
|----------------------------------------------|------------|-----------------|---------|-----------------|
| <b>Assets:</b>                               |            |                 |         |                 |
| Cash pledged for financial futures contracts | \$ 183,000 |                 |         | \$ 183,000      |
| <b>Liabilities:</b>                          |            |                 |         |                 |
| TOB trust certificates                       |            | \$ (32,344,766) |         | (32,344,766)    |
| VMTP Shares                                  |            | (42,200,000)    |         | (42,200,000)    |
| <b>Total</b>                                 | \$ 183,000 | \$ (74,544,766) |         | \$ (74,361,766) |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.



## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

|                                                                                                                                  | Par          |              |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                  | (000)        | Value        |
| <b>Municipal Bonds</b>                                                                                                           |              |              |
| <b>Alabama 3.8%</b>                                                                                                              |              |              |
| City of Birmingham Alabama Airport Authority, ARB (AGM), 5.50%, 7/01/40                                                          | \$ 5,800     | \$ 6,195,676 |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39            | 1,495        | 1,697,916    |
| County of Jefferson Alabama, RB, Limited Obligation School, Series A, 4.75%, 1/01/25                                             | 2,800        | 2,647,960    |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/40                                                                 | 3,800        | 4,297,458    |
|                                                                                                                                  |              | 14,839,010   |
| <b>Alaska 0.3%</b>                                                                                                               |              |              |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41                      | 1,070        | 1,152,369    |
| <b>Arizona 0.4%</b>                                                                                                              |              |              |
| State of Arizona, COP, Department of Administration, Series A (AGM):                                                             |              |              |
| 5.00%, 10/01/27                                                                                                                  | 1,250        | 1,364,325    |
| 5.25%, 10/01/28                                                                                                                  | 250          | 274,832      |
|                                                                                                                                  |              | 1,639,157    |
| <b>California 14.6%</b>                                                                                                          |              |              |
| California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 7/01/39                         | 625          | 705,775      |
| California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, 1st Lien, Series A (AMBAC), 5.00%, 1/01/28 (a) | 10,100       | 12,309,880   |
| California State Public Works Board, LRB:                                                                                        |              |              |
| Various Capital Projects, Series I, 5.50%, 11/01/33                                                                              | 1,415        | 1,620,486    |
| Various Judicial Council Projects, Series A, 5.00%, 3/01/38                                                                      | 3,080        | 3,230,212    |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42                          | 1,620        | 1,674,367    |
| Coast Community College District, GO, CAB, Election of 2002, Series C (AGM):                                                     |              |              |
| 5.00%, 8/01/31                                                                                                                   | 7,450        | 7,919,946    |
| 0.00%, 8/01/36 (b)                                                                                                               | 4,200        | 1,251,978    |
| County of Orange California Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31                                             | 2,500        | 2,704,650    |
| Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (b):                                                      |              |              |
| 0.00%, 8/01/31                                                                                                                   | 13,575       | 5,685,481    |
| 0.00%, 8/01/32                                                                                                                   | 14,150       | 5,611,466    |
| Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 8/01/43 (c)                 | 1,580        | 809,703      |
| San Diego California Unified School District, GO, CAB, Election of 2008, Series C, 0.00%, 7/01/38 (b)                            | 2,000        | 582,840      |
| San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 7/01/31 (b)                                 | 1,400        | 613,984      |
| San Jose California Unified School District, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/15 (a)                          | 2,350        | 2,511,586    |
| State of California, GO, Refunding, Various Purpose, 5.00%, 10/01/41                                                             | 1,100        | 1,158,850    |
| State of California, GO, Various Purpose, 5.00%, 4/01/42                                                                         | 5,000        | 5,271,800    |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 0.00%, 8/01/37 (b)                                     | 10,000       | 3,025,000    |
|                                                                                                                                  |              | 56,688,004   |
|                                                                                                                                  | <b>Par</b>   |              |
|                                                                                                                                  | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                           |              |              |
| <b>Colorado 0.5%</b>                                                                                                             |              |              |
| Colorado State Board of Governors, Refunding RB, State University System Enterprise, Series A, 5.00%, 3/01/43                    | \$ 875       | \$ 983,815   |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 6/01/31                                                       | 960          | 1,038,182    |
|                                                                                                                                  |              | 2,021,997    |
| <b>District of Columbia 2.5%</b>                                                                                                 |              |              |



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|                                                                                                                           |        |            |
|---------------------------------------------------------------------------------------------------------------------------|--------|------------|
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed,<br>6.75%, 5/15/40                    | 9,500  | 9,498,955  |
| <b>Florida 12.4%</b>                                                                                                      |        |            |
| County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 7/01/33                                               | 1,400  | 1,528,870  |
| County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/34                                  | 6,750  | 7,477,718  |
| County of Duval Florida School Board, COP, Master Lease Program (AGM), 5.00%, 7/01/33                                     | 3,475  | 3,697,643  |
| County of Miami-Dade Florida, RB:                                                                                         |        |            |
| CAB, Special Obligation, Sub-Series A (NPFGC), 0.00%, 10/01/38 (b)                                                        | 22,270 | 5,836,744  |
| Seaport, Series A, 6.00%, 10/01/38                                                                                        | 2,770  | 3,125,197  |
| Transit System Sales Surtax (AGM), 5.00%, 7/01/35                                                                         | 1,300  | 1,375,608  |
| County of Miami-Dade Florida, Refunding RB, Special Obligation, Sub-Series B, 5.00%, 10/01/37                             | 780    | 801,349    |
| County of Miami-Dade Florida Aviation, Refunding ARB:                                                                     |        |            |
| Miami International Airport, Series A-1, 5.50%, 10/01/41                                                                  | 5,000  | 5,314,450  |
| Series A, 5.50%, 10/01/36                                                                                                 | 5,000  | 5,408,700  |
| County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project,<br>Series A, 5.63%, 7/01/39  | 300    | 312,666    |
| Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 3 (Ginnie Mae, Fannie Mae &<br>Freddie Mac), 5.45%, 7/01/33 | 1,695  | 1,765,376  |
| Florida State Department of Environmental Protection, RB, Florida Forever Project, Series B<br>(NPFGC), 5.00%, 7/01/27    | 6,150  | 6,763,094  |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/33                                                            | 1,340  | 1,467,367  |
| South Florida Water Management District, COP (AMBAC), 5.00%, 10/01/36                                                     | 1,000  | 1,058,690  |
| Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36                                                     | 2,000  | 2,175,880  |
|                                                                                                                           |        | 48,109,352 |
| <b>Georgia 2.6%</b>                                                                                                       |        |            |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 1/01/30                                  | 7,500  | 8,700,900  |
| County of Burke Georgia Development Authority, Refunding RB, Oglethorpe Power-Vogtle<br>Project, Series C, 5.70%, 1/01/43 | 1,250  | 1,319,250  |
|                                                                                                                           |        | 10,020,150 |
| <b>Hawaii 1.4%</b>                                                                                                        |        |            |
| State of Hawaii Harbor System, RB, Series A, 5.50%, 7/01/35                                                               | 5,000  | 5,480,650  |
| <b>Illinois 12.5%</b>                                                                                                     |        |            |
| City of Chicago Illinois, Refunding RB, Sales Tax Receipts, Series A, 5.00%, 1/01/41                                      | 3,875  | 3,999,000  |
| City of Chicago Illinois Board of Education, GO, Series A, 5.50%, 12/01/39                                                | 2,430  | 2,503,994  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

|                                                                                                                                                               | Par          |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|                                                                                                                                                               | (000)        | Value         |
| <b>Municipal Bonds</b>                                                                                                                                        |              |               |
| <b>Illinois (concluded)</b>                                                                                                                                   |              |               |
| City of Chicago Illinois O Hare International Airport, Refunding GARB, Senior Lien, Series D, 5.25%, 1/01/34                                                  | \$ 9,800     | \$ 10,359,972 |
| City of Chicago Illinois, O Hare International Airport, GARB, 3rd Lien, Series A, 5.63%, 1/01/35                                                              | 1,525        | 1,621,273     |
| City of Chicago Illinois Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40                                                                       | 600          | 624,060       |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36                                                                           | 650          | 686,374       |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.13%, 12/01/38                                                      | 7,700        | 8,014,391     |
| 5.50%, 12/01/38                                                                                                                                               | 1,000        | 1,084,780     |
| County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37                                               | 310          | 327,205       |
| County of Cook Illinois Forest Preserve District, GO, Series C, 5.00%, 12/15/37                                                                               | 360          | 381,013       |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42                                                     | 4,725        | 4,834,195     |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project, Series B, 4.25%, 6/15/42                                           | 9,000        | 8,499,420     |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28                                                                                                 | 710          | 811,615       |
| State of Illinois, GO:                                                                                                                                        |              |               |
| 5.25%, 2/01/33                                                                                                                                                | 935          | 985,247       |
| 5.50%, 7/01/33                                                                                                                                                | 880          | 945,067       |
| 5.25%, 2/01/34                                                                                                                                                | 935          | 982,199       |
| 5.50%, 7/01/38                                                                                                                                                | 475          | 504,540       |
| University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 4/01/39                                                                             | 1,020        | 1,076,212     |
|                                                                                                                                                               |              | 48,240,557    |
| <b>Indiana 1.9%</b>                                                                                                                                           |              |               |
| Indiana Finance Authority, RB, CWA Authority Project, 1st Lien, Series A, 5.25%, 10/01/38                                                                     | 1,100        | 1,181,026     |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38                                             | 5,750        | 6,141,575     |
|                                                                                                                                                               |              | 7,322,601     |
| <b>Iowa 2.3%</b>                                                                                                                                              |              |               |
| Iowa Finance Authority, RB, Iowa Health Facilities:                                                                                                           |              |               |
| Genesis Health System, 5.50%, 7/01/33                                                                                                                         | 3,000        | 3,250,350     |
| Series A (AGC), 5.63%, 8/15/37                                                                                                                                | 5,000        | 5,502,100     |
|                                                                                                                                                               |              | 8,752,450     |
| <b>Kentucky 0.4%</b>                                                                                                                                          |              |               |
| State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29                                                          | 1,500        | 1,676,835     |
| <b>Louisiana 2.8%</b>                                                                                                                                         |              |               |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, East Baton Rouge Sewerage Commission Projects, Sub-Lien, Series A: |              |               |
| 5.00%, 2/01/43                                                                                                                                                | 1,550        | 1,612,170     |
| 4.00%, 2/01/48                                                                                                                                                | 1,550        | 1,384,646     |
| State of Louisiana Gasoline & Fuels Tax, RB, Series A (AGM), 5.00%, 5/01/31                                                                                   | 7,500        | 7,957,125     |
|                                                                                                                                                               |              | 10,953,941    |
| <b>Massachusetts 1.0%</b>                                                                                                                                     |              |               |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax Series A: (AGM), 5.00%, 8/15/15 (a)                                                          | 1,675        | 1,792,602     |
|                                                                                                                                                               | <b>Par</b>   |               |
| <b>Municipal Bonds</b>                                                                                                                                        |              |               |
|                                                                                                                                                               | <b>(000)</b> | <b>Value</b>  |
| <b>Massachusetts (concluded)</b>                                                                                                                              |              |               |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax Series A (concluded): (AGM), 5.00%, 8/15/30                                                  | 595          | 629,391       |

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|                                                                                                          |        |            |
|----------------------------------------------------------------------------------------------------------|--------|------------|
| Senior, 5.00%, 5/15/43                                                                                   | 1,395  | 1,503,782  |
|                                                                                                          |        | 3,925,775  |
| <b>Michigan 4.8%</b>                                                                                     |        |            |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, 2nd Lien, Series E (BHAC), 5.75%, 7/01/31 | 3,000  | 3,083,070  |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41          | 1,100  | 1,207,679  |
| Michigan Finance Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/39                   | 9,050  | 9,295,255  |
| State of Michigan Building Authority, Refunding RB, Facilities Program:                                  |        |            |
| Series I-A, 5.38%, 10/15/36                                                                              | 2,000  | 2,156,020  |
| Series I-A, 5.38%, 10/15/41                                                                              | 800    | 860,248    |
| Series II-A, 5.38%, 10/15/36                                                                             | 1,500  | 1,613,970  |
| Western Michigan University, Refunding RB (AGM), 5.00%, 11/15/39                                         | 430    | 449,496    |
|                                                                                                          |        | 18,665,738 |
| <b>Nebraska 2.0%</b>                                                                                     |        |            |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 9/01/37                            | 7,345  | 7,604,793  |
| <b>Nevada 1.9%</b>                                                                                       |        |            |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport Series A: 5.25%, 7/01/42           | 3,000  | 3,148,830  |
| (AGM), 5.25%, 7/01/39                                                                                    | 4,100  | 4,333,782  |
|                                                                                                          |        | 7,482,612  |
| <b>New Jersey 3.5%</b>                                                                                   |        |            |
| New Jersey Transportation Trust Fund Authority, RB:                                                      |        |            |
| CAB, Transportation System, Series A, 0.00%, 12/15/38 (b)                                                | 5,845  | 1,529,578  |
| Transportation Program, Series AA, 5.25%, 6/15/33                                                        | 1,660  | 1,818,331  |
| Transportation Program, Series AA, 5.50%, 6/15/39                                                        | 1,285  | 1,419,694  |
| Transportation System, Series A, 5.50%, 6/15/41                                                          | 3,000  | 3,262,380  |
| Transportation System, Series B, 5.25%, 6/15/36                                                          | 5,000  | 5,342,900  |
| Rutgers The State University of New Jersey, Refunding RB, Series L, 5.00%, 5/01/43                       | 165    | 177,690    |
|                                                                                                          |        | 13,550,573 |
| <b>New York 5.7%</b>                                                                                     |        |            |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4, 5.50%, 1/15/33  | 1,950  | 2,188,154  |
| City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B:    |        |            |
| 5.00%, 11/01/30                                                                                          | 14,250 | 15,870,510 |
| 5.00%, 11/01/32                                                                                          | 1,650  | 1,815,561  |
| Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47                     | 770    | 840,162    |
| State of New York Dormitory Authority, ERB, Series B, 5.75%, 3/15/36                                     | 1,300  | 1,482,468  |
|                                                                                                          |        | 22,196,855 |
| <b>Ohio 0.7%</b>                                                                                         |        |            |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37                      | 610    | 713,407    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

|                                                                                                                           | Par          |              |
|---------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                           | (000)        | Value        |
| <b>Municipal Bonds</b>                                                                                                    |              |              |
| <b>Ohio (concluded)</b>                                                                                                   |              |              |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:                                  |              |              |
| 5.25%, 2/15/32                                                                                                            | \$ 780       | \$ 859,622   |
| 5.25%, 2/15/33                                                                                                            | 1,095        | 1,201,566    |
|                                                                                                                           |              | 2,774,595    |
| <b>Pennsylvania 0.4%</b>                                                                                                  |              |              |
| Pennsylvania Turnpike Commission, RB:                                                                                     |              |              |
| Series C, 5.50%, 12/01/33                                                                                                 | 630          | 707,314      |
| Subordinate, Special Motor License Fund, 6.00%, 12/01/36                                                                  | 625          | 714,637      |
|                                                                                                                           |              | 1,421,951    |
| <b>South Carolina 2.3%</b>                                                                                                |              |              |
| South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 8/01/39                                    | 260          | 292,154      |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40                                                                  | 5,000        | 5,280,800    |
| State of South Carolina Public Service Authority, RB, Nuclear Powerplant Project, Series E, 5.50%, 12/01/53               | 610          | 647,936      |
| State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series B, 5.00%, 12/01/38                  | 2,360        | 2,476,938    |
|                                                                                                                           |              | 8,697,828    |
| <b>Tennessee 0.4%</b>                                                                                                     |              |              |
| Memphis Center City Revenue Finance Corp., RB, Pyramid & Pinch District, Series B (AGM), 5.25%, 11/01/30                  | 1,240        | 1,369,072    |
| <b>Texas 26.4%</b>                                                                                                        |              |              |
| City of San Antonio Texas Public Service Board, RB, Junior Lien, 5.00%, 2/01/38                                           | 615          | 659,809      |
| City of San Antonio Texas Water System, Refunding RB (NPFGC) (a):                                                         |              |              |
| 5.13%, 5/15/14                                                                                                            | 9,250        | 9,348,882    |
| 5.13%, 5/15/14                                                                                                            | 10,000       | 10,106,900   |
| Comal Texas ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/36                                                            | 2,500        | 2,650,800    |
| Coppell Texas ISD, GO, CAB, Refunding (PSF-GTD), 0.00%, 8/15/30 (b)                                                       | 10,030       | 5,610,381    |
| County of Harris Texas, GO, Refunding (NPFGC) (b):                                                                        |              |              |
| 0.00%, 8/15/25                                                                                                            | 7,485        | 5,217,195    |
| 0.00%, 8/15/28                                                                                                            | 10,915       | 6,702,574    |
| County of Harris Texas Houston Sports Authority, Refunding RB, (NPFGC) (b):                                               |              |              |
| 3rd Lien, Series A-3 0.00%, 11/15/38                                                                                      | 16,890       | 3,216,025    |
| CAB, Junior Lien, Series H, 0.00%, 11/15/38                                                                               | 5,785        | 1,101,522    |
| CAB, Junior Lien, Series H, 0.00%, 11/15/39                                                                               | 6,160        | 1,083,236    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/36 (b) | 2,340        | 792,768      |
| Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33                                         | 1,090        | 1,185,582    |
| Mansfield Texas ISD, GO, School Building (PSF-GTD), 5.00%, 2/15/33                                                        | 2,980        | 3,229,426    |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 6.00%, 9/01/41                                      | 1,000        | 1,173,650    |
| North Texas Tollway Authority, Refunding RB, 1st Tier System Series A:                                                    |              |              |
| 6.00%, 1/01/28                                                                                                            | 625          | 719,219      |
| (NPFGC), 5.75%, 1/01/40                                                                                                   | 23,050       | 25,114,358   |
| Northside Independent School District, GO, School Building (PSF-GTD), 5.13%, 6/15/29                                      | 9,500        | 9,623,690    |
| San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, 4.00%, 9/15/42    | 2,575        | 2,323,191    |
|                                                                                                                           | <b>Par</b>   |              |
|                                                                                                                           | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                    |              |              |
| <b>Texas (concluded)</b>                                                                                                  |              |              |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB:                                                                   |              |              |
| 5.00%, 12/15/28                                                                                                           | 3,600        | 3,716,136    |
| 5.00%, 12/15/31                                                                                                           | 2,105        | 2,149,921    |
|                                                                                                                           | 6,250        | 6,314,312    |

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Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier,  
Series A, 5.00%, 8/15/41

102,039,577

### Washington 2.4%

County of King Washington Sewer, Refunding RB, (AGM), 5.00%, 1/01/36 2,200 2,318,294

Washington Health Care Facilities Authority, RB:

MultiCare Health System, Remarketing, Series B, 5.00%, 8/15/44 2,000 2,048,480

MultiCare Health System, Series C (AGC), 5.50%, 8/15/43 4,000 4,197,960

Providence Health & Services, Series A, 5.25%, 10/01/39 675 708,649

9,273,383

### Wisconsin 0.4%

State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior

Credit Group, Series E, 5.00%, 11/15/33 1,500 1,609,485

**Total Municipal Bonds 110.3%** **427,008,265**

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

#### Arizona 2.0%

City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Water System, Junior Lien,  
Series A, 5.00%, 7/01/34 1,300 1,422,486

Phoenix Civic Improvement Corp., RB, Sub-Civic Plaza Expansion Project, Series A (NPFGC),  
5.00%, 7/01/37 4,490 4,683,878

Salt River Project Agricultural Improvement & Power District, RB, Electric System, Series A,  
5.00%, 1/01/38 1,500 1,611,180

7,717,544

#### California 8.2%

California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33 (e) 3,379 3,709,095

California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32 8,000 8,702,000

County of San Diego California Water Authority, COP, Refunding, Series A (AGM), 5.00%,  
5/01/33 4,870 5,325,248

Foothill-De Anza Community College District, GO, Election of 1999, Series C (NPFGC),  
5.00%, 8/01/36 7,500 7,866,975

Los Angeles Community College District California, GO, Election of 2001, Series A (AGM),  
5.00%, 8/01/32 5,000 5,467,300

San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 449 506,930

31,577,548

#### District of Columbia 0.3%

District of Columbia, RB, Series A,  
5.50%, 12/01/30 (e) 1,080 1,227,755

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Income Quality Trust (BYM)

(Percentages shown are based on Net Assets)

|                                                                                                                                                                 | Par      |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|
|                                                                                                                                                                 | (000)    | Value        |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>                                                                                             |          |              |
| <b>Florida 10.1%</b>                                                                                                                                            |          |              |
| City of Tallahassee Florida, RB, Energy System (NPFGC):                                                                                                         |          |              |
| 5.00%, 10/01/32 (e)                                                                                                                                             | \$ 3,000 | \$ 3,211,020 |
| 5.00%, 10/01/37                                                                                                                                                 | 5,000    | 5,234,200    |
| County of Highlands Florida Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/16                                                               | 1,800    | 1,900,890    |
| County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42                                                                         | 1,950    | 2,029,463    |
| County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/39                                                                                   | 10,101   | 10,603,573   |
| County of Orange Florida School Board, COP, Series A:                                                                                                           |          |              |
| (AGC), 5.50%, 8/01/34                                                                                                                                           | 6,096    | 6,622,024    |
| (NPFGC), 5.00%, 8/01/30                                                                                                                                         | 6,000    | 6,367,200    |
| State of Florida Board of Education, GO, Series D, 5.00%, 6/01/37 (e)                                                                                           | 2,999    | 3,254,295    |
|                                                                                                                                                                 |          | 39,222,665   |
| <b>Hawaii 2.6%</b>                                                                                                                                              |          |              |
| Honolulu City & County Board of Water Supply, RB, Series A (NPFGC), 5.00%, 7/01/14 (a)                                                                          | 10,000   | 10,165,900   |
| <b>Illinois 8.4%</b>                                                                                                                                            |          |              |
| City of Chicago Illinois, RB, Motor Fuel Tax Project, Series A (AGC), 5.00%, 1/01/38                                                                            | 8,310    | 8,358,448    |
| Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 8/15/41                                                                            | 2,400    | 2,662,944    |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A, 5.00%, 6/15/42                                                       | 7,020    | 7,182,267    |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 (e)                                                                                             | 1,400    | 1,518,663    |
| State of Illinois Toll Highway Authority, RB:                                                                                                                   |          |              |
| Senior Priority, Series B, 5.50%, 1/01/33                                                                                                                       | 4,499    | 4,921,499    |
| Series A, 5.00%, 1/01/38                                                                                                                                        | 7,714    | 8,021,435    |
|                                                                                                                                                                 |          | 32,665,256   |
| <b>Nevada 1.8%</b>                                                                                                                                              |          |              |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 (e)                                                                           | 4,197    | 4,759,045    |
| County of Clark Nevada Water Reclamation District, GO, Limited Tax, Series B, 5.75%, 7/01/34                                                                    | 2,024    | 2,325,750    |
|                                                                                                                                                                 |          | 7,084,795    |
| <b>New Jersey 0.6%</b>                                                                                                                                          |          |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (e)                                                         | 2,000    | 2,137,621    |
| <b>New York 7.8%</b>                                                                                                                                            |          |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 6/15/47 | 6,240    | 6,615,352    |
| County of Erie New York Industrial Development Agency, RB, City of Buffalo School District Project, Series A (AGM), 5.75%, 5/01/28                              | 4,494    | 5,012,376    |
| Metropolitan Transportation Authority, RB, Dedicated Tax, Series A (NPFGC), 5.00%, 11/15/31                                                                     | 7,002    | 7,529,753    |
| New York State Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 3/15/43                                                    | 5,720    | 6,092,372    |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 (e)                                                                              | 4,500    | 5,000,850    |
|                                                                                                                                                                 |          | 30,250,703   |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>                                                                                             |          |              |
| <b>Ohio 0.2%</b>                                                                                                                                                |          |              |
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 1/01/34                                                                            | 620      | 669,594      |
| <b>South Carolina 0.2%</b>                                                                                                                                      |          |              |
| State of South Carolina Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38 (e)                                                     | 600      | 664,254      |
| <b>Texas 1.8%</b>                                                                                                                                               |          |              |
| City of Houston Texas, Refunding RB, Airport System, Senior Lien, Series A, 5.50%, 7/01/34                                                                      | 4,167    | 4,630,661    |
|                                                                                                                                                                 | 719      | 752,348      |

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|                                                                                                                                       |               |                |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38 |               |                |
| North East Texas ISD, GO, School Building, Series A (PSF-GTD), 5.00%, 8/01/37 (e)                                                     | 1,500         | 1,614,660      |
|                                                                                                                                       |               | 6,997,669      |
| <b>Utah 1.4%</b>                                                                                                                      |               |                |
| Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36                                                                            | 5,000         | 5,438,100      |
| <b>Virginia 0.1%</b>                                                                                                                  |               |                |
| County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35                              | 400           | 432,552        |
| <b>Washington 1.0%</b>                                                                                                                |               |                |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32                                                   | 3,494         | 3,791,896      |
| <b>Wisconsin 1.6%</b>                                                                                                                 |               |                |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc. Obligated Group:                 |               |                |
| Series A, 5.00%, 4/01/42                                                                                                              | 3,520         | 3,633,978      |
| Series C, 5.25%, 4/01/39                                                                                                              | 2,500         | 2,609,800      |
|                                                                                                                                       |               | 6,243,778      |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 48.1%</b>                                                           |               | 186,287,630    |
| <b>Total Long-Term Investments</b>                                                                                                    |               |                |
| <b>(Cost \$584,495,490) 158.4%</b>                                                                                                    |               | 613,295,895    |
| <b>Short-Term Securities</b>                                                                                                          |               |                |
|                                                                                                                                       | <b>Shares</b> |                |
| FBI Institutional Tax-Exempt Fund, 0.03% (f)(g)                                                                                       | 6,139,479     | 6,139,479      |
| <b>Total Short-Term Securities</b>                                                                                                    |               |                |
| <b>(Cost \$6,139,479) 1.6%</b>                                                                                                        |               | 6,139,479      |
| <b>Total Investments (Cost \$590,634,969) 160.0%</b>                                                                                  |               | 619,435,374    |
| <b>Other Assets Less Liabilities 1.2%</b>                                                                                             |               | 4,866,660      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (25.8)%</b>                                      |               | (99,851,276)   |
| <b>VMTP Shares, at Liquidation Value (35.4)%</b>                                                                                      |               | (137,200,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                                                                  |               | \$ 387,250,758 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Income Quality Trust (BYM)

## 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) Zero-coupon bond.
- (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) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) 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, which expire from February 1, 2016 to December 1, 2029 is \$14,474,164.
- (f) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income   |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 5,187,077                            | 952,402         | 6,139,479                              | \$ 1,178 |

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts<br>Sold | Issue                    | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-------------------|--------------------------|------------------------|------------|-------------------|----------------------------|
| (340)             | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 42,340,625     | \$ (76,129)                |

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 or liabilities that the Trust has the ability to access



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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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments:                       |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 613,295,895 |         | \$ 613,295,895 |
| Short-Term Securities              | \$ 6,139,479 |                |         | 6,139,479      |
| <b>Total</b>                       | \$ 6,139,479 | \$ 613,295,895 |         | \$ 619,435,374 |

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

|                                               | Level 1     | Level 2 | Level 3 | Total       |
|-----------------------------------------------|-------------|---------|---------|-------------|
| Derivative Financial Instruments <sup>2</sup> |             |         |         |             |
| <b>Liabilities:</b>                           |             |         |         |             |
| Interest rate contracts                       | \$ (76,129) |         |         | \$ (76,129) |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Municipal Income Quality Trust (BYM)

The carry amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1    | Level 2          | Level 3 | Total            |
|----------------------------------------------|------------|------------------|---------|------------------|
| <b>Assets:</b>                               |            |                  |         |                  |
| Cash pledged for financial futures contracts | \$ 549,000 |                  |         | \$ 549,000       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB trust certificates                       |            | \$ (99,830,779)  |         | (99,830,779)     |
| VMTP Shares                                  |            | (137,200,000)    |         | (137,200,000)    |
| <b>Total</b>                                 | \$ 549,000 | \$ (237,030,779) |         | \$ (236,481,779) |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.

## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock Municipal Income Trust II (BLE)

(Percentages shown are based on Net Assets)

|                                                                                                                    | Par        |              |
|--------------------------------------------------------------------------------------------------------------------|------------|--------------|
|                                                                                                                    | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                             |            |              |
| <b>Alabama 2.4%</b>                                                                                                |            |              |
| County of Jefferson Alabama, RB, Limited Obligation School, Series A, 5.25%, 1/01/19                               | \$ 1,620   | \$ 1,628,084 |
| County of Jefferson Alabama Sewer, Refunding RB:                                                                   |            |              |
| Convertible CAB, Senior Lien, Series C (AGM), 0.00%, 10/01/38 (a)                                                  | 630        | 356,700      |
| Convertible CAB, Senior Lien, Series C (AGM), 0.00%, 10/01/42 (a)                                                  | 545        | 304,045      |
| Senior Lien, Series A (AGM), 5.00%, 10/01/44                                                                       | 860        | 846,713      |
| Senior Lien, Series A (AGM), 5.25%, 10/01/48                                                                       | 1,635      | 1,637,730    |
| Sub-Lien, Series D, 7.00%, 10/01/51                                                                                | 3,220      | 3,497,145    |
|                                                                                                                    |            | 8,270,417    |
| <b>Arizona 2.1%</b>                                                                                                |            |              |
| Salt Verde Financial Corp., RB, Senior:                                                                            |            |              |
| 5.00%, 12/01/32                                                                                                    | 5,635      | 5,959,576    |
| 5.00%, 12/01/37                                                                                                    | 1,000      | 1,048,470    |
|                                                                                                                    |            | 7,008,046    |
| <b>California 12.6%</b>                                                                                            |            |              |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge, Series F-1, 5.63%, 4/01/44              | 2,480      | 2,694,818    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42                      | 3,500      | 4,081,560    |
| California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 7/01/33 | 1,365      | 1,455,104    |
| California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42                                      | 855        | 874,349      |
| California Pollution Control Financing Authority, RB (b):                                                          |            |              |
| County of San Diego California Water Authority Desalination Project Pipeline, 5.00%, 11/21/45                      | 1,340      | 1,329,360    |
| Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 7/01/37                                     | 1,120      | 1,104,746    |
| Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 11/21/45                                    | 2,795      | 2,646,166    |
| California State Public Works Board, RB, Various Capital Projects:                                                 |            |              |
| Series I, 5.00%, 11/01/38                                                                                          | 825        | 867,595      |
| Sub-Series I-1, 6.38%, 11/01/34                                                                                    | 1,280      | 1,494,234    |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A: |            |              |
| Senior, 5.00%, 5/15/40                                                                                             | 6,500      | 6,854,120    |
| 5.25%, 5/15/39                                                                                                     | 860        | 949,689      |
| City of Stockton California Public Financing Authority, RB, Delta Water Supply Project, Series A, 6.25%, 10/01/38  | 380        | 415,823      |
| County of Stanislaus California Tobacco Securitization Agency, RB, CAB, Sub-Series C, 0.00%, 6/01/55 (c)           | 9,710      | 118,947      |
| San Diego Community College District California, GO, Election of 2006, 5.00%, 8/01/43                              | 1,170      | 1,263,951    |
| San Marcos Unified School District, GO, CAB, Election of 2010, Series B (c):                                       |            |              |
| 0.00%, 8/01/33                                                                                                     | 3,000      | 1,151,640    |
| 0.00%, 8/01/43                                                                                                     | 2,500      | 536,375      |
| State of California, GO, Various Purposes:                                                                         |            |              |
| 6.00%, 3/01/33                                                                                                     | 1,760      | 2,098,430    |
| 6.50%, 4/01/33                                                                                                     | 10,645     | 13,004,677   |
|                                                                                                                    |            | 42,941,584   |
| <b>Colorado 2.1%</b>                                                                                               |            |              |
| Colorado Health Facilities Authority, Refunding RB:                                                                |            |              |
| Catholic Health Initiative, Series A, 5.50%, 7/01/34                                                               | 2,330      | 2,599,022    |
|                                                                                                                    | <b>Par</b> |              |
| <b>Municipal Bonds</b>                                                                                             |            |              |
| <b>Colorado (concluded)</b>                                                                                        |            |              |
| Evangelical Lutheran Good Samaritan Society Project, 5.00%, 12/01/42                                               | 1,850      | 1,835,903    |
| Colorado State Board of Governors, Refunding RB, State University System Enterprise, Series A, 5.00%, 3/01/43      | 1,280      | 1,439,181    |

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|                                                                                                                          |        |            |
|--------------------------------------------------------------------------------------------------------------------------|--------|------------|
| Park Creek Metropolitan District, Refunding RB, Senior Limited Property Tax, 5.50%, 12/01/37                             | 1,375  | 1,413,431  |
|                                                                                                                          |        | 7,287,537  |
| <b>Connecticut 0.5%</b>                                                                                                  |        |            |
| Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, Series A, 5.00%, 11/15/40 | 1,505  | 1,579,543  |
| <b>Delaware 1.7%</b>                                                                                                     |        |            |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40                         | 1,240  | 1,326,664  |
| Delaware State EDA, RB, Exempt Facilities, Indian River Power LLC Project, 5.38%, 10/01/45                               | 4,275  | 4,356,652  |
|                                                                                                                          |        | 5,683,316  |
| <b>District of Columbia 5.4%</b>                                                                                         |        |            |
| District of Columbia, Refunding RB, Kipp Charter School, Series A, 6.00%, 7/01/43                                        | 820    | 872,357    |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed: 6.50%, 5/15/33                      | 3,250  | 3,473,925  |
| 6.75%, 5/15/40                                                                                                           | 11,500 | 11,498,735 |
| Metropolitan Washington Airports Authority, Refunding RB, 1st Senior Lien, Series A: 5.00%, 10/01/39                     | 550    | 567,281    |
| 5.25%, 10/01/44                                                                                                          | 2,000  | 2,067,360  |
|                                                                                                                          |        | 18,479,658 |
| <b>Florida 7.1%</b>                                                                                                      |        |            |
| City of Atlantic Beach Florida, RB, Health Care Facilities, Fleet Landing Project, Series B, 5.63%, 11/15/43             | 1,445  | 1,480,171  |
| City of Jacksonville Florida Port Authority, Refunding RB, AMT, 5.00%, 11/01/38                                          | 1,665  | 1,694,204  |
| City of Leesburg Florida, RB, Leesburg Regional Medical Center Project, 5.50%, 7/01/32                                   | 1,000  | 1,000,170  |
| County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport: Series A, AMT (AGC), 5.25%, 10/01/38  | 2,855  | 2,938,052  |
| Series A-1, 5.38%, 10/01/41                                                                                              | 1,255  | 1,319,909  |
| County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/39                                            | 5,000  | 5,248,600  |
| County of Tampa-Hillsborough Florida Expressway Authority, Refunding RB, Series A, 5.00%, 7/01/37                        | 2,175  | 2,283,772  |
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center Florida, 6.75%, 11/15/21                         | 3,085  | 3,205,099  |
| Mid-Bay Bridge Authority, RB, Springing Lien, Series A, 7.25%, 10/01/40                                                  | 3,300  | 3,708,672  |
| Stevens Plantation Community Development District, Special Assessment, Series A, 7.10%, 5/01/35 (d)(e)                   | 1,895  | 1,412,040  |
|                                                                                                                          |        | 24,290,689 |
| <b>Georgia 0.3%</b>                                                                                                      |        |            |
| DeKalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39                                  | 915    | 959,506    |
| <b>Hawaii 0.5%</b>                                                                                                       |        |            |
| State of Hawaii Harbor System, RB, Series A, 5.25%, 7/01/30                                                              | 1,480  | 1,619,919  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)

(Percentages shown are based on Net Assets)

|                                                                                                                              | Par          |              |
|------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                              | (000)        | Value        |
| <b>Municipal Bonds</b>                                                                                                       |              |              |
| <b>Illinois 19.3%</b>                                                                                                        |              |              |
| City of Chicago Illinois, GARB, O Hare International Airport 3rd Lien:<br>Series A, 5.75%, 1/01/39                           | \$ 5,000     | \$ 5,339,950 |
| Series C, 6.50%, 1/01/41                                                                                                     | 6,430        | 7,383,440    |
| City of Chicago Illinois, GO, Project, Series A, 5.00%, 1/01/33                                                              | 4,940        | 4,993,945    |
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38                                                  | 895          | 942,516      |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40                                          | 1,150        | 1,205,108    |
| City of Chicago Illinois Waterworks, Refunding RB, 2nd Lien Project, 5.00%, 11/01/42                                         | 3,130        | 3,178,233    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago,<br>5.50%, 12/01/38                  | 845          | 916,639      |
| Illinois Finance Authority, Refunding RB:<br>Ascension Health, Series A, 5.00%, 11/15/37                                     | 1,060        | 1,101,149    |
| Ascension Health, Series A, 5.00%, 11/15/42                                                                                  | 1,925        | 1,983,212    |
| Central Dupage Health, Series B, 5.50%, 11/01/39                                                                             | 1,750        | 1,902,320    |
| Friendship Village Schaumburg, Series A, 5.63%, 2/15/37                                                                      | 455          | 404,126      |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30                                        | 10,500       | 11,091,150   |
| Illinois State Toll Highway Authority, RB, Series A, 5.00%, 1/01/38                                                          | 2,520        | 2,620,246    |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project:<br>Series B (AGM), 5.00%, 6/15/50 | 6,725        | 6,729,707    |
| Series B-2, 5.00%, 6/15/50                                                                                                   | 2,725        | 2,726,253    |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23                                                             | 520          | 600,236      |
| 6.00%, 6/01/28                                                                                                               | 1,255        | 1,434,616    |
| State of Illinois, GO:<br>5.00%, 2/01/39                                                                                     | 1,640        | 1,669,487    |
| Series A, 5.00%, 4/01/35                                                                                                     | 2,500        | 2,562,300    |
| Series A, 5.00%, 4/01/38                                                                                                     | 3,885        | 3,952,987    |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34                                                              | 685          | 743,287      |
| University of Illinois, RB, Auxiliary Facilities System, Series A:<br>5.00%, 4/01/39                                         | 860          | 907,395      |
| 5.00%, 4/01/44                                                                                                               | 1,050        | 1,099,109    |
|                                                                                                                              |              | 65,487,411   |
| <b>Indiana 6.4%</b>                                                                                                          |              |              |
| Carmel Redevelopment Authority, Refunding RB, Multipurpose, Series A, 4.00%, 2/01/38                                         | 1,975        | 1,892,642    |
| City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT:<br>6.75%, 1/01/34                           | 845          | 888,298      |
| 7.00%, 1/01/44                                                                                                               | 3,535        | 3,740,631    |
| Indiana Finance Authority, RB, Series A:<br>CWA Authority Project, 1st Lien, 5.25%, 10/01/38                                 | 3,510        | 3,768,547    |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44                                     | 485          | 480,776      |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/48                                     | 1,610        | 1,583,660    |
| Sisters of St. Francis Health Services, 5.25%, 11/01/39                                                                      | 915          | 952,689      |
| Indiana Finance Authority, Refunding RB, Community Health Network Project, Series A, 5.00%,<br>5/01/42                       | 1,835        | 1,861,864    |
| Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital, Inc., 5.38%,<br>9/15/22                       | 3,675        | 3,679,594    |
|                                                                                                                              | <b>Par</b>   |              |
| <b>Municipal Bonds</b>                                                                                                       | <b>(000)</b> | <b>Value</b> |
| <b>Indiana (concluded)</b>                                                                                                   |              |              |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39                                                                 | 1,200        | 1,327,980    |
| Indianapolis Local Public Improvement Bond Bank, RB, Series A, 5.00%, 1/15/40                                                | 1,380        | 1,468,430    |
|                                                                                                                              |              | 21,645,111   |
| <b>Iowa 2.1%</b>                                                                                                             |              |              |
| Iowa Finance Authority, RB, Midwestern Disaster Area, Alcoa, Inc. Project, 4.75%, 8/01/42                                    | 1,255        | 1,118,770    |
| Iowa Finance Authority, Refunding RB, Midwestern Disaster Area, Iowa Fertilizer Co. Project:                                 |              |              |

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|                                                                                                                                                         |       |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 5.00%, 12/01/19                                                                                                                                         | 1,040 | 1,041,986 |
| 5.50%, 12/01/22                                                                                                                                         | 2,550 | 2,542,758 |
| 5.25%, 12/01/25                                                                                                                                         | 500   | 483,360   |
| Iowa Student Loan Liquidity Corp., Refunding RB, Student Loan, Senior Series A-1, AMT, 5.15%, 12/01/22                                                  | 1,765 | 1,874,924 |
|                                                                                                                                                         |       | 7,061,798 |
| <b>Kentucky 0.5%</b>                                                                                                                                    |       |           |
| Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/45                                              | 1,060 | 1,106,396 |
| Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C, 0.00%, 7/01/43 (a)         | 1,280 | 737,101   |
|                                                                                                                                                         |       | 1,843,497 |
| <b>Louisiana 2.7%</b>                                                                                                                                   |       |           |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35 | 3,650 | 4,000,509 |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:                                                                               |       |           |
| 5.50%, 5/15/30                                                                                                                                          | 1,100 | 1,131,636 |
| 5.25%, 5/15/31                                                                                                                                          | 935   | 945,837   |
| 5.25%, 5/15/32                                                                                                                                          | 1,195 | 1,207,213 |
| 5.25%, 5/15/33                                                                                                                                          | 1,300 | 1,310,673 |
| 5.25%, 5/15/35                                                                                                                                          | 545   | 548,717   |
|                                                                                                                                                         |       | 9,144,585 |
| <b>Maryland 1.3%</b>                                                                                                                                    |       |           |
| Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35                                                                           | 475   | 487,816   |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25                                                                                  | 1,240 | 1,308,014 |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community Project, 6.25%, 1/01/41                                  | 2,400 | 2,568,960 |
|                                                                                                                                                         |       | 4,364,790 |
| <b>Massachusetts 1.2%</b>                                                                                                                               |       |           |
| Massachusetts Development Finance Agency, Refunding RB, Covanta Energy Project, Series C, AMT, 5.25%, 11/01/42                                          | 1,530 | 1,468,616 |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare System, Series J1, 5.00%, 7/01/39                            | 955   | 1,001,480 |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior, Series A, 5.00%, 5/15/43                                                      | 1,540 | 1,660,089 |
|                                                                                                                                                         |       | 4,130,185 |
| <b>Michigan 3.0%</b>                                                                                                                                    |       |           |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A:                                                                   |       |           |
| 5.00%, 7/01/32                                                                                                                                          | 1,705 | 1,641,472 |
| 5.25%, 7/01/39                                                                                                                                          | 4,825 | 4,673,591 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)

(Percentages shown are based on Net Assets)

|                                                                                                                                    | Par        |              |
|------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
|                                                                                                                                    | (000)      | Value        |
| <b>Municipal Bonds</b>                                                                                                             |            |              |
| <b>Michigan (concluded)</b>                                                                                                        |            |              |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36                                     | \$ 1,500   | \$ 1,563,900 |
| Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46                       | 2,305      | 2,305,254    |
|                                                                                                                                    |            | 10,184,217   |
| <b>Missouri 2.3%</b>                                                                                                               |            |              |
| 370/Missouri Bottom Road/Taussig Road Transportation Development District, RB, 7.20%, 5/01/33                                      | 6,000      | 6,003,480    |
| Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Refunding RB, Combined Lien, Series A, 5.00%, 10/01/44 | 275        | 291,739      |
| Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Services, 5.50%, 2/01/42   | 1,135      | 1,159,663    |
| State of Missouri Health & Educational Facilities Authority, Refunding RB, St. Louis College of Pharmacy Project, 5.50%, 5/01/43   | 265        | 275,823      |
|                                                                                                                                    |            | 7,730,705    |
| <b>Multi-State 4.1%</b>                                                                                                            |            |              |
| Centerline Equity Issuer Trust (b)(f):                                                                                             |            |              |
| Series A-4-1, 5.75%, 5/15/15                                                                                                       | 1,000      | 1,052,110    |
| Series A-4-2, 6.00%, 5/15/19                                                                                                       | 3,500      | 4,071,970    |
| Series B-3-1, 6.00%, 5/15/15                                                                                                       | 5,000      | 5,261,550    |
| Series B-3-2, 6.30%, 5/15/19                                                                                                       | 3,000      | 3,528,900    |
|                                                                                                                                    |            | 13,914,530   |
| <b>Nebraska 1.6%</b>                                                                                                               |            |              |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3:                                                                     |            |              |
| 5.25%, 9/01/37                                                                                                                     | 895        | 926,656      |
| 5.00%, 9/01/42                                                                                                                     | 1,570      | 1,587,349    |
| County of Lancaster Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, Health Facilities, 5.63%, 1/01/40  | 1,245      | 1,312,242    |
| County of Sarpy Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, 5.63%, 1/01/40                         | 1,635      | 1,706,270    |
|                                                                                                                                    |            | 5,532,517    |
| <b>Nevada 0.8%</b>                                                                                                                 |            |              |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29                                       | 2,465      | 2,621,996    |
| <b>New Jersey 6.0%</b>                                                                                                             |            |              |
| New Jersey EDA, RB, Continental Airlines, Inc. Project, AMT:                                                                       |            |              |
| 5.13%, 9/15/23                                                                                                                     | 2,130      | 2,094,472    |
| 5.25%, 9/15/29                                                                                                                     | 2,130      | 2,076,281    |
| New Jersey EDA, Refunding RB, Special Assessment, Kapkowski Road Landfill Project, 6.50%, 4/01/28                                  | 7,475      | 8,493,020    |
| New Jersey State Turnpike Authority, RB, Series A:                                                                                 |            |              |
| 5.00%, 1/01/38                                                                                                                     | 1,405      | 1,488,401    |
| 5.00%, 1/01/43                                                                                                                     | 2,160      | 2,275,755    |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36                                | 2,690      | 2,874,480    |
| Rutgers - The State University of New Jersey, Refunding RB, Series L:                                                              |            |              |
| 5.00%, 5/01/38                                                                                                                     | 545        | 592,153      |
| 5.00%, 5/01/43                                                                                                                     | 570        | 613,839      |
|                                                                                                                                    |            | 20,508,401   |
| <b>New York 6.9%</b>                                                                                                               |            |              |
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (d)(e)                     | 985        | 147,799      |
| <b>Municipal Bonds</b>                                                                                                             | <b>Par</b> | <b>Value</b> |

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|                                                                                                                                                                        | (000) |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| <b>New York (concluded)</b>                                                                                                                                            |       |            |
| City of New York New York Industrial Development Agency, ARB, American Airlines, Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (g)                              | 6,700 | 7,341,458  |
| City of New York New York Transitional Finance Authority, Future Tax Secured Bonds, RB, Fiscal 2012, Sub-Series E-1, 5.00%, 2/01/42                                    | 2,680 | 2,852,914  |
| New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49                              | 1,335 | 1,432,348  |
| New York State Dormitory Authority, RB, Series F, 5.00%, 3/15/35                                                                                                       | 3,625 | 3,756,914  |
| New York State Dormitory Authority, Refunding RB, General Purpose, Series A, 5.00%, 6/15/31                                                                            | 1,930 | 2,135,159  |
| Niagara Area Development Corp., Refunding RB, Solid Waste Disposal Facility, Covanta Energy Project, Series A, AMT, 5.25%, 11/01/42                                    | 1,145 | 1,099,063  |
| Port Authority of New York & New Jersey, ARB, JFK International Air Terminal LLC Project Special Project, Series 8:<br>6.00%, 12/01/36                                 | 1,410 | 1,537,097  |
| 6.00%, 12/01/42                                                                                                                                                        | 1,635 | 1,779,403  |
| Utility Debt Securitization Authority, Refunding RB, Restructuring, Series E, 5.00%, 12/15/41                                                                          | 1,135 | 1,238,694  |
|                                                                                                                                                                        |       | 23,320,849 |
| <b>North Carolina 4.2%</b>                                                                                                                                             |       |            |
| County of Gaston North Carolina Industrial Facilities & Pollution Control Financing Authority, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | 6,500 | 5,870,735  |
| North Carolina Capital Facilities Finance Agency, Refunding RB, Solid Waste Disposal Facility, Duke Energy Carolinas Project, Series B, 4.63%, 11/01/40                | 4,465 | 4,559,881  |
| North Carolina Medical Care Commission, RB, Health Care Facilities, Duke University Health System, Series A, 5.00%, 6/01/42                                            | 1,525 | 1,623,332  |
| North Carolina Medical Care Commission, Refunding RB:<br>1st Mortgage, Aldersgate, 6.25%, 7/01/35                                                                      | 1,530 | 1,541,139  |
| Retirement Facilities, First Mortgage, Whitestone Project, Series A, 7.75%, 3/01/41                                                                                    | 625   | 667,331    |
|                                                                                                                                                                        |       | 14,262,418 |
| <b>Ohio 2.4%</b>                                                                                                                                                       |       |            |
| County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38                                                         | 3,405 | 3,588,257  |
| County of Franklin Ohio, RB, Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 7/01/40                                           | 710   | 721,623    |
| County of Hamilton Ohio, RB, Christ Hospital Project, 5.00%, 6/01/42                                                                                                   | 815   | 820,420    |
| County of Montgomery Ohio, Refunding RB, Catholic Health, Series A, 5.00%, 5/01/39                                                                                     | 3,025 | 3,074,398  |
|                                                                                                                                                                        |       | 8,204,698  |
| <b>Pennsylvania 1.3%</b>                                                                                                                                               |       |            |
| Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A, 5.00%, 5/01/42                                                                  | 2,500 | 2,345,600  |
| Pennsylvania Economic Development Financing Authority, RB, Aqua Pennsylvania, Inc. Project, Series B, 5.00%, 11/15/40                                                  | 2,065 | 2,172,669  |
|                                                                                                                                                                        |       | 4,518,269  |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Municipal Income Trust II (BLE)

(Percentages shown are based on Net Assets)

|                                                                                                                                                         | Par          |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                         | (000)        | Value        |
| <b>Municipal Bonds</b>                                                                                                                                  |              |              |
| <b>South Carolina 1.1%</b>                                                                                                                              |              |              |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40                                                                                                | \$ 3,595     | \$ 3,796,895 |
| <b>Tennessee 1.1%</b>                                                                                                                                   |              |              |
| City of Chattanooga Tennessee Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/45                    | 1,470        | 1,534,342    |
| Metropolitan Government Nashville & Davidson County Health & Educational Facility Board, Refunding RB, Vanderbilt University, Series D, 3.25%, 10/01/37 | 2,505        | 2,203,673    |
|                                                                                                                                                         |              | 3,738,015    |
| <b>Texas 17.1%</b>                                                                                                                                      |              |              |
| Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30 (d)(e)                                                                         | 2,400        | 80,976       |
| Central Texas Regional Mobility Authority, Refunding RB:                                                                                                |              |              |
| Senior Lien, 6.25%, 1/01/46                                                                                                                             | 2,350        | 2,483,409    |
| Sub-Lien, 5.00%, 1/01/33                                                                                                                                | 390          | 378,940      |
| Sub-Lien, 5.00%, 1/01/42                                                                                                                                | 345          | 317,317      |
| City of Dallas Texas Waterworks & Sewer System, Refunding RB, 5.00%, 10/01/35                                                                           | 1,650        | 1,811,337    |
| City of Houston Texas Airport System, RB, Special Facilities, Continental Airlines, Inc., Series E, AMT, 6.75%, 7/01/29                                 | 2,300        | 2,300,322    |
| City of Houston Texas Airport System, Refunding ARB, Senior Lien, Series A, 5.50%, 7/01/39                                                              | 1,675        | 1,861,528    |
| City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC), 6.00%, 11/15/35                                                  | 9,145        | 10,511,720   |
| County of Fort Bend Texas Industrial Development Corp., RB, NRG Energy, Inc. Project, Series A, 4.75%, 5/01/38                                          | 1,400        | 1,317,442    |
| County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 1/01/48 | 485          | 496,800      |
| County of Harris Texas-Houston Sports Authority, Refunding RB, 3rd Lien, Series A-3 (NPFGC), 0.00%, 11/15/36 (c)                                        | 25,375       | 5,648,475    |
| County of Matagorda Texas Navigation District No. 1, Refunding RB, AEP Texas Central Co. Project, Series 1, 4.00%, 6/01/30                              | 1,170        | 1,080,062    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Projects, Series A, 0.00%, 9/15/37 (c)                              | 7,605        | 2,444,095    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45                                       | 4,410        | 5,136,636    |
| Dallas-Fort Worth International Airport, Refunding ARB, Joint Improvement, Series E, AMT, 5.00%, 11/01/35                                               | 3,025        | 3,074,549    |
| North Texas Tollway Authority, Refunding RB, 2nd Tier System, Series F, 6.13%, 1/01/31                                                                  | 6,790        | 7,247,850    |
| San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/24                                                                    | 3,600        | 4,072,932    |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:                                                                              |              |              |
| LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40                                                                         | 3,000        | 3,387,900    |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39                                                                 | 3,000        | 3,333,600    |
| Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series A, 5.00%, 8/15/41                                        | 1,310        | 1,323,480    |
|                                                                                                                                                         |              | 58,309,370   |
|                                                                                                                                                         | <b>Par</b>   |              |
|                                                                                                                                                         | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                                                                                  |              |              |
| <b>Utah 0.6%</b>                                                                                                                                        |              |              |
| Utah State Charter School Finance Authority, RB, Ogden Preparatory Academy, Series A: 3.25%, 10/15/36                                                   | 1,085        | 850,857      |
| 3.25%, 10/15/42                                                                                                                                         | 1,660        | 1,238,426    |
|                                                                                                                                                         |              | 2,089,283    |
| <b>Virginia 1.5%</b>                                                                                                                                    |              |              |
| Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT: 5.25%, 1/01/32                           | 1,755        | 1,784,502    |

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|                                                                                                                                                    |        |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------|
| 6.00%, 1/01/37                                                                                                                                     | 3,180  | 3,381,103   |
|                                                                                                                                                    |        | 5,165,605   |
| <b>Washington 2.4%</b>                                                                                                                             |        |             |
| City of Bellingham Washington Water & Sewer, RB, Water & Sewer Systems, 5.00%, 8/01/36                                                             | 5,050  | 5,438,699   |
| Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 1/01/45                                             | 2,445  | 2,650,893   |
|                                                                                                                                                    |        | 8,089,592   |
| <b>Wisconsin 0.3%</b>                                                                                                                              |        |             |
| State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33                  | 910    | 976,421     |
| <b>Wyoming 1.6%</b>                                                                                                                                |        |             |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 7/15/26                                                   | 3,355  | 3,638,934   |
| Wyoming Municipal Power Agency, Inc., RB, Series A: 5.50%, 1/01/33                                                                                 | 800    | 877,208     |
| 5.50%, 1/01/38                                                                                                                                     | 750    | 822,382     |
|                                                                                                                                                    |        | 5,338,524   |
| <b>Total Municipal Bonds 126.5%</b>                                                                                                                |        | 430,099,897 |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (h)</b>                                                                                |        |             |
| <b>Alabama 0.7%</b>                                                                                                                                |        |             |
| City of Birmingham Alabama Special Care Facilities Financing Authority, Refunding RB, Ascension Health, Senior Credit, Series C-2, 5.00%, 11/15/36 | 2,519  | 2,561,619   |
| <b>California 5.6%</b>                                                                                                                             |        |             |
| California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (i)                                  | 2,850  | 3,195,163   |
| City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/39                                | 10,335 | 11,149,398  |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32                                            | 2,530  | 2,766,454   |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33                                                              | 1,840  | 2,078,413   |
|                                                                                                                                                    |        | 19,189,428  |
| <b>Colorado 2.1%</b>                                                                                                                               |        |             |
| Colorado Health Facilities Authority, RB, Catholic Health (AGM): Series C-3, 5.10%, 10/01/41                                                       | 4,230  | 4,320,395   |
| Series C-7, 5.00%, 9/01/36                                                                                                                         | 2,710  | 2,784,769   |
|                                                                                                                                                    |        | 7,105,164   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Income Trust II (BLE)

(Percentages shown are based on Net Assets)

|                                                                                                                          | Par          |              |
|--------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                          | (000)        | Value        |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (h)</b>                                                      |              |              |
| <b>Connecticut 3.3%</b>                                                                                                  |              |              |
| Connecticut State Health & Educational Facility Authority, RB, Yale University:                                          |              |              |
| Series T-1, 4.70%, 7/01/29                                                                                               | \$ 5,179     | \$ 5,628,979 |
| Series X-3, 4.85%, 7/01/37                                                                                               | 5,143        | 5,552,417    |
|                                                                                                                          |              | 11,181,396   |
| <b>Georgia 1.5%</b>                                                                                                      |              |              |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38                      | 4,638        | 4,959,258    |
| <b>Massachusetts 1.8%</b>                                                                                                |              |              |
| Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41                                           | 2,461        | 2,644,593    |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41                                 | 3,150        | 3,368,957    |
|                                                                                                                          |              | 6,013,550    |
| <b>New Hampshire 0.7%</b>                                                                                                |              |              |
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (i)                         | 2,219        | 2,476,543    |
| <b>New York 10.0%</b>                                                                                                    |              |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution: |              |              |
| Series FF-2, 5.50%, 6/15/40                                                                                              | 1,710        | 1,853,047    |
| Series HH, 5.00%, 6/15/31 (i)                                                                                            | 9,149        | 10,006,913   |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (i)                                         | 1,750        | 1,909,306    |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43          | 11,670       | 12,428,900   |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (i)                      | 7,040        | 7,660,294    |
|                                                                                                                          |              | 33,858,460   |
| <b>Texas 3.1%</b>                                                                                                        |              |              |
| City of San Antonio Texas, RB, Electric & Gas Systems, Junior Lien, 5.00%, 2/01/43                                       | 2,660        | 2,831,197    |
|                                                                                                                          | <b>Par</b>   |              |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (h)</b>                                                      |              |              |
|                                                                                                                          | <b>(000)</b> | <b>Value</b> |
| <b>Texas (concluded)</b>                                                                                                 |              |              |
| County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41                           | 3,720        | 3,973,704    |
| University of Texas, Refunding RB, Financing System, Series B, 5.00%, 8/15/43                                            | 3,346        | 3,616,273    |
|                                                                                                                          |              | 10,421,174   |
| <b>Utah 1.2%</b>                                                                                                         |              |              |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41                                                     | 3,957        | 4,108,668    |
| <b>Virginia 1.9%</b>                                                                                                     |              |              |
| University of Virginia, Refunding RB, General, 5.00%, 6/01/40                                                            | 5,909        | 6,496,162    |
| <b>Washington 3.6%</b>                                                                                                   |              |              |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32                                      | 3,029        | 3,287,394    |
| State of Washington, GO, Various Purposes, Series E, 5.00%, 2/01/34                                                      | 8,113        | 8,980,627    |
|                                                                                                                          |              | 12,268,021   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 35.5%</b>                                              |              | 120,639,443  |
| <b>Total Long-Term Investments</b>                                                                                       |              |              |
| <b>(Cost \$532,457,932) 162.0%</b>                                                                                       |              | 550,739,340  |

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| Short-Term Securities                                                                            | Shares    |                |
|--------------------------------------------------------------------------------------------------|-----------|----------------|
| FFI Institutional Tax-Exempt Fund, 0.03% (j)(k)                                                  | 5,572,132 | 5,572,132      |
| <b>Total Short-Term Securities</b>                                                               |           | 5,572,132      |
| (Cost \$5,572,132) 1.6%                                                                          |           | 556,311,472    |
| <b>Total Investments (Cost \$538,030,064) 163.6%</b>                                             |           | 5,212,857      |
| <b>Other Assets Less Liabilities 1.6%</b>                                                        |           | (70,277,025)   |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (20.7)%</b> |           | (151,300,000)  |
| <b>VMTP Shares, at Liquidation Value (44.5)%</b>                                                 |           |                |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                             |           | \$ 339,947,304 |

### Notes to Schedule of investments

- (a) 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.
- (b) 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.
- (c) Zero-coupon bond.
- (d) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (e) Non-income producing security.
- (f) 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) Variable rate security. Rate shown is as of report date.
- (h) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (i) 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, which expire from October 1, 2016 to November 15, 2019 is \$14,504,167.
- (j) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income   |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 3,183,216                            | 2,388,916       | 5,572,132                              | \$ 1,147 |

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock Municipal Income Trust II (BLE)

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Sold | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|----------------|--------------------------|------------------------|------------|----------------|-------------------------|
| (361)          | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 44,955,781  | \$ (80,831)             |

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 or 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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments:                       |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 550,739,340 |         | \$ 550,739,340 |
| Short-Term Securities              | \$ 5,572,132 |                |         | 5,572,132      |
| <b>Total</b>                       | \$ 5,572,132 | \$ 550,739,340 |         | \$ 556,311,472 |

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

| Level 1 | Level 2 | Total |
|---------|---------|-------|
|---------|---------|-------|



## Schedule of Investments February 28, 2014 (Unaudited)

## BlackRock MuniHoldings Investment Quality Fund (MFL)

(Percentages shown are based on Net Assets)

|                                                                                                                  | Par      |              |
|------------------------------------------------------------------------------------------------------------------|----------|--------------|
|                                                                                                                  | (000)    | Value        |
| <b>Municipal Bonds</b>                                                                                           |          |              |
| <b>Alabama 4.3%</b>                                                                                              |          |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):           |          |              |
| 6.13%, 6/01/34                                                                                                   | \$ 4,980 | \$ 5,675,507 |
| 6.00%, 6/01/39                                                                                                   | 10,995   | 12,487,352   |
| City of Madison Alabama, GO, Refunding, 5.00%, 4/01/37                                                           | 3,370    | 3,579,715    |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35 | 1,745    | 1,801,241    |
|                                                                                                                  |          | 23,543,815   |
| <b>California 23.2%</b>                                                                                          |          |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38    |          |              |
|                                                                                                                  | 8,920    | 10,000,301   |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42                    |          |              |
|                                                                                                                  | 5,370    | 6,262,279    |
| California State Public Works Board, LRB:                                                                        |          |              |
| Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33                                             |          |              |
|                                                                                                                  | 2,240    | 2,441,152    |
| Various Capital Projects, Series I, 5.50%, 11/01/30                                                              |          |              |
|                                                                                                                  | 4,500    | 5,220,990    |
| Various Capital Projects, Series I, 5.50%, 11/01/31                                                              |          |              |
|                                                                                                                  | 2,615    | 3,013,134    |
| Various Capital Projects, Series I, 5.50%, 11/01/33                                                              |          |              |
|                                                                                                                  | 2,000    | 2,290,440    |
| City & County of San Francisco California Airports Commission, Refunding ARB, 2nd Series A, AMT:                 |          |              |
| 5.50%, 5/01/28                                                                                                   | 3,330    | 3,740,189    |
| 5.25%, 5/01/33                                                                                                   | 2,600    | 2,791,594    |
| City of Manteca California Financing Authority, RB, Manteca Sewer (AGC):                                         |          |              |
| 5.63%, 12/01/33                                                                                                  | 2,450    | 2,658,054    |
| 5.75%, 12/01/36                                                                                                  | 3,285    | 3,565,539    |
| City of San Jose California, Refunding ARB, Series A-1, AMT, 5.75%, 3/01/34                                      |          |              |
|                                                                                                                  | 4,450    | 4,842,935    |
| County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41                                      |          |              |
|                                                                                                                  | 5,600    | 6,260,072    |
| Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33   |          |              |
|                                                                                                                  | 4,365    | 5,014,207    |
| Los Angeles California Unified School District, GO, Election of 2002, Series D, 5.25%, 7/01/25                   |          |              |
|                                                                                                                  | 3,485    | 4,065,531    |
| Los Angeles Community College District California, GO:                                                           |          |              |
| Election of 2001, Series A (NPFGC), 5.00%, 8/01/32                                                               |          |              |
|                                                                                                                  | 10,000   | 10,934,600   |
| Election of 2008, Series C, 5.25%, 8/01/39                                                                       |          |              |
|                                                                                                                  | 3,375    | 3,777,941    |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38                        |          |              |
|                                                                                                                  | 5,000    | 5,579,750    |
| Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/39            |          |              |
|                                                                                                                  | 2,980    | 3,332,683    |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34                            |          |              |
|                                                                                                                  | 4,110    | 4,472,255    |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 8/01/34              |          |              |
|                                                                                                                  | 4,690    | 5,252,706    |
| State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39                                                 |          |              |
|                                                                                                                  | 15,000   | 16,842,900   |
| Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40           |          |              |
|                                                                                                                  | 1,685    | 1,880,410    |
| University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38                  |          |              |
|                                                                                                                  | 12,250   | 13,184,798   |
|                                                                                                                  |          | 127,424,460  |
| <b>Colorado 2.2%</b>                                                                                             |          |              |
| City & County of Denver Colorado Airport System, ARB, Series A, AMT:                                             |          |              |
| 5.50%, 11/15/28                                                                                                  | 2,700    | 2,984,229    |
| <b>Colorado (concluded)</b>                                                                                      |          |              |
| City & County of Denver Colorado Airport System, ARB, Series A, AMT (concluded):                                 |          |              |
| 5.50%, 11/15/30                                                                                                  | \$ 1,040 | \$ 1,134,723 |
| 5.50%, 11/15/31                                                                                                  | 1,250    | 1,355,463    |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/26           |          |              |
|                                                                                                                  | 5,925    | 6,660,707    |
|                                                                                                                  |          | 12,135,122   |
| <b>Florida 9.6%</b>                                                                                              |          |              |



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|                                                                                                                                             |        |            |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33                                                                       | 1,250  | 1,374,462  |
| County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT:                               |        |            |
| 5.50%, 10/01/29                                                                                                                             | 5,360  | 5,878,634  |
| 5.25%, 10/01/30                                                                                                                             | 3,255  | 3,477,349  |
| County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32                                                                        | 4,600  | 4,860,176  |
| County of Manatee Florida Housing Finance Authority, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 5.90%, 9/01/40  | 500    | 510,265    |
| County of Miami-Dade Florida, RB, Seaport:                                                                                                  |        |            |
| Series A, 5.38%, 10/01/33                                                                                                                   | 3,145  | 3,386,536  |
| Series B, AMT, 6.25%, 10/01/38                                                                                                              | 1,405  | 1,580,765  |
| Series B, AMT, 6.00%, 10/01/42                                                                                                              | 1,885  | 2,075,423  |
| County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29                                                 | 8,745  | 9,785,830  |
| County of Miami-Dade Florida Aviation, Refunding ARB, Series A AMT:                                                                         |        |            |
| Miami International Airport (AGM), 5.50%, 10/01/41                                                                                          | 3,500  | 3,804,500  |
| 5.00%, 10/01/31                                                                                                                             | 5,465  | 5,676,441  |
| County of Miami-Dade Florida Housing Finance Authority, MRB, M/F Housing, Marbrisa Apartments Project, Series 2A, AMT (AGM), 6.00%, 8/01/26 | 2,185  | 2,188,496  |
| Florida Housing Finance Corp., Refunding RB, S/F Housing, Homeowner Mortgage, Series 2, AMT (NPFGC):                                        |        |            |
| 5.75%, 7/01/14                                                                                                                              | 60     | 60,233     |
| 5.90%, 7/01/29                                                                                                                              | 4,130  | 4,159,860  |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32                                                                              | 3,225  | 3,552,531  |
|                                                                                                                                             |        | 52,371,501 |
| <b>Hawaii 0.8%</b>                                                                                                                          |        |            |
| State of Hawaii, Department of Transportation, COP, AMT:                                                                                    |        |            |
| 5.25%, 8/01/25                                                                                                                              | 1,350  | 1,484,447  |
| 5.25%, 8/01/26                                                                                                                              | 2,500  | 2,739,025  |
|                                                                                                                                             |        | 4,223,472  |
| <b>Illinois 22.2%</b>                                                                                                                       |        |            |
| City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien:                                                                     |        |            |
| Series A, 5.75%, 1/01/39                                                                                                                    | 7,395  | 7,897,786  |
| Series C, 6.50%, 1/01/41                                                                                                                    | 16,800 | 19,291,104 |
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38                                                                 | 2,445  | 2,574,805  |
| City of Chicago Illinois Midway Airport, Refunding ARB, 2nd Lien, Series A, AMT:                                                            |        |            |
| 5.50%, 1/01/30                                                                                                                              | 6,500  | 6,920,615  |
| 5.50%, 1/01/32                                                                                                                              | 1,275  | 1,339,541  |
| City of Chicago Illinois Transit Authority, RB:                                                                                             |        |            |
| Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 6/01/26                                                                | 6,315  | 6,934,565  |
| Sales Tax Receipts, 5.25%, 12/01/36                                                                                                         | 1,960  | 2,069,682  |
| Sales Tax Receipts, 5.25%, 12/01/40                                                                                                         | 20,000 | 20,958,400 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings Investment Quality Fund (MFL)

(Percentages shown are based on Net Assets)

|                                                                                                                              | Par      |              |
|------------------------------------------------------------------------------------------------------------------------------|----------|--------------|
|                                                                                                                              | (000)    | Value        |
| <b>Municipal Bonds</b>                                                                                                       |          |              |
| <b>Illinois (concluded)</b>                                                                                                  |          |              |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28 | \$ 7,735 | \$ 8,110,998 |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.50%, 12/01/38                     | 2,895    | 3,140,438    |
| 5.25%, 12/01/43                                                                                                              | 3,305    | 3,450,982    |
| Illinois Finance Authority, RB:                                                                                              |          |              |
| Carle Foundation, Series A, 6.00%, 8/15/41                                                                                   | 4,000    | 4,422,080    |
| University of Chicago, Series B, 5.50%, 7/01/37                                                                              | 10,000   | 11,117,900   |
| Railsplitter Tobacco Settlement Authority, RB:                                                                               |          |              |
| 5.50%, 6/01/23                                                                                                               | 4,365    | 5,038,519    |
| 6.00%, 6/01/28                                                                                                               | 1,245    | 1,423,184    |
| State of Illinois, GO:                                                                                                       |          |              |
| 5.25%, 2/01/31                                                                                                               | 2,700    | 2,858,355    |
| 5.25%, 2/01/32                                                                                                               | 4,185    | 4,416,723    |
| 5.50%, 7/01/33                                                                                                               | 7,820    | 8,398,211    |
| 5.50%, 7/01/38                                                                                                               | 1,295    | 1,375,536    |
|                                                                                                                              |          | 121,739,424  |
| <b>Indiana 4.3%</b>                                                                                                          |          |              |
| Indiana Finance Authority, RB, Series A:                                                                                     |          |              |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/40                                     | 1,240    | 1,234,519    |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 7/01/44                                     | 495      | 490,689      |
| Wastewater, 1st Lien, 5.25%, 10/01/31                                                                                        | 3,075    | 3,396,430    |
| Indiana Municipal Power Agency, Refunding RB, Series A:                                                                      |          |              |
| 5.25%, 1/01/32                                                                                                               | 1,500    | 1,651,020    |
| 5.25%, 1/01/33                                                                                                               | 1,500    | 1,643,655    |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38            | 14,105   | 15,065,550   |
|                                                                                                                              |          | 23,481,863   |
| <b>Louisiana 1.6%</b>                                                                                                        |          |              |
| City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring (AGC):                                           |          |              |
| Series A-1, 6.00%, 1/01/23                                                                                                   | 500      | 569,280      |
| Series A-2, 6.00%, 1/01/23                                                                                                   | 720      | 819,763      |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:                                                    |          |              |
| 5.50%, 5/15/28                                                                                                               | 3,500    | 3,662,820    |
| 5.50%, 5/15/29                                                                                                               | 3,735    | 3,900,610    |
|                                                                                                                              |          | 8,952,473    |
| <b>Michigan 5.9%</b>                                                                                                         |          |              |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien (AGM):                                            |          |              |
| Series B, 7.50%, 7/01/33                                                                                                     | 2,780    | 2,971,125    |
| Series C-1, 7.00%, 7/01/27                                                                                                   | 9,055    | 9,652,630    |
| City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36                                   | 6,320    | 6,421,183    |
| Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41                                              | 6,015    | 6,345,223    |
| Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39                      | 5,780    | 7,048,826    |
|                                                                                                                              |          | 32,438,987   |
| <b>Minnesota 2.1%</b>                                                                                                        |          |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38                       | 9,900    | 11,465,091   |
| <b>Mississippi 3.4%</b>                                                                                                      |          |              |
| Mississippi Development Bank, RB, Special Obligation, Jackson Water & Sewer System Project, (AGM):                           |          |              |
| 6.75%, 12/01/31                                                                                                              | 3,775    | 4,850,158    |

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|                                                                                                                                         |        |            |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
| 6.75%, 12/01/33                                                                                                                         | 2,350  | 3,003,464  |
| 6.88%, 12/01/40                                                                                                                         | 6,405  | 8,141,972  |
| Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38 | 2,300  | 2,537,130  |
|                                                                                                                                         |        | 18,532,724 |
| <b>Nevada 5.5%</b>                                                                                                                      |        |            |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39                                   | 11,175 | 11,812,198 |
| County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38                                                                                 | 11,245 | 11,779,475 |
| County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 7/01/34                                                         | 5,850  | 6,573,353  |
|                                                                                                                                         |        | 30,165,026 |
| <b>New Jersey 10.5%</b>                                                                                                                 |        |            |
| New Jersey EDA, RB:                                                                                                                     |        |            |
| School Facilities Construction (AGC), 6.00%, 12/15/18 (a)                                                                               | 1,430  | 1,761,274  |
| School Facilities Construction (AGC), 6.00%, 12/15/34                                                                                   | 2,920  | 3,325,938  |
| The Goethals Bridge Replacement Project, AMT, 5.38%, 1/01/43                                                                            | 7,000  | 7,145,390  |
| The Goethals Bridge Replacement Project, AMT, 5.00%, 1/01/31                                                                            | 2,425  | 2,483,564  |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38                                | 6,500  | 6,836,700  |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT, 5.75%, 12/01/28                                  | 4,475  | 4,837,564  |
| New Jersey Transportation Trust Fund Authority, RB:                                                                                     |        |            |
| Transportation System, Series A, 5.50%, 6/15/41                                                                                         | 16,710 | 18,171,457 |
| Transportation Program, Series AA, 5.50%, 6/15/39                                                                                       | 8,175  | 9,031,903  |
| Rutgers - The State University of New Jersey, Refunding RB:                                                                             |        |            |
| Series J, 5.00%, 5/01/32                                                                                                                | 1,630  | 1,805,535  |
| Series L, 5.00%, 5/01/32                                                                                                                | 1,855  | 2,054,765  |
|                                                                                                                                         |        | 57,454,090 |
| <b>New York 7.5%</b>                                                                                                                    |        |            |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System 2nd General Resolution:                 |        |            |
| Fiscal 2009, Series EE, 5.25%, 6/15/40                                                                                                  | 7,500  | 8,002,125  |
| Fiscal 2011, Series EE, 5.38%, 6/15/43                                                                                                  | 3,475  | 3,763,147  |
| Fiscal 2014, Series BB, 5.00%, 6/15/46                                                                                                  | 1,760  | 1,865,952  |
| Series FF-2, 5.50%, 6/15/40                                                                                                             | 4,000  | 4,335,240  |
| City of New York New York Transitional Finance Authority Building Aid, BARB, Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29              | 4,000  | 4,616,840  |
| Metropolitan Transportation Authority, RB:                                                                                              |        |            |
| Series A, 5.25%, 11/15/38                                                                                                               | 4,000  | 4,276,760  |
| Series A-1, 5.25%, 11/15/39                                                                                                             | 3,000  | 3,239,010  |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36                                      | 10,000 | 11,048,600 |
|                                                                                                                                         |        | 41,147,674 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings Investment Quality Fund (MFL)

(Percentages shown are based on Net Assets)

|                                                                                                                                    | Par      |              |
|------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|
|                                                                                                                                    | (000)    | Value        |
| <b>Municipal Bonds</b>                                                                                                             |          |              |
| <b>Ohio 2.0%</b>                                                                                                                   |          |              |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:                                           |          |              |
| 5.25%, 2/15/30                                                                                                                     | \$ 2,645 | \$ 2,946,768 |
| 5.25%, 2/15/31                                                                                                                     | 5,145    | 5,698,962    |
| 5.25%, 2/15/32                                                                                                                     | 2,250    | 2,479,680    |
|                                                                                                                                    |          | 11,125,410   |
| <b>Pennsylvania 1.6%</b>                                                                                                           |          |              |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 6.00%, 12/01/41                                                                | 4,945    | 5,389,012    |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37                                                               | 3,000    | 3,210,840    |
|                                                                                                                                    |          | 8,599,852    |
| <b>South Carolina 4.7%</b>                                                                                                         |          |              |
| County of Charleston South Carolina, RB, Special Source, Series 2013, 5.25%, 12/01/38                                              | 6,735    | 7,449,382    |
| County of Charleston South Carolina Airport District, ARB, Series A, AMT:                                                          |          |              |
| 5.25%, 7/01/25                                                                                                                     | 4,490    | 5,005,272    |
| 5.50%, 7/01/38                                                                                                                     | 3,000    | 3,202,950    |
| 6.00%, 7/01/38                                                                                                                     | 5,270    | 5,816,341    |
| 5.50%, 7/01/41                                                                                                                     | 4,170    | 4,455,395    |
|                                                                                                                                    |          | 25,929,340   |
| <b>Texas 16.0%</b>                                                                                                                 |          |              |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37                                                             | 4,190    | 4,653,163    |
| City of Houston Texas Utility System, Refunding RB, Combined 1st Lien, Series A (AGC):                                             |          |              |
| 6.00%, 11/15/35                                                                                                                    | 12,700   | 14,598,015   |
| 6.00%, 11/15/36                                                                                                                    | 9,435    | 10,874,687   |
| 5.38%, 11/15/38                                                                                                                    | 5,000    | 5,410,800    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37 | 1,770    | 1,963,726    |
| Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38                                                              | 9,110    | 10,007,699   |
| Dallas-Fort Worth International Airport, ARB, Joint Improvement AMT:                                                               |          |              |
| Series A, 5.00%, 11/01/38                                                                                                          | 4,080    | 4,130,510    |
| Series H, 5.00%, 11/01/37                                                                                                          | 4,575    | 4,644,586    |
| Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33                                                                       | 3,735    | 4,117,576    |
| North Texas Tollway Authority, Refunding RB, 1st Tier:                                                                             |          |              |
| (AGM), 6.00%, 1/01/43                                                                                                              | 5,555    | 6,116,166    |
| Series K-1 (AGC), 5.75%, 1/01/38                                                                                                   | 12,150   | 13,563,531   |
| Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38                                        | 7,170    | 7,930,594    |
|                                                                                                                                    |          | 88,011,053   |
| <b>Virginia 1.3%</b>                                                                                                               |          |              |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43                                                    | 1,750    | 1,881,337    |
| Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)                                        | 4,300    | 5,401,832    |
|                                                                                                                                    |          | 7,283,169    |
| <b>Washington 1.5%</b>                                                                                                             |          |              |
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36                                         | 4,200    | 4,605,132    |
| State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36                                                                | 3,290    | 3,620,020    |
|                                                                                                                                    |          | 8,225,152    |
| <b>Total Municipal Bonds 130.2%</b>                                                                                                |          | 714,249,698  |
| <b>Alabama 1.2%</b>                                                                                                                |          |              |
| City of Mobile Alabama Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31                                            | 6,500    | 6,828,965    |
| <b>California 2.1%</b>                                                                                                             |          |              |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32                                             | 7,960    | 8,658,490    |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34                                                       | 2,400    | 2,622,600    |

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|                                                                                                                                                      |        |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
|                                                                                                                                                      |        | 11,281,090 |
| <b>District of Columbia 0.7%</b>                                                                                                                     |        |            |
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/35 (c)                                               | 3,379  | 3,824,137  |
| <b>Florida 2.5%</b>                                                                                                                                  |        |            |
| County of Hillsborough Florida Aviation Authority, ARB, Tempa International Airport, Series A, AMT (AGC), 5.50%, 10/01/38                            | 10,657 | 11,677,827 |
| County of Lee Florida Housing Finance Authority, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40                 | 1,965  | 2,048,729  |
|                                                                                                                                                      |        | 13,726,556 |
| <b>Indiana 1.9%</b>                                                                                                                                  |        |            |
| Indiana Health & Educational Facilities Financing Authority, Refunding RB, St. Francis, Series E (AGM), 5.25%, 5/15/41                               | 9,850  | 10,120,186 |
| <b>Kentucky 0.1%</b>                                                                                                                                 |        |            |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27                                                    | 404    | 456,523    |
| <b>Nevada 2.7%</b>                                                                                                                                   |        |            |
| County of Clark Nevada Water Reclamation District, GO:<br>Limited Tax, 6.00%, 7/01/38                                                                | 8,000  | 9,159,200  |
| Series B, 5.50%, 7/01/29                                                                                                                             | 5,008  | 5,848,245  |
|                                                                                                                                                      |        | 15,007,445 |
| <b>New Jersey 3.6%</b>                                                                                                                               |        |            |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29                                                            | 7,402  | 7,824,101  |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System:<br>Series A (AMBAC), 5.00%, 12/15/32                                      | 8,000  | 8,633,440  |
| Series B, 5.25%, 6/15/36 (c)                                                                                                                         | 2,961  | 3,163,680  |
|                                                                                                                                                      |        | 19,621,221 |
| <b>New York 11.0%</b>                                                                                                                                |        |            |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 6/15/40 | 4,994  | 5,412,847  |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39                                              | 5,619  | 6,112,493  |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (c)                                                                     | 9,249  | 10,092,046 |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43                                      | 13,950 | 14,857,168 |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (c)                                                  | 8,200  | 8,922,502  |
| New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38                                                               | 13,500 | 15,092,325 |
|                                                                                                                                                      |        | 60,489,381 |
| <b>Texas 4.4%</b>                                                                                                                                    |        |            |
| City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/31 (c)                                                           | 12,027 | 13,432,850 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock MuniHoldings Investment Quality Fund (MFL)

(Percentages shown are based on Net Assets)

|                                                                                                  | Par       |                |
|--------------------------------------------------------------------------------------------------|-----------|----------------|
|                                                                                                  | (000)     | Value          |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts (b)</b>                              |           |                |
| <b>Texas (concluded)</b>                                                                         |           |                |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41             | \$ 9,640  | \$ 10,602,651  |
|                                                                                                  |           | 24,035,501     |
| <b>Utah 1.2%</b>                                                                                 |           |                |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41                             | 6,371     | 6,614,332      |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 31.4%</b>                      |           | 172,005,337    |
| <b>Total Long-Term Investments (Cost \$829,211,517) 161.6%</b>                                   |           | 886,255,035    |
| FBI Institutional Tax-Exempt Fund, 0.03% (d)(e)                                                  | 5,349,443 | 5,349,443      |
| <b>Total Short-Term Securities (Cost \$5,349,443) 1.0%</b>                                       |           | 5,349,443      |
| <b>Total Investments (Cost \$834,560,960) 162.6%</b>                                             |           | 891,604,478    |
| <b>Other Assets Less Liabilities 3.8%</b>                                                        |           | 20,781,088     |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (16.3)%</b> |           | (89,476,117)   |
| <b>VRDP Shares, at Liquidation Value (50.1)%</b>                                                 |           | (274,600,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                             |           | \$ 548,309,449 |

## 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) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (c) 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, which expire from October 1, 2016 to November 15, 2019 is \$22,520,646.
- (d) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income   |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|----------|
| FBI Institutional Tax-Exempt Fund | 27,631,574                           | (22,282,131)    | 5,349,443                              | \$ 1,247 |

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

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Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts Sold | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|----------------|--------------------------|------------------------|------------|----------------|-------------------------|
| (493)          | 10-Year US Treasury Note | Chicago Board of Trade | March 2014 | \$ 61,393,906  | \$ (110,387)            |

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 or 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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniHoldings Investment Quality Fund (MFL)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments:                       |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 886,255,035 |         | \$ 886,255,035 |
| Short-Term Securities              | \$ 5,349,443 |                |         | 5,349,443      |
| <b>Total</b>                       | \$ 5,349,443 | \$ 886,255,035 |         | \$ 891,604,478 |

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

|                                                     | Level 1      | Level 2 | Level 3 | Total        |
|-----------------------------------------------------|--------------|---------|---------|--------------|
| <b>Derivative Financial Instruments<sup>2</sup></b> |              |         |         |              |
| <b>Liabilities:</b>                                 |              |         |         |              |
| Interest rate contracts                             | \$ (110,387) |         |         | \$ (110,387) |

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

The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1    | Level 2          | Level 3 | Total            |
|----------------------------------------------|------------|------------------|---------|------------------|
| <b>Assets:</b>                               |            |                  |         |                  |
| Cash pledged for financial futures contracts | \$ 758,000 |                  |         | \$ 758,000       |
| <b>Liabilities:</b>                          |            |                  |         |                  |
| TOB trust certificates                       |            | \$ (89,456,878)  |         | (89,456,878)     |
| VRDP Shares                                  |            | (274,600,000)    |         | (274,600,000)    |
| <b>Total</b>                                 | \$ 758,000 | \$ (364,056,878) |         | \$ (363,298,878) |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.



## Schedule of Investments February 28, 2014 (Unaudited)

BlackRock MuniVest Fund, Inc. (MVF)

(Percentages shown are based on Net Assets)

|                                                                                                  | Par<br>(000) | Value        |
|--------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Municipal Bonds</b>                                                                           |              |              |
| <b>Alabama 3.5%</b>                                                                              |              |              |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A: |              |              |
| 5.80%, 5/01/34                                                                                   | \$ 1,850     | \$ 1,954,803 |
| 5.38%, 12/01/35                                                                                  | 1,000        | 1,032,230    |
| City of Selma Alabama IDB, Refunding RB, International Paper Co. Project, Series B,              |              |              |
| 5.50%, 5/01/20                                                                                   | 5,000        | 5,011,900    |
| County of Jefferson Alabama Sewer, Refunding RB, Senior Lien, Series A (AGM), 5.25%,             |              |              |
| 10/01/48                                                                                         | 5,000        | 5,008,350    |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/40                                 |              |              |
|                                                                                                  | 7,610        | 8,606,225    |
|                                                                                                  |              | 21,613,508   |
| <b>Alaska 0.1%</b>                                                                               |              |              |
| Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series    |              |              |
| A, 5.00%, 6/01/46                                                                                | 1,250        | 879,900      |
| <b>Arizona 3.2%</b>                                                                              |              |              |
| City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Junior Lien, Series A,            |              |              |
| 5.00%, 7/01/40                                                                                   | 2,000        | 2,060,080    |
| City of Phoenix Arizona IDA, RB, Candeo School, Inc. Project:                                    |              |              |
| 6.63%, 7/01/33                                                                                   | 2,245        | 2,299,262    |
| 6.88%, 7/01/44                                                                                   | 3,440        | 3,516,196    |
| County of Maricopa Arizona IDA, RB, Arizona Charter Schools Project, Series A, 6.75%, 7/01/29    |              |              |
|                                                                                                  | 3,600        | 3,243,924    |
| County of Maricopa Arizona Pollution Control Corp., Refunding RB, Southern California Edison     |              |              |
| Co., Series A, 5.00%, 6/01/35                                                                    | 3,300        | 3,458,565    |
| Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/37                                          |              |              |
|                                                                                                  | 5,000        | 5,242,350    |
|                                                                                                  |              | 19,820,377   |
| <b>California 7.9%</b>                                                                           |              |              |
| California Health Facilities Financing Authority, RB:                                            |              |              |
| St. Joseph Health System, Series A, 5.75%, 7/01/39                                               |              |              |
|                                                                                                  | 5,000        | 5,646,200    |
| Sutter Health, Series B, 6.00%, 8/15/42                                                          |              |              |
|                                                                                                  | 5,600        | 6,530,496    |
| California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series |              |              |
| A, 6.00%, 7/01/34                                                                                | 1,055        | 1,177,528    |
| California HFA, RB, S/F Housing, Home Mortgage, Series K, AMT, 5.50%, 2/01/42                    |              |              |
|                                                                                                  | 1,120        | 1,145,346    |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles                |              |              |
| International Airport, Series A, 5.25%, 5/15/39                                                  | 1,200        | 1,325,148    |
| Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A,    |              |              |
| 6.00%, 8/01/33                                                                                   | 9,585        | 11,184,736   |
| Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement District        |              |              |
| No. 2007-1, Election of 2008, Series B, 0.00%, 8/01/46 (a)                                       | 10,000       | 1,815,200    |
| San Diego Community College District California, GO, Election of 2006, 5.00%, 8/01/43            |              |              |
|                                                                                                  | 4,285        | 4,629,086    |
| State of California, GO, Various Purposes, 6.50%, 4/01/33                                        |              |              |
|                                                                                                  | 9,675        | 11,819,657   |
| State of California Public Works Board, LRB, Department of Mental Health, Coalinga, Series A,    |              |              |
| 5.13%, 6/01/14 (b)                                                                               | 4,000        | 4,051,320    |
|                                                                                                  |              | 49,324,717   |
| <b>Colorado 1.0%</b>                                                                             |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33 |              |              |
|                                                                                                  | 2,500        | 2,828,250    |
| Colorado Health Facilities Authority, Refunding RB, Evangelical Lutheran, Series A, 5.25%,       |              |              |
| 6/01/34                                                                                          | 3,000        | 3,003,210    |
|                                                                                                  | <b>Par</b>   | <b>Value</b> |
|                                                                                                  | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>                                                                           |              |              |
| <b>Colorado (concluded)</b>                                                                      |              |              |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 6/01/31                       |              |              |
|                                                                                                  | 385          | 416,354      |
|                                                                                                  |              | 6,247,814    |
| <b>Delaware 0.4%</b>                                                                             |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%,          |              |              |
| 10/01/40                                                                                         | 2,500        | 2,674,725    |

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### District of Columbia 0.2%

|                                                                                      |     |         |
|--------------------------------------------------------------------------------------|-----|---------|
| Metropolitan Washington Airports Authority, Refunding RB, 1st Senior Lien, Series A: |     |         |
| 5.00%, 10/01/39                                                                      | 415 | 428,039 |
| 5.25%, 10/01/44                                                                      | 650 | 671,892 |

1,099,931

### Florida 7.2%

|                                                                                                    |        |            |
|----------------------------------------------------------------------------------------------------|--------|------------|
| County of Miami-Dade Florida, GO, Building Better Communities Program:                             |        |            |
| Series B, 6.38%, 7/01/28                                                                           | 4,630  | 5,406,219  |
| Series B-1, 5.63%, 7/01/38                                                                         | 5,000  | 5,573,550  |
| County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 7/01/42            | 3,750  | 3,902,813  |
| County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport:                 |        |            |
| Series A, AMT (AGC), 5.00%, 10/01/40                                                               | 10,000 | 10,064,800 |
| Series A-1, 5.38%, 10/01/41                                                                        | 10,290 | 10,822,199 |
| County of Miami-Dade Florida Expressway Authority, RB, Toll System, Series A (AGM), 5.00%, 7/01/35 | 8,900  | 9,317,499  |

45,087,080

### Georgia 1.8%

|                                                                                                                |       |           |
|----------------------------------------------------------------------------------------------------------------|-------|-----------|
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series B, AMT, 5.00%, 1/01/29                  |       |           |
|                                                                                                                | 1,070 | 1,133,440 |
| County of DeKalb Georgia Hospital Authority, Refunding RB, DeKalb Medical Center, Inc. Project, 6.13%, 9/01/40 |       |           |
|                                                                                                                | 3,570 | 3,606,628 |
| DeKalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39                        |       |           |
|                                                                                                                | 3,335 | 3,497,215 |
| Municipal Electric Authority of Georgia, Refunding RB, Series W, 6.60%, 1/01/18                                |       |           |
|                                                                                                                | 2,510 | 2,769,634 |

11,006,917

### Hawaii 0.9%

|                                                             |       |           |
|-------------------------------------------------------------|-------|-----------|
| State of Hawaii Harbor System, RB, Series A, 5.50%, 7/01/35 | 5,000 | 5,480,650 |
|-------------------------------------------------------------|-------|-----------|

### Illinois 11.5%

|                                                                                                                    |       |            |
|--------------------------------------------------------------------------------------------------------------------|-------|------------|
| City of Chicago Illinois, GARB, O'Hare International Airport, 3rd Lien, Series B-2, AMT (NPFGC), 6.00%, 1/01/27    |       |            |
|                                                                                                                    | 605   | 607,662    |
| City of Chicago Illinois, Refunding RB, Sales Tax Receipts, Series A, 5.00%, 1/01/41                               |       |            |
|                                                                                                                    | 4,640 | 4,788,480  |
| City of Chicago Illinois Board of Education, GO, Series A, 5.50%, 12/01/39                                         |       |            |
|                                                                                                                    | 6,240 | 6,430,008  |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36                                |       |            |
|                                                                                                                    | 2,110 | 2,228,076  |
| City of Chicago Illinois Waterworks, Refunding RB, 2nd Lien, Water Project (AGM), 5.25%, 11/01/33                  |       |            |
|                                                                                                                    | 1,330 | 1,386,924  |
| County of Cook Illinois Community College District No. 508, GO, University & College Improvements, 5.25%, 12/01/31 |       |            |
|                                                                                                                    | 5,000 | 5,366,750  |
| Illinois Finance Authority, RB:                                                                                    |       |            |
| Advocate Health Care Network, Series D, 6.50%, 11/01/38                                                            |       |            |
|                                                                                                                    | 9,700 | 11,064,014 |
| Community Rehabilitation Providers Facilities, Series A, 6.50%, 7/01/22                                            |       |            |
|                                                                                                                    | 615   | 602,946    |
| Disposal Waste Management, Inc., Series A, AMT, 5.05%, 8/01/29                                                     |       |            |
|                                                                                                                    | 1,000 | 1,030,150  |
| Memorial Health System, Series A, 5.25%, 7/01/44                                                                   |       |            |
|                                                                                                                    | 1,785 | 1,821,860  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)

(Percentages shown are based on Net Assets)

|                                                                                                                                                  | Par<br>(000)         | Value         |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|
| <b>Municipal Bonds</b>                                                                                                                           |                      |               |
| <b>Illinois (concluded)</b>                                                                                                                      |                      |               |
| Illinois Finance Authority, Refunding RB, Series A:                                                                                              |                      |               |
| Northwestern Memorial Hospital, 6.00%, 8/15/39                                                                                                   | \$ 9,000             | \$ 10,201,680 |
| OSF Healthcare System, 6.00%, 5/15/39                                                                                                            | 4,990                | 5,482,114     |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28                                                                                    | 2,645                | 3,023,552     |
| Regional Transportation Authority, RB:                                                                                                           |                      |               |
| Series A (AMBAC), 7.20%, 11/01/20                                                                                                                | 2,500                | 2,941,600     |
| Series C (NPFGC), 7.75%, 6/01/20                                                                                                                 | 4,000                | 4,885,720     |
| Village of Hodgkins Illinois, RB, Metropolitan Biosolids Management LLC Project, AMT, 6.00%, 11/01/23                                            | 10,000               | 10,009,100    |
|                                                                                                                                                  |                      | 71,870,636    |
| <b>Indiana 2.5%</b>                                                                                                                              |                      |               |
| City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT, 6.75%, 1/01/34                                                  | 2,250                | 2,365,290     |
| Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges East End Crossing Project, Series A, AMT:                               |                      |               |
| 5.00%, 7/01/40                                                                                                                                   | 2,640                | 2,628,331     |
| 5.00%, 7/01/44                                                                                                                                   | 1,525                | 1,511,717     |
| Indiana Health & Educational Facilities Financing Authority, RB, Clarian Health Obligation, Series A, 5.25%, 2/15/40                             | 8,980                | 9,101,679     |
|                                                                                                                                                  |                      | 15,607,017    |
| <b>Iowa 0.1%</b>                                                                                                                                 |                      |               |
| Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, Series C, 5.63%, 6/01/46                                                          | 1,000                | 796,720       |
| <b>Kentucky 2.8%</b>                                                                                                                             |                      |               |
| County of Owen Kentucky, RB, Kentucky American Water Co. Project, Series B, 5.63%, 9/01/39                                                       | 1,000                | 1,038,530     |
| Kentucky Economic Development Finance Authority, Refunding RB, Hospital Facilities, St. Elizabeth Medical Center, Inc., Series A, 5.50%, 5/01/39 |                      |               |
|                                                                                                                                                  | 8,000                | 8,713,840     |
| Lexington-Fayette Urban County Airport Board, Refunding GARB, Series A, 5.00%, 7/01/27                                                           | 7,000                | 7,786,940     |
|                                                                                                                                                  |                      | 17,539,310    |
| <b>Louisiana 3.1%</b>                                                                                                                            |                      |               |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB,                                                       |                      |               |
| Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35                                                                                     | 2,615                | 2,866,118     |
| Parish of St. Charles Louisiana, RB, Valero Energy Corp., 4.00%, 12/01/40 (c)                                                                    | 2,210                | 2,245,692     |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:                                                                        |                      |               |
| 5.25%, 5/15/31                                                                                                                                   | 3,420                | 3,459,638     |
| 5.25%, 5/15/32                                                                                                                                   | 4,375                | 4,419,713     |
| 5.25%, 5/15/33                                                                                                                                   | 4,750                | 4,788,997     |
| 5.25%, 5/15/35                                                                                                                                   | 1,500                | 1,510,230     |
|                                                                                                                                                  |                      | 19,290,388    |
| <b>Maine 1.4%</b>                                                                                                                                |                      |               |
| Maine Health & Higher Educational Facilities Authority, RB:                                                                                      |                      |               |
| Eastern Maine Medical Center, 5.00%, 7/01/43                                                                                                     | 2,500                | 2,492,200     |
| Series A, 5.00%, 7/01/39                                                                                                                         | 5,000                | 5,189,350     |
| Portland Housing Development Corp., Refunding RB, Senior Living, Retirement Facilities, Series A, 6.00%, 2/01/34                                 | 1,190                | 1,199,806     |
|                                                                                                                                                  |                      | 8,881,356     |
| <b>Maryland 1.8%</b>                                                                                                                             |                      |               |
| Maryland Community Development Administration, HRB, Residential, Series H, AMT, 5.10%, 9/01/37                                                   | 1,835                | 1,857,919     |
| Maryland Community Development Administration, Refunding, HRB, Residential, Series D, AMT, 4.90%, 9/01/42                                        | 3,250                | 3,261,700     |
|                                                                                                                                                  | <b>Par<br/>(000)</b> | <b>Value</b>  |
| <b>Municipal Bonds</b>                                                                                                                           |                      |               |
| <b>Maryland (concluded)</b>                                                                                                                      |                      |               |

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Maryland Health & Higher Educational Facilities Authority, Refunding RB:

|                                                       |       |           |
|-------------------------------------------------------|-------|-----------|
| Charlestown Community Project, 6.25%, 1/01/41         | 2,000 | 2,140,800 |
| University of Maryland Medical System, 5.00%, 7/01/34 | 2,100 | 2,160,291 |
| University of Maryland Medical System, 5.13%, 7/01/39 | 2,100 | 2,155,566 |

11,576,276

### Massachusetts 5.8%

|                                                                                                                   |        |            |
|-------------------------------------------------------------------------------------------------------------------|--------|------------|
| Massachusetts Bay Transportation Authority, Refunding RB, General Transportation System, Series A, 7.00%, 3/01/19 | 3,010  | 3,391,849  |
| Massachusetts HFA, RB, AMT:                                                                                       |        |            |
| M/F Housing, Series A, 5.20%, 12/01/37                                                                            | 2,865  | 2,889,524  |
| S/F Housing, Series 130, 5.00%, 12/01/32                                                                          | 2,500  | 2,551,425  |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42                                                   | 6,550  | 6,646,743  |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior, Series A, 5.00%, 5/15/43                | 4,500  | 4,850,910  |
| Massachusetts Water Resources Authority, RB, Series A, 6.50%, 7/15/19 (d)                                         | 13,855 | 15,894,456 |

36,224,907

### Michigan 4.0%

|                                                                                                         |       |           |
|---------------------------------------------------------------------------------------------------------|-------|-----------|
| City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM):                             |       |           |
| 6.25%, 7/01/36                                                                                          | 2,500 | 2,540,025 |
| 7.00%, 7/01/36                                                                                          | 1,250 | 1,316,288 |
| Michigan State Hospital Finance Authority, Refunding RB, Series A:                                      |       |           |
| Henry Ford Health System, 5.25%, 11/15/46                                                               | 7,950 | 7,950,874 |
| McLaren Health Care, 5.75%, 5/15/38                                                                     | 7,285 | 8,063,985 |
| Royal Oak Hospital Finance Authority, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/39 | 4,100 | 5,000,032 |

24,871,204

### Mississippi 4.9%

|                                                                                                                 |        |            |
|-----------------------------------------------------------------------------------------------------------------|--------|------------|
| County of Lowndes Mississippi, Refunding RB, Solid Waste Disposal & Pollution Control Weyerhaeuser Co. Project: |        |            |
| Series A, 6.80%, 4/01/22                                                                                        | 9,160  | 10,602,059 |
| Series B, 6.70%, 4/01/22                                                                                        | 4,500  | 5,161,725  |
| Mississippi Business Finance Corp., Refunding RB, System Energy Resource, Inc. Project, 5.88%, 4/01/22          | 15,000 | 15,001,950 |

30,765,734

### Missouri 1.7%

|                                                                                                 |        |            |
|-------------------------------------------------------------------------------------------------|--------|------------|
| City of Kansas City Missouri, Refunding ARB, General Improvement, Series A, AMT, 5.25%, 9/01/25 | 10,000 | 10,962,200 |
|-------------------------------------------------------------------------------------------------|--------|------------|

### Montana 0.2%

|                                                        |       |           |
|--------------------------------------------------------|-------|-----------|
| State of Montana Board of Regents, RB, 5.00%, 11/15/43 | 1,430 | 1,542,884 |
|--------------------------------------------------------|-------|-----------|

### Nebraska 1.0%

|                                                                               |       |           |
|-------------------------------------------------------------------------------|-------|-----------|
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 9/01/42 | 6,200 | 6,268,510 |
|-------------------------------------------------------------------------------|-------|-----------|

### Nevada 0.9%

|                                                                      |       |           |
|----------------------------------------------------------------------|-------|-----------|
| County of Clark Nevada Airport System, ARB, Series B, 5.75%, 7/01/42 | 5,000 | 5,638,700 |
|----------------------------------------------------------------------|-------|-----------|

### New Hampshire 0.9%

|                                                                                                                |       |           |
|----------------------------------------------------------------------------------------------------------------|-------|-----------|
| New Hampshire Housing Finance Authority, Refunding RB, S/F Housing, Acquisition, Series H, AMT, 5.15%, 1/01/40 | 5,445 | 5,494,495 |
|----------------------------------------------------------------------------------------------------------------|-------|-----------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)

(Percentages shown are based on Net Assets)

|                                                                                                                                                                        | Par<br>(000) | Value        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Municipal Bonds</b>                                                                                                                                                 |              |              |
| <b>New Jersey 8.0%</b>                                                                                                                                                 |              |              |
| New Jersey EDA, RB:                                                                                                                                                    |              |              |
| Cigarette Tax, 5.75%, 6/15/14 (b)                                                                                                                                      | \$ 3,695     | \$ 3,756,817 |
| Continental Airlines Project, Series A, AMT, 5.63%, 11/15/30                                                                                                           | 1,530        | 1,529,862    |
| The Goethals Bridge Replacement Project, AMT, 5.13%, 1/01/34                                                                                                           | 1,050        | 1,067,955    |
| The Goethals Bridge Replacement Project, AMT, 5.38%, 1/01/43                                                                                                           | 11,355       | 11,590,844   |
| The Goethals Bridge Replacement Project, AMT, 5.63%, 1/01/52                                                                                                           | 2,000        | 2,041,340    |
| New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.25%, 12/15/33                                                                               | 10,000       | 10,738,900   |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series AA, 6.38%, 10/01/28                                                                              | 795          | 834,790      |
| New Jersey Transportation Trust Fund Authority, RB:                                                                                                                    |              |              |
| Transportation Program, Series AA, 5.25%, 6/15/33                                                                                                                      | 8,750        | 9,584,575    |
| Transportation System, Series B, 5.50%, 6/15/31                                                                                                                        | 8,000        | 8,961,920    |
|                                                                                                                                                                        |              | 50,107,003   |
| <b>New York 6.4%</b>                                                                                                                                                   |              |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 6/15/40                   |              |              |
|                                                                                                                                                                        | 4,150        | 4,497,812    |
| City of New York New York Transitional Finance Authority, Future Tax Secured Bonds, RB, Fiscal 2012, Sub-Series E-1, 5.00%, 2/01/42                                    |              |              |
|                                                                                                                                                                        | 8,900        | 9,474,228    |
| Metropolitan Transportation Authority, RB, Series C:                                                                                                                   |              |              |
| 6.25%, 11/15/23                                                                                                                                                        | 3,245        | 3,853,697    |
| 6.50%, 11/15/28                                                                                                                                                        | 14,925       | 17,785,973   |
| Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/36                                   |              |              |
|                                                                                                                                                                        | 3,165        | 3,450,293    |
| Rochester Housing Authority, RB, Andrews Terrace Apartments, M/F Housing, AMT (Ginnie Mae), 4.70%, 12/20/38                                                            |              |              |
|                                                                                                                                                                        | 1,000        | 1,001,760    |
|                                                                                                                                                                        |              | 40,063,763   |
| <b>North Carolina 0.6%</b>                                                                                                                                             |              |              |
| County of Gaston North Carolina Industrial Facilities & Pollution Control Financing Authority, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 |              |              |
|                                                                                                                                                                        | 4,105        | 3,707,595    |
| <b>Ohio 3.8%</b>                                                                                                                                                       |              |              |
| Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2, 6.50%, 6/01/47                                                        |              |              |
|                                                                                                                                                                        | 1,125        | 1,000,215    |
| County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38                                                         |              |              |
|                                                                                                                                                                        | 2,875        | 3,029,732    |
| County of Franklin Ohio, RB, Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 7/01/40                                           |              |              |
|                                                                                                                                                                        | 1,690        | 1,717,665    |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37                                                                                    |              |              |
|                                                                                                                                                                        | 1,915        | 2,239,631    |
| County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38                                                                                |              |              |
|                                                                                                                                                                        | 9,230        | 9,823,120    |
| County of Montgomery Ohio, Refunding RB, Catholic Health, Series A, 5.50%, 5/01/34                                                                                     |              |              |
|                                                                                                                                                                        | 5,470        | 6,096,753    |
|                                                                                                                                                                        |              | 23,907,116   |
| <b>Pennsylvania 0.4%</b>                                                                                                                                               |              |              |
| City of Philadelphia Pennsylvania IDA, RB:                                                                                                                             |              |              |
| Arbor House, Inc. Project, Series E, 6.10%, 7/01/33                                                                                                                    | 980          | 984,155      |
| Rieder House Project, Series A, 6.10%, 7/01/33                                                                                                                         | 1,335        | 1,340,661    |
|                                                                                                                                                                        | Par<br>(000) | Value        |
| <b>Municipal Bonds</b>                                                                                                                                                 |              |              |
| <b>Pennsylvania (concluded)</b>                                                                                                                                        |              |              |
| Delaware River Port Authority, RB, Series D, 5.00%, 1/01/40                                                                                                            | 195          | 204,128      |
|                                                                                                                                                                        |              | 2,528,944    |
| <b>South Carolina 1.0%</b>                                                                                                                                             |              |              |
| County of Georgetown South Carolina, Refunding RB, International Paper Co. Project, Series A, AMT, 5.55%, 12/01/29                                                     |              |              |
|                                                                                                                                                                        | 1,000        | 1,019,690    |
| County of Richland South Carolina, Refunding RB, International Paper Co. Project, AMT, 6.10%, 4/01/23                                                                  |              |              |
|                                                                                                                                                                        | 5,000        | 5,060,300    |

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|                                                                                                                                                               |        |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
|                                                                                                                                                               |        | 6,079,990  |
| <b>Texas 13.0%</b>                                                                                                                                            |        |            |
| Brazos River Authority, Refunding RB, Texas Utility Co., Series A, AMT, 7.70%, 4/01/33                                                                        | 3,055  | 83,982     |
| Central Texas Regional Mobility Authority, Refunding RB, Senior Lien:<br>5.75%, 1/01/31                                                                       | 1,000  | 1,071,440  |
| 6.00%, 1/01/41                                                                                                                                                | 4,300  | 4,546,218  |
| Series A, 5.00%, 1/01/43                                                                                                                                      | 6,925  | 6,872,231  |
| County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos<br>Presbyterian Homes, Inc. Project, Series B, 7.00%, 1/01/43    | 850    | 876,410    |
| County of Harris Texas Health Facilities Development Corp., Refunding RB, Memorial Hermann<br>Healthcare System, Series B (b):<br>7.13%, 12/01/18             | 3,500  | 4,487,035  |
| 7.25%, 12/01/18                                                                                                                                               | 5,400  | 6,954,066  |
| County of Matagorda Texas Navigation District No. 1, Refunding RB, CenterPoint Energy Project,<br>5.60%, 3/01/27 (c)                                          | 9,355  | 9,452,011  |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White<br>Healthcare, 6.00%, 8/15/45                                          | 5,000  | 5,823,850  |
| La Vernia Higher Education Finance Corp., RB, KIPP, Inc., Series A, 6.25%, 8/15/39                                                                            | 925    | 1,012,931  |
| Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40                                                                   | 3,600  | 3,662,532  |
| New Hope Cultural Education Facilities Corp., Refunding RB, 1st Mortgage, Morningside<br>Ministries Project, 6.25%, 1/01/33                                   | 1,600  | 1,653,008  |
| North Texas Education Finance Corp., ERB, Uplift Education, Series A, 5.13%, 12/01/42                                                                         | 1,000  | 993,220    |
| North Texas Tollway Authority, Refunding RB, 1st Tier, Series A, 6.25%, 1/01/39                                                                               | 3,500  | 3,920,105  |
| San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and<br>Expansion Project, 4.00%, 9/15/42                                     | 5,575  | 5,029,821  |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:<br>LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40 | 10,000 | 11,293,000 |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39                                                                       | 4,710  | 5,233,752  |
| Texas Transportation Commission, Refunding RB, Central Texas Turnpike System, 1st Tier, Series<br>A, 4.00%, 8/15/38                                           | 9,375  | 8,240,531  |
|                                                                                                                                                               |        | 81,206,143 |
| <b>Vermont 0.0%</b>                                                                                                                                           |        |            |
| Vermont Educational & Health Buildings Financing Agency, RB, Developmental & Mental<br>Health, Series A, 6.38%, 6/15/22                                       | 30     | 30,394     |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)

(Percentages shown are based on Net Assets)

|                                                                                                                                        | Par<br>(000) | Value              |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|
| <b>Municipal Bonds</b>                                                                                                                 |              |                    |
| <b>Virginia 3.9%</b>                                                                                                                   |              |                    |
| City of Portsmouth Virginia, GO, Refunding, Series D, 5.00%, 7/15/34                                                                   | \$ 3,105     | \$ 3,389,045       |
| County of Fairfax Virginia EDA, Refunding RB, Goodwin House, Inc.:<br>5.13%, 10/01/37                                                  | 2,000        | 2,028,360          |
| 5.13%, 10/01/42                                                                                                                        | 6,015        | 6,084,473          |
| Virginia Commonwealth Transportation Board, RB, Capital Projects, 5.00%, 5/15/32                                                       | 8,000        | 8,796,240          |
| Virginia HDA, Refunding RB, S/F Housing, Sub-Series A-3, AMT, 5.05%, 7/01/26                                                           | 1,325        | 1,369,096          |
| Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo<br>LLC Project, AMT, 6.00%, 1/01/37       | 2,620        | 2,785,689          |
|                                                                                                                                        |              | 24,452,903         |
| <b>Washington 4.6%</b>                                                                                                                 |              |                    |
| Energy Northwest, Refunding RB, Series B, 7.13%, 7/01/16                                                                               | 14,320       | 16,562,226         |
| Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A,<br>5.75%, 1/01/45                              | 4,010        | 4,347,682          |
| Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D,<br>6.38%, 10/01/36                   | 7,000        | 7,956,200          |
|                                                                                                                                        |              | 28,866,108         |
| <b>West Virginia 0.4%</b>                                                                                                              |              |                    |
| West Virginia Hospital Finance Authority, Refunding RB, Improvement, Charleston Area Medical<br>Center, Inc., Series A, 5.63%, 9/01/32 | 2,500        | 2,622,200          |
| <b>Wisconsin 1.0%</b>                                                                                                                  |              |                    |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community<br>Health, Inc., Series C, 5.25%, 4/01/39     | 6,100        | 6,367,912          |
| <b>Wyoming 1.3%</b>                                                                                                                    |              |                    |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%,<br>7/15/26                                    | 4,500        | 4,880,835          |
| Wyoming Community Development Authority, Refunding RB, Series 2 & 3, 4.05%, 12/01/38                                                   | 3,250        | 3,051,295          |
|                                                                                                                                        |              | 7,932,130          |
| <b>Total Municipal Bonds 113.2%</b>                                                                                                    |              | <b>708,438,157</b> |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (e)</b>                                                                |              |                    |
| <b>Arizona 0.6%</b>                                                                                                                    |              |                    |
| City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Water System, Junior Lien,<br>Series A, 5.00%, 7/01/34                  | 3,500        | 3,829,770          |
| <b>California 3.6%</b>                                                                                                                 |              |                    |
| University of California, RB, General, Series O, 5.25%, 5/15/39                                                                        | 20,000       | 22,401,600         |
| <b>Connecticut 2.1%</b>                                                                                                                |              |                    |
| Connecticut State Health & Educational Facility Authority, RB, Yale University, Series Z-3,<br>5.05%, 7/01/42                          | 12,000       | 13,093,800         |
| <b>District of Columbia 1.3%</b>                                                                                                       |              |                    |
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A,<br>5.50%, 10/01/39                                  | 7,495        | 8,297,970          |
| <b>Municipal Bonds Transferred to<br/>Tender Option Bond Trusts (e)</b>                                                                |              |                    |
| <b>Florida 2.5%</b>                                                                                                                    |              |                    |
| County of Miami-Dade Florida Water & Sewer System, RB (AGM), 5.00%, 10/01/39                                                           | 14,747       | 15,480,007         |
| <b>Illinois 3.0%</b>                                                                                                                   |              |                    |
| State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38                                               | 10,000       | 11,374,500         |
| State of Illinois Toll Highway Authority, RB, Senior Priority, Series B, 5.50%, 1/01/33                                                | 6,999        | 7,655,665          |
|                                                                                                                                        |              | 19,030,165         |
| <b>Kentucky 1.7%</b>                                                                                                                   |              |                    |
|                                                                                                                                        | 9,195        | 10,293,251         |

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County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB,  
River City, Inc., 1st Mortgage, Series A, 5.38%, 12/01/39

### **Maryland 0.8%**

State of Maryland Transportation Authority, RB, Transportation Facilities Project (AGM),  
5.00%, 7/01/41

4,710                      5,047,095

### **Nevada 2.9%**

County of Clark Nevada Water Reclamation District, GO, Limited Tax, Series B, 5.75%, 7/01/34

15,789                      18,140,852

### **New York 5.8%**

City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer  
System, 2nd General Resolution, Series DD, 5.00%, 6/15/37

24,199                      25,554,855

New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project,  
5.75%, 11/15/51 (f)

10,000                      10,881,100

36,435,955

### **North Carolina 3.0%**

North Carolina Capital Facilities Finance Agency, Refunding RB:

Duke University Project, Series A, 5.00%, 10/01/41

12,678                      13,384,089

Wake Forest University, 5.00%, 1/01/38

5,000                      5,321,950

18,706,039

### **Ohio 2.2%**

Ohio Higher Educational Facility Commission, RB, Cleveland Clinic Health, Series A, 5.25%,  
1/01/33

4,400                      4,779,852

State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 1/01/34

8,500                      9,179,915

13,959,767

### **Oregon 2.1%**

State of Oregon Housing & Community Services Department, HRB, M/F Housing, Series A,  
AMT, 4.95%, 7/01/30

13,000                      13,330,324

### **South Carolina 0.4%**

State of South Carolina Housing Finance & Development Authority, Refunding RB, S/F Housing,  
Series B-1, 5.55%, 7/01/39

2,359                      2,431,689

### **Texas 9.0%**

City of Houston Texas, Refunding RB, Airport System, Senior Lien, Series A, 5.50%, 7/01/34

8,333                      9,261,323

City of Houston Texas Higher Education Finance Corp., RB, Rice University Project, Series A,  
5.00%, 5/15/40

10,000                      11,043,286

County of Harris Texas Health Facilities Development Corp., Refunding RB, School Health Care  
System, Series B, 5.75%, 7/01/27 (d)

20,970                      26,318,818

Texas Department of Housing & Community Affairs, RB, S/F Mortgage, Series B, AMT (Ginnie  
Mae), 5.25%, 9/01/32

3,527                      3,601,918

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock MuniVest Fund, Inc. (MVF)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (e)<br>Texas (concluded)                        | Par<br>(000)  | Value          |
|-------------------------------------------------------------------------------------------------------------|---------------|----------------|
| Texas State University, Refunding RB (AGM), 5.00%, 3/15/30                                                  | \$ 5,667      | \$ 6,029,623   |
|                                                                                                             |               | 56,254,968     |
| <b>Virginia 1.2%</b>                                                                                        |               |                |
| County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A,<br>5.50%, 5/15/35 | 2,099         | 2,270,900      |
| Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%,<br>11/01/40           | 5,002         | 5,214,583      |
|                                                                                                             |               | 7,485,483      |
| <b>Washington 4.3%</b>                                                                                      |               |                |
| Central Puget Sound Regional Transit Authority, RB, Series A:<br>5.00%, 11/01/34                            | 5,000         | 5,374,925      |
| 5.00%, 11/01/36                                                                                             | 6,000         | 6,449,910      |
| (AGM), 5.00%, 11/01/32                                                                                      | 14,007        | 15,200,131     |
|                                                                                                             |               | 27,024,966     |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 46.5%</b>                             |               | 291,243,701    |
| <b>Total Long-Term Investments<br/>(Cost \$933,378,651) 159.7%</b>                                          |               | 999,681,858    |
| <b>Short-Term Securities</b>                                                                                | <b>Shares</b> | <b>Value</b>   |
| FFI Institutional Tax-Exempt Fund, 0.03% (g)(h)                                                             | 9,971,185     | 9,971,185      |
| <b>Total Short-Term Securities<br/>(Cost \$9,971,185) 1.6%</b>                                              |               | 9,971,185      |
| <b>Total Investments (Cost \$943,349,836) 161.3%</b>                                                        |               | 1,009,653,043  |
| <b>Other Assets Less Liabilities 1.4%</b>                                                                   |               | 9,325,061      |
| <b>Liability for TOB Trust Certificates, Including Interest<br/>Expense and Fees Payable (23.8)%</b>        |               | (149,203,622)  |
| <b>VMTP Shares, at Liquidation Value (38.9)%</b>                                                            |               | (243,800,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>                                                        |               | \$ 625,974,482 |

## Notes to Schedule of investments

- (a) Zero-coupon bond.
- (b) 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.
- (c) Variable rate security. Rate shown is as of report date.
- (d) Security is collateralized by municipal or US Treasury obligations.
- (e)

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Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 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 agreement, which expires on November 15, 2019 is \$5,295,486.
- (g) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate                         | Shares Held<br>at August 31,<br>2013 | Net<br>Activity | Shares Held<br>at February 28,<br>2014 | Income   |
|-----------------------------------|--------------------------------------|-----------------|----------------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 6,144,050                            | 3,827,135       | 9,971,185                              | \$ 1,482 |

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

Financial futures contracts outstanding as of February 28, 2014 were as follows:

| Contracts<br>Sold | Issue                    | Exchange               | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-------------------|--------------------------|------------------------|------------|-------------------|----------------------------|
| (760)             | 10-Year US Treasury Note | Chicago Board of Trade | June 2014  | \$ 94,643,750     | \$ (170,170)               |

**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 or 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)

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniVest Fund, Inc. (MVF)

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 fair value hierarchy classification 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, please refer to Note 2 of the Notes to Financial Statements. The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2014:

|                                    | Level 1      | Level 2        | Level 3 | Total            |
|------------------------------------|--------------|----------------|---------|------------------|
| <b>Assets:</b>                     |              |                |         |                  |
| Investments:                       |              |                |         |                  |
| Long-Term Investments <sup>1</sup> |              | \$ 999,681,858 |         | \$ 999,681,858   |
| Short-Term Securities              | \$ 9,971,185 |                |         | 9,971,185        |
| <b>Total</b>                       | \$ 9,971,185 | \$ 999,681,858 |         | \$ 1,009,653,043 |

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

|                                               | Level 1      | Level 2 | Level 3 | Total        |
|-----------------------------------------------|--------------|---------|---------|--------------|
| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (170,170) |         |         | \$ (170,170) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument. The carrying amount for certain of the Trust's assets and/or liabilities approximates fair value for financial statement purposes. As of February 28, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                                              | Level 1      | Level 2          | Level 3 | Total            |
|----------------------------------------------|--------------|------------------|---------|------------------|
| <b>Assets:</b>                               |              |                  |         |                  |
| Cash pledged for financial futures contracts | \$ 1,221,000 |                  |         | \$ 1,221,000     |
| <b>Liabilities:</b>                          |              |                  |         |                  |
| TOB trust certificates                       |              | \$ (149,177,344) |         | (149,177,344)    |
| VMTP Shares                                  |              | (243,800,000)    |         | (243,800,000)    |
| <b>Total</b>                                 | \$ 1,221,000 | \$ (392,977,344) |         | \$ (391,756,344) |

There were no transfers between levels during the six months ended February 28, 2014.

See Notes to Financial Statements.

## Statements of Assets and Liabilities

| February 28, 2014 (Unaudited)                                           | BlackRock<br>Municipal Bond<br>Investment Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|-------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|
| <b>Assets</b>                                                           |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Investments at value unaffiliated                                       | \$ 84,296,783                                            | \$ 258,569,776                                | \$ 203,022,774                                                        | \$ 613,295,895                                          | \$ 550,739,340                                     | \$ 886,255,035                                                   | \$ 999,681,858                               |
| Investments at value affiliated                                         | 412,295                                                  | 602,767                                       | 630,953                                                               | 6,139,479                                               | 5,572,132                                          | 5,349,443                                                        | 9,971,185                                    |
| Cash pledged for financial futures contracts                            | 73,000                                                   | 302,000                                       | 183,000                                                               | 549,000                                                 | 567,000                                            | 758,000                                                          | 1,221,000                                    |
| Interest receivable                                                     | 950,098                                                  | 2,897,692                                     | 2,305,423                                                             | 6,584,380                                               | 6,769,476                                          | 10,833,591                                                       | 13,090,938                                   |
| Investments sold receivable                                             |                                                          | 2,129,027                                     | 1,058,731                                                             |                                                         |                                                    | 15,315,703                                                       | 505,062                                      |
| Variation margin receivable on financial futures contracts              | 9,715                                                    | 40,307                                        | 24,597                                                                | 70,278                                                  | 74,619                                             | 101,903                                                          | 157,092                                      |
| Deferred offering costs                                                 | 137,437                                                  | 48,720                                        | 39,523                                                                | 66,530                                                  | 71,018                                             | 463,181                                                          | 107,337                                      |
| Prepaid expenses                                                        | 68,042                                                   | 36,862                                        | 35,509                                                                | 46,397                                                  | 34,857                                             | 85,610                                                           | 41,100                                       |
| <b>Total assets</b>                                                     | <b>85,947,370</b>                                        | <b>264,627,151</b>                            | <b>207,300,510</b>                                                    | <b>626,751,959</b>                                      | <b>563,828,442</b>                                 | <b>919,162,466</b>                                               | <b>1,024,775,572</b>                         |
| <b>Accrued Liabilities</b>                                              |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Income dividends payable Common Shares                                  | 253,740                                                  | 825,102                                       | 599,335                                                               | 2,033,283                                               | 1,923,147                                          | 2,703,256                                                        | 3,614,996                                    |
| Investments purchased payable                                           |                                                          | 2,991,313                                     | 537,270                                                               |                                                         |                                                    | 3,223,618                                                        | 1,530,000                                    |
| Investment advisory fees payable                                        | 37,089                                                   | 128,494                                       | 86,237                                                                | 262,608                                                 | 234,204                                            | 381,665                                                          | 387,806                                      |
| Officers and Trustees fees payable                                      | 8,143                                                    | 28,809                                        | 21,451                                                                | 66,463                                                  | 60,592                                             | 199,633                                                          | 155,179                                      |
| Interest expense and fees payable                                       | 2,365                                                    | 4,353                                         | 4,784                                                                 | 20,497                                                  | 10,426                                             | 19,239                                                           | 26,278                                       |
| Other accrued expenses payable                                          | 24,154                                                   | 66,351                                        | 58,533                                                                | 87,571                                                  | 86,170                                             | 268,728                                                          | 109,487                                      |
| <b>Total accrued liabilities</b>                                        | <b>325,491</b>                                           | <b>4,044,422</b>                              | <b>1,307,610</b>                                                      | <b>2,470,422</b>                                        | <b>2,314,539</b>                                   | <b>6,796,139</b>                                                 | <b>5,823,746</b>                             |
| <b>Other Liabilities</b>                                                |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| TOB trust certificates                                                  | 16,235,837                                               | 18,224,759                                    | 32,344,766                                                            | 99,830,779                                              | 70,266,599                                         | 89,456,878                                                       | 149,177,344                                  |
| VRDP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup> | 17,800,000                                               |                                               |                                                                       |                                                         |                                                    | 274,600,000                                                      |                                              |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>3,4</sup> |                                                          | 79,900,000                                    | 42,200,000                                                            | 137,200,000                                             | 151,300,000                                        |                                                                  | 243,800,000                                  |
| <b>Total other liabilities</b>                                          | <b>34,035,837</b>                                        | <b>98,124,759</b>                             | <b>74,544,766</b>                                                     | <b>237,030,779</b>                                      | <b>221,566,599</b>                                 | <b>364,056,878</b>                                               | <b>392,977,344</b>                           |
| <b>Total liabilities</b>                                                | <b>34,361,328</b>                                        | <b>102,169,181</b>                            | <b>75,852,376</b>                                                     | <b>239,501,201</b>                                      | <b>223,881,138</b>                                 | <b>370,853,017</b>                                               | <b>398,801,090</b>                           |
| <b>Net Assets Applicable to Common Shareholders</b>                     | <b>\$ 51,586,042</b>                                     | <b>\$ 162,457,970</b>                         | <b>\$ 131,448,134</b>                                                 | <b>\$ 387,250,758</b>                                   | <b>\$ 339,947,304</b>                              | <b>\$ 548,309,449</b>                                            | <b>\$ 625,974,482</b>                        |
| <b>Net Assets Applicable to Common Shareholders Consist of</b>          |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Paid-in capital <sup>5,6,7</sup>                                        | \$ 47,273,688                                            | \$ 149,422,659                                | \$ 124,083,751                                                        | \$ 374,758,607                                          | \$ 332,752,122                                     | \$ 525,940,982                                                   | \$ 581,767,155                               |
| Undistributed net investment income                                     | 720,925                                                  | 3,232,775                                     | 1,481,396                                                             | 5,079,468                                               | 5,223,479                                          | 6,759,090                                                        | 9,800,487                                    |
| Accumulated net realized loss                                           | (2,992,023)                                              | (2,134,193)                                   | (5,881,090)                                                           | (21,311,593)                                            | (16,228,874)                                       | (41,323,754)                                                     | (31,726,197)                                 |
| Net unrealized appreciation/depreciation                                | 6,583,452                                                | 11,936,729                                    | 11,764,077                                                            | 28,724,276                                              | 18,200,577                                         | 56,933,131                                                       | 66,133,037                                   |
| <b>Net Assets Applicable to Common Shareholders</b>                     | <b>\$ 51,586,042</b>                                     | <b>\$ 162,457,970</b>                         | <b>\$ 131,448,134</b>                                                 | <b>\$ 387,250,758</b>                                   | <b>\$ 339,947,304</b>                              | <b>\$ 548,309,449</b>                                            | <b>\$ 625,974,482</b>                        |
| Net asset value per Common Share                                        | \$ 15.45                                                 | \$ 15.46                                      | \$ 15.02                                                              | \$ 14.67                                                | \$ 14.49                                           | \$ 14.50                                                         | \$ 9.78                                      |

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|                                                                                              |               |                |                |                |                |                |                |
|----------------------------------------------------------------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <sup>1</sup> Investments at cost unaffiliated                                                | \$ 77,702,807 | \$ 246,589,385 | \$ 191,232,052 | \$ 584,495,490 | \$ 532,457,932 | \$ 829,211,517 | \$ 933,378,651 |
| <sup>2</sup> Investments at cost affiliated                                                  | \$ 412,295    | \$ 602,767     | \$ 630,953     | \$ 6,139,479   | \$ 5,572,132   | \$ 5,349,443   | \$ 9,971,185   |
| <sup>3</sup> Preferred Shares outstanding:                                                   |               |                |                |                |                |                |                |
| Par value \$0.001 per share                                                                  | 178           | 799            | 422            | 1,372          | 1,513          |                |                |
| Par value \$0.10 per share                                                                   |               |                |                |                |                | 2,746          | 2,438          |
| <sup>4</sup> Preferred Shares authorized, including Auction Market Preferred Shares ( AMPS ) | unlimited     | unlimited      | unlimited      | unlimited      | unlimited      | 1 million      | 10 million     |
| <sup>5</sup> Common Shares outstanding                                                       | 3,338,684     | 10,510,852     | 8,749,418      | 26,406,273     | 23,453,016     | 37,807,776     | 63,982,238     |
| <sup>6</sup> Par value per Common Share                                                      | \$ 0.001      | \$ 0.001       | \$ 0.001       | \$ 0.001       | \$ 0.001       | \$ 0.10        | \$ 0.10        |
| <sup>7</sup> Common Shares authorized                                                        | unlimited     | unlimited      | unlimited      | unlimited      | unlimited      | unlimited      | 150 million    |

See Notes to Financial Statements.

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## Statements of Operations

| Six Months Ended February 28, 2014<br>(Unaudited)                                                     | BlackRock<br>Municipal Bond<br>Investment Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality<br>Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------|
| <b>Investment Income</b>                                                                              |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                     |                                              |
| Interest                                                                                              | \$ 2,030,490                                             | \$ 6,522,563                                  | \$ 4,605,056                                                          | \$ 14,387,884                                           | \$ 13,596,511                                      | \$ 20,917,843                                                       | \$ 25,036,124                                |
| Income affiliated                                                                                     | 144                                                      | 544                                           | 341                                                                   | 1,178                                                   | 1,147                                              | 1,247                                                               | 1,482                                        |
| Total income                                                                                          | 2,030,634                                                | 6,523,107                                     | 4,605,397                                                             | 14,389,062                                              | 13,597,658                                         | 20,919,090                                                          | 25,037,606                                   |
| <b>Expenses</b>                                                                                       |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                     |                                              |
| Investment advisory                                                                                   | 269,196                                                  | 813,275                                       | 548,048                                                               | 1,680,752                                               | 1,482,968                                          | 2,423,613                                                           | 2,468,792                                    |
| Liquidity fees                                                                                        | 82,035                                                   |                                               |                                                                       |                                                         |                                                    | 901,488                                                             |                                              |
| Professional                                                                                          | 23,648                                                   | 36,764                                        | 31,787                                                                | 43,900                                                  | 42,749                                             | 56,809                                                              | 59,154                                       |
| Accounting services                                                                                   | 7,851                                                    | 20,915                                        | 18,566                                                                | 29,844                                                  | 29,845                                             | 58,081                                                              | 63,746                                       |
| Remarketing fees on Preferred Shares                                                                  | 8,949                                                    |                                               |                                                                       |                                                         |                                                    | 136,172                                                             |                                              |
| Officer and Trustees                                                                                  | 2,903                                                    | 9,479                                         | 7,431                                                                 | 22,275                                                  | 19,700                                             | 38,812                                                              | 39,789                                       |
| Transfer agent                                                                                        | 8,187                                                    | 12,399                                        | 10,936                                                                | 19,458                                                  | 17,519                                             | 24,170                                                              | 28,391                                       |
| Custodian                                                                                             | 4,777                                                    | 8,036                                         | 7,646                                                                 | 14,521                                                  | 15,831                                             | 20,745                                                              | 19,984                                       |
| Printing                                                                                              | 2,947                                                    | 4,162                                         | 3,661                                                                 | 6,028                                                   | 5,499                                              | 7,819                                                               | 8,172                                        |
| Registration                                                                                          | 1,943                                                    | 1,899                                         | 1,956                                                                 | 1,997                                                   | 2,244                                              | 2,745                                                               | 6,110                                        |
| Miscellaneous                                                                                         | 27,148                                                   | 32,454                                        | 28,731                                                                | 39,009                                                  | 40,283                                             | 45,373                                                              | 44,658                                       |
| Total expenses excluding interest expense,<br>fees and amortization of offering costs                 | 439,584                                                  | 939,383                                       | 658,762                                                               | 1,857,784                                               | 1,656,638                                          | 3,715,827                                                           | 2,738,796                                    |
| Interest expense, fees and amortization of<br>offering costs <sup>1</sup>                             | 78,704                                                   | 535,243                                       | 358,490                                                               | 1,096,095                                               | 1,046,857                                          | 676,629                                                             | 1,803,378                                    |
| Total expenses                                                                                        | 518,288                                                  | 1,474,626                                     | 1,017,252                                                             | 2,953,879                                               | 2,703,495                                          | 4,392,456                                                           | 4,542,174                                    |
| Less fees waived by Manager                                                                           | (33,213)                                                 | (305)                                         | (220)                                                                 | (681)                                                   | (625)                                              | (230,089)                                                           | (815)                                        |
| Total expenses after fees waived                                                                      | 485,075                                                  | 1,474,321                                     | 1,017,032                                                             | 2,953,198                                               | 2,702,870                                          | 4,162,367                                                           | 4,541,359                                    |
| Net investment income                                                                                 | 1,545,559                                                | 5,048,786                                     | 3,588,365                                                             | 11,435,864                                              | 10,894,788                                         | 16,756,723                                                          | 20,496,247                                   |
| <b>Realized and Unrealized Gain (Loss)</b>                                                            |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                     |                                              |
| Net realized loss from:                                                                               |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                     |                                              |
| Investments                                                                                           | (652,598)                                                | (2,005,154)                                   | (3,352,220)                                                           | (5,216,748)                                             | (4,768,784)                                        | (9,528,832)                                                         | (921,864)                                    |
| Financial futures contracts                                                                           | (4,082)                                                  | (180,608)                                     | (10,577)                                                              | (258,706)                                               | (491,595)                                          | (43,891)                                                            | (329,447)                                    |
|                                                                                                       | (656,680)                                                | (2,185,762)                                   | (3,362,797)                                                           | (5,475,454)                                             | (5,260,379)                                        | (9,572,723)                                                         | (1,251,311)                                  |
| Net change in unrealized<br>appreciation/depreciation on:                                             |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                     |                                              |
| Investments                                                                                           | 4,583,349                                                | 16,472,366                                    | 13,883,558                                                            | 38,273,088                                              | 33,673,406                                         | 55,645,517                                                          | 44,384,327                                   |
| Financial futures contracts                                                                           | (10,524)                                                 | (43,662)                                      | (26,645)                                                              | (76,129)                                                | (80,831)                                           | (110,387)                                                           | (170,170)                                    |
|                                                                                                       | 4,572,825                                                | 16,428,704                                    | 13,856,913                                                            | 38,196,959                                              | 33,592,575                                         | 55,535,130                                                          | 44,214,157                                   |
| Total realized and unrealized gain                                                                    | 3,916,145                                                | 14,242,942                                    | 10,494,116                                                            | 32,721,505                                              | 28,332,196                                         | 45,962,407                                                          | 42,962,846                                   |
| <b>Net Increase in Net Assets Applicable to<br/>Common Shareholders Resulting from<br/>Operations</b> | <b>\$ 5,461,704</b>                                      | <b>\$ 19,291,728</b>                          | <b>\$ 14,082,481</b>                                                  | <b>\$ 44,157,369</b>                                    | <b>\$ 39,226,984</b>                               | <b>\$ 62,719,130</b>                                                | <b>\$ 63,459,093</b>                         |

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

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                                                   | <b>BlackRock Municipal Bond<br/>Investment Trust (BIE)</b> |                                           |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended</b>                                    |                                           |
|                                                                                                   | <b>February<br/>28,<br/>2014<br/>(Unaudited)</b>           | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                            |                                           |
| <b>Operations</b>                                                                                 |                                                            |                                           |
| Net investment income                                                                             | \$ 1,545,559                                               | \$ 3,009,781                              |
| Net realized loss                                                                                 | (656,680)                                                  | (514,362)                                 |
| Net change in unrealized appreciation/depreciation                                                | 4,572,825                                                  | (8,100,674)                               |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 5,461,704                                                  | (5,605,255)                               |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                            |                                           |
| Net investment income                                                                             | (1,522,440)                                                | (3,094,784) <sup>1</sup>                  |
| <b>Capital Share Transactions</b>                                                                 |                                                            |                                           |
| Reinvestment of common dividends                                                                  |                                                            | 16,133                                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                            |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 3,939,264                                                  | (8,683,906)                               |
| Beginning of period                                                                               | 47,646,778                                                 | 56,330,684                                |
| End of period                                                                                     | \$ 51,586,042                                              | \$ 47,646,778                             |
| Undistributed net investment income, end of period                                                | \$ 720,925                                                 | \$ 697,806                                |

|                                                                                                   | <b>BlackRock Municipal<br/>Bond Trust (BBK)</b> |                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended</b>                         |                                           |
|                                                                                                   | <b>February 28,<br/>2014<br/>(Unaudited)</b>    | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                 |                                           |
| <b>Operations</b>                                                                                 |                                                 |                                           |
| Net investment income                                                                             | \$ 5,048,786                                    | \$ 10,121,543                             |
| Net realized gain (loss)                                                                          | (2,185,762)                                     | 1,996,264                                 |
| Net change in unrealized appreciation/depreciation                                                | 16,428,704                                      | (27,894,939)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 19,291,728                                      | (15,777,132)                              |
| <b>Dividends and Distributions to Common Shareholders From</b>                                    |                                                 |                                           |
| Net investment income                                                                             | (4,969,169)                                     | (10,235,733) <sup>1</sup>                 |
| Net realized gain                                                                                 | (867,349)                                       | (1,455,701) <sup>1</sup>                  |
| Decrease in net assets resulting from dividends and distributions to Common Shareholders          | (5,836,518)                                     | (11,691,434)                              |
| <b>Capital Share Transactions</b>                                                                 |                                                 |                                           |
| Reinvestment of common dividends                                                                  |                                                 | 255,741                                   |



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### Net Assets Applicable to Common Shareholders

|                                                                           |                |                |
|---------------------------------------------------------------------------|----------------|----------------|
| Total increase (decrease) in net assets applicable to Common Shareholders | 13,455,210     | (27,212,825)   |
| Beginning of period                                                       | 149,002,760    | 176,215,585    |
| End of period                                                             | \$ 162,457,970 | \$ 149,002,760 |
| Undistributed net investment income, end of period                        | \$ 3,232,775   | \$ 3,153,158   |

<sup>1</sup> Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                                                   | <b>BlackRock Municipal Income<br/>Investment Quality Trust (BAF)</b> |                                           |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b>    | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                                      |                                           |
| <b>Operations</b>                                                                                 |                                                                      |                                           |
| Net investment income                                                                             | \$ 3,588,365                                                         | \$ 7,099,697                              |
| Net realized loss                                                                                 | (3,362,797)                                                          | (1,504,631)                               |
| Net change in unrealized appreciation/depreciation                                                | 13,856,913                                                           | (22,035,087)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 14,082,481                                                           | (16,440,021)                              |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                                      |                                           |
| Net investment income                                                                             | (3,596,011)                                                          | (7,226,601) <sup>1</sup>                  |
| <b>Capital Share Transactions</b>                                                                 |                                                                      |                                           |
| Reinvestment of common dividends                                                                  |                                                                      | 41,052                                    |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                                      |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 10,486,470                                                           | (23,625,570)                              |
| Beginning of period                                                                               | 120,961,664                                                          | 144,587,234                               |
| End of period                                                                                     | \$ 131,448,134                                                       | \$ 120,961,664                            |
| Undistributed net investment income, end of period                                                | \$ 1,481,396                                                         | \$ 1,489,042                              |

|                                                                                                   | <b>BlackRock Municipal<br/>Income Quality Trust (BYM)</b>         |                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                                   |                                           |
| <b>Operations</b>                                                                                 |                                                                   |                                           |
| Net investment income                                                                             | \$ 11,435,864                                                     | \$ 23,897,300                             |
| Net realized gain (loss)                                                                          | (5,475,454)                                                       | 2,074,437                                 |
| Net change in unrealized appreciation/depreciation                                                | 38,196,959                                                        | (71,172,199)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 44,157,369                                                        | (45,200,462)                              |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                                   |                                           |
| Net investment income                                                                             | (12,278,917)                                                      | (24,710,368) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                                                                 |                                                                   |                                           |
| Reinvestment of common dividends                                                                  |                                                                   | 498,568                                   |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                                   |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 31,878,452                                                        | (69,412,262)                              |
| Beginning of period                                                                               | 355,372,306                                                       | 424,784,568                               |

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|                                                    |                |                |
|----------------------------------------------------|----------------|----------------|
| End of period                                      | \$ 387,250,758 | \$ 355,372,306 |
| Undistributed net investment income, end of period | \$ 5,079,468   | \$ 5,922,521   |

<sup>1</sup> Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                                                   | <b>BlackRock Municipal<br/>Income Trust II (BLE)</b>              |                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                                   |                                           |
| <b>Operations</b>                                                                                 |                                                                   |                                           |
| Net investment income                                                                             | \$ 10,894,788                                                     | \$ 22,707,879                             |
| Net realized gain (loss)                                                                          | (5,260,379)                                                       | 1,783,167                                 |
| Net change in unrealized appreciation/depreciation                                                | 33,592,575                                                        | (65,487,095)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 39,226,984                                                        | (40,996,049)                              |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                                   |                                           |
| Net investment income                                                                             | (11,759,411)                                                      | (24,096,233) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                                                                 |                                                                   |                                           |
| Reinvestment of common dividends                                                                  | 150,439                                                           | 647,211                                   |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                                   |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 27,618,012                                                        | (64,445,071)                              |
| Beginning of period                                                                               | 312,329,292                                                       | 376,774,363                               |
| End of period                                                                                     | \$ 339,947,304                                                    | \$ 312,329,292                            |
| Undistributed net investment income, end of period                                                | \$ 5,223,479                                                      | \$ 6,088,102                              |

|                                                                                                   | <b>BlackRock MuniHoldings<br/>Investment Quality Fund (MFL)</b>   |                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                                   |                                           |
| <b>Operations</b>                                                                                 |                                                                   |                                           |
| Net investment income                                                                             | \$ 16,756,723                                                     | \$ 32,713,247                             |
| Net realized loss                                                                                 | (9,572,723)                                                       | (9,831,710)                               |
| Net change in unrealized appreciation/depreciation                                                | 55,535,130                                                        | (90,463,253)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 62,719,130                                                        | (67,581,716)                              |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                                   |                                           |
| Net investment income                                                                             | (16,219,536)                                                      | (34,131,947) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                                                                 |                                                                   |                                           |
| Reinvestment of common dividends                                                                  |                                                                   | 743,537                                   |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                                   |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 46,499,594                                                        | (100,970,126)                             |
| Beginning of period                                                                               | 501,809,855                                                       | 602,779,981                               |

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|                                                    |                |                |
|----------------------------------------------------|----------------|----------------|
| End of period                                      | \$ 548,309,449 | \$ 501,809,855 |
| Undistributed net investment income, end of period | \$ 6,759,090   | \$ 6,221,903   |

<sup>1</sup> Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|                                                                                                   | <b>BlackRock MuniVest<br/>Fund, Inc. (MVF)</b>                    |                                           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------|
|                                                                                                   | <b>Six Months Ended<br/>February 28,<br/>2014<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |                                                                   |                                           |
| <b>Operations</b>                                                                                 |                                                                   |                                           |
| Net investment income                                                                             | \$ 20,496,247                                                     | \$ 42,884,784                             |
| Net realized loss                                                                                 | (1,251,311)                                                       | (1,650,054)                               |
| Net change in unrealized appreciation/depreciation                                                | 44,214,157                                                        | (94,389,898)                              |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | 63,459,093                                                        | (53,155,168)                              |
| <b>Dividends to Common Shareholders From</b>                                                      |                                                                   |                                           |
| Net investment income                                                                             | (22,202,607)                                                      | (45,202,014) <sup>1</sup>                 |
| <b>Capital Share Transactions</b>                                                                 |                                                                   |                                           |
| Reinvestment of common dividends                                                                  |                                                                   | 3,867,890                                 |
| <b>Net Assets Applicable to Common Shareholders</b>                                               |                                                                   |                                           |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | 41,256,486                                                        | (94,489,292)                              |
| Beginning of period                                                                               | 584,717,996                                                       | 679,207,288                               |
| End of period                                                                                     | \$ 625,974,482                                                    | \$ 584,717,996                            |
| Undistributed net investment income, end of period                                                | \$ 9,800,487                                                      | \$ 11,506,847                             |

<sup>1</sup> Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

## Statements of Cash Flows

| Six Months Ended February 28, 2014<br>(Unaudited)                                                                        | BlackRock<br>Municipal Bond<br>Investment Trust<br>(BIE) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|
| <b>Cash Provided by Operating Activities</b>                                                                             |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Net Increase in net assets resulting from operations                                                                     | \$ 5,461,704                                             | \$ 19,291,728                                 | \$ 14,082,481                                                         | \$ 44,157,369                                           | \$ 39,226,984                                      | \$ 62,719,130                                                    | \$ 63,459,093                                |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities: |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Increase in interest receivable                                                                                          | (84,042)                                                 | (28,748)                                      | (89,133)                                                              | (59,679)                                                | (139,590)                                          | (604,099)                                                        | (231,188)                                    |
| Increase in cash pledged for financial futures contracts                                                                 | (73,000)                                                 | (302,000)                                     | (183,000)                                                             | (549,000)                                               | (567,000)                                          | (758,000)                                                        | (1,221,000)                                  |
| Increase in prepaid expenses                                                                                             | (30,789)                                                 | (32,484)                                      | (31,733)                                                              | (36,751)                                                | (25,877)                                           | (23,627)                                                         | (30,254)                                     |
| Increase in variation margin receivable on financial futures contracts                                                   | (9,715)                                                  | (40,307)                                      | (24,597)                                                              | (70,278)                                                | (74,619)                                           | (101,903)                                                        | (157,092)                                    |
| Decrease in investment advisory fees payable                                                                             | (3,790)                                                  | (8,782)                                       | (10,136)                                                              | (26,461)                                                | (22,331)                                           | (36,872)                                                         | (41,467)                                     |
| Decrease in interest expense and fees payable                                                                            | (2,997)                                                  | (1,293)                                       | (5,320)                                                               | (21,305)                                                | (16,259)                                           | (20,460)                                                         | (32,122)                                     |
| Increase (decrease) in other accrued expenses payable                                                                    | (520)                                                    | 8,119                                         | (3,419)                                                               | (11,762)                                                | 4,963                                              | (30,111)                                                         | (1,946)                                      |
| Increase in Officers and Trustees fees payable                                                                           | 547                                                      | 2,091                                         | 1,425                                                                 | 4,615                                                   | 4,238                                              | 25,012                                                           | 11,050                                       |
| Net realized loss on investments                                                                                         | 652,598                                                  | 2,005,154                                     | 3,352,220                                                             | 5,216,748                                               | 4,768,784                                          | 9,528,832                                                        | 921,864                                      |
| Net unrealized gain on investments                                                                                       | (4,583,349)                                              | (16,472,366)                                  | (13,883,558)                                                          | (38,273,088)                                            | (33,673,406)                                       | (55,645,517)                                                     | (44,384,327)                                 |
| Amortization of premium and accretion of discount on investments                                                         | 108,198                                                  | (720,869)                                     | 412,908                                                               | (569,545)                                               | 202,251                                            | 1,557,466                                                        | 749,914                                      |
| Proceeds from sales of long-term investments                                                                             | 11,554,850                                               | 35,605,551                                    | 42,506,203                                                            | 80,774,557                                              | 61,459,557                                         | 146,161,840                                                      | 73,386,020                                   |
| Purchases of long-term investments                                                                                       | (12,426,616)                                             | (35,822,445)                                  | (41,610,845)                                                          | (62,321,981)                                            | (53,992,811)                                       | (171,535,443)                                                    | (66,393,749)                                 |
| Net proceeds from sales (purchases) of short-term securities                                                             | 1,467,748                                                | 1,067,186                                     | 521,221                                                               | (952,402)                                               | (2,388,916)                                        | 31,482,131                                                       | (3,827,135)                                  |
| Cash provided by operating activities                                                                                    | 2,030,827                                                | 4,550,535                                     | 5,034,717                                                             | 27,261,037                                              | 14,765,968                                         | 22,718,379                                                       | 22,207,661                                   |
| <b>Cash Used for Financing Activities</b>                                                                                |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Receipts from TOB trust certificates                                                                                     |                                                          | 1,185,515                                     |                                                                       |                                                         | 5,866,524                                          |                                                                  | 625,000                                      |
| Payments for TOB trust certificates                                                                                      | (519,986)                                                |                                               | (1,500,377)                                                           | (15,116,928)                                            | (9,131,070)                                        | (6,502,289)                                                      | (532,310)                                    |
| Cash dividends paid to Common Shareholders                                                                               | (1,522,440)                                              | (5,836,518)                                   | (3,596,011)                                                           | (12,305,323)                                            | (11,678,411)                                       | (16,219,536)                                                     | (22,362,560)                                 |
| Increase in amortization of deferred offering costs                                                                      | 11,599                                                   | 28,842                                        | 23,841                                                                | 38,830                                                  | 41,357                                             | 3,446                                                            | 62,209                                       |
| Cash used for financing activities                                                                                       | (2,030,827)                                              | (4,622,161)                                   | (5,072,547)                                                           | (27,383,421)                                            | (14,901,600)                                       | (22,718,379)                                                     | (22,207,661)                                 |
| <b>Cash</b>                                                                                                              |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Net decrease in cash                                                                                                     |                                                          | (71,626)                                      | (37,830)                                                              | (122,384)                                               | (135,632)                                          |                                                                  |                                              |
| Cash at beginning of period                                                                                              |                                                          | 71,626                                        | 37,830                                                                | 122,384                                                 | 135,632                                            |                                                                  |                                              |
| Cash at end of period                                                                                                    |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| <b>Supplemental Disclosure of Cash Flow Information</b>                                                                  |                                                          |                                               |                                                                       |                                                         |                                                    |                                                                  |                                              |
| Cash paid during the period for interest and fees                                                                        | \$ 70,102                                                | \$ 507,694                                    | \$ 339,969                                                            | \$ 1,078,570                                            | \$ 1,021,759                                       | \$ 693,643                                                       | \$ 1,773,291                                 |

**Non-Cash Financing Activities**

|                                                                                |            |
|--------------------------------------------------------------------------------|------------|
| Capital Shares issued in reinvestment of dividends paid to Common Shareholders | \$ 150,439 |
|--------------------------------------------------------------------------------|------------|

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Municipal Bond Investment Trust (BIE)

|                                                                                                                                           | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                    |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                      | \$ 14.27                                                | \$ 16.88            | \$ 14.67              | \$ 15.51            | \$ 14.16            | \$ 14.86            |
| Net investment income <sup>1</sup>                                                                                                        | 0.46                                                    | 0.90                | 0.92                  | 1.03                | 1.02                | 1.03                |
| Net realized and unrealized gain (loss)                                                                                                   | 1.18                                                    | (2.58)              | 2.26                  | (0.89)              | 1.27                | (0.76)              |
| Dividends to AMPS Shareholders from net investment income                                                                                 |                                                         |                     | (0.00) <sup>2</sup>   | (0.02)              | (0.02)              | (0.13)              |
| Net increase (decrease) from investment operations                                                                                        | 1.64                                                    | (1.68)              | 3.18                  | 0.12                | 2.27                | 0.14                |
| Dividends to Common Shareholders from net investment income                                                                               | (0.46)                                                  | (0.93) <sup>3</sup> | (0.97) <sup>3</sup>   | (0.96) <sup>3</sup> | (0.92) <sup>3</sup> | (0.84) <sup>3</sup> |
| Net asset value, end of period                                                                                                            | \$ 15.45                                                | \$ 14.27            | \$ 16.88              | \$ 14.67            | \$ 15.51            | \$ 14.16            |
| Market price, end of period                                                                                                               | \$ 13.96                                                | \$ 13.14            | \$ 16.61              | \$ 14.22            | \$ 15.60            | \$ 13.20            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>4</sup></b>                                                              |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                  | 11.95% <sup>5</sup>                                     | (10.35)%            | 22.36%                | 1.29%               | 16.80%              | 2.43%               |
| Based on market price                                                                                                                     | 9.84% <sup>5</sup>                                      | (16.10)%            | 24.21%                | (2.38)%             | 26.02%              | (0.64)%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                     |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                            | 2.12% <sup>6</sup>                                      | 2.09%               | 2.21% <sup>7</sup>    | 1.81% <sup>7</sup>  | 1.57% <sup>7</sup>  | 1.71% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                      | 1.98% <sup>6</sup>                                      | 1.96%               | 2.12% <sup>7</sup>    | 1.66% <sup>7</sup>  | 1.35% <sup>7</sup>  | 1.36% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>8</sup> | 1.66% <sup>6,9</sup>                                    | 1.60% <sup>9</sup>  | 1.72% <sup>7,9</sup>  | 1.39% <sup>7</sup>  | 1.15% <sup>7</sup>  | 1.25% <sup>7</sup>  |
| Net investment income                                                                                                                     | 6.32% <sup>6</sup>                                      | 5.45%               | 5.78% <sup>7</sup>    | 7.25% <sup>7</sup>  | 6.92% <sup>7</sup>  | 7.98% <sup>7</sup>  |
| Dividends to AMPS Shareholders                                                                                                            |                                                         |                     | 0.01%                 | 0.13%               | 0.15%               | 1.01%               |
| Net investment income to Common Shareholders                                                                                              | 6.32% <sup>6</sup>                                      | 5.45%               | 5.77%                 | 7.12%               | 6.77%               | 6.97%               |
| <b>Supplemental Data</b>                                                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                         | \$ 51,586                                               | \$ 47,647           | \$ 56,331             | \$ 48,941           | \$ 51,708           | \$ 47,203           |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                  |                                                         |                     |                       | \$ 17,850           | \$ 17,850           | \$ 17,850           |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                               | \$ 17,800                                               | \$ 17,800           | \$ 17,800             |                     |                     |                     |
| Portfolio turnover                                                                                                                        | 14%                                                     | 32%                 | 36%                   | 25%                 | 47%                 | 71%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                 |                                                         |                     |                       | \$ 93,546           | \$ 97,421           | \$ 91,112           |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period                                                              | \$ 389,809                                              | \$ 367,678          | \$ 416,465            |                     |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Amount is greater than \$(0.005) per share.
- <sup>3</sup> Determined in accordance with federal income tax regulations.
- <sup>4</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>5</sup> Aggregate total investment return.
- <sup>6</sup> Annualized.
- <sup>7</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>8</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
- <sup>9</sup> For the six months ended February 28, 2014 and the years ended August 31, 2013 and August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.29%, 1.27% and 1.42%, respectively.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Bond Trust (BBK)

|                                                                                                                                           | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                    |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                      | \$ 14.18                                                | \$ 16.79            | \$ 14.48              | \$ 15.29            | \$ 13.23            | \$ 13.96            |
| Net investment income <sup>1</sup>                                                                                                        | 0.48                                                    | 0.96                | 1.01                  | 1.14                | 1.14                | 1.14                |
| Net realized and unrealized gain (loss)                                                                                                   | 1.35                                                    | (2.46)              | 2.37                  | (0.87)              | 1.97                | (0.83)              |
| Dividends to AMPS Shareholders from net investment income                                                                                 |                                                         |                     | (0.01)                | (0.03)              | (0.03)              | (0.13)              |
| Net increase (decrease) from investment operations                                                                                        | 1.83                                                    | (1.50)              | 3.37                  | 0.24                | 3.08                | 0.18                |
| Dividends and distributions to Common Shareholders from:                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net investment income                                                                                                                     | (0.47)                                                  | (0.97) <sup>2</sup> | (1.06) <sup>2</sup>   | (1.05) <sup>2</sup> | (1.02) <sup>2</sup> | (0.91) <sup>2</sup> |
| Net realized gain                                                                                                                         | (0.08)                                                  | (0.14) <sup>2</sup> |                       |                     |                     |                     |
| Total dividends and distributions to Common Shareholders                                                                                  | (0.55)                                                  | (1.11)              | (1.06)                | (1.05)              | (1.02)              | (0.91)              |
| Net asset value, end of period                                                                                                            | \$ 15.46                                                | \$ 14.18            | \$ 16.79              | \$ 14.48            | \$ 15.29            | \$ 13.23            |
| Market price, end of period                                                                                                               | \$ 14.54                                                | \$ 13.49            | \$ 17.16              | \$ 14.86            | \$ 15.79            | \$ 13.80            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                                              |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                  | 13.42% <sup>4</sup>                                     | (9.52)%             | 23.96%                | 2.02%               | 24.13%              | 2.52%               |
| Based on market price                                                                                                                     | 12.12% <sup>4</sup>                                     | (15.78)%            | 23.45%                | 1.38%               | 22.90%              | 7.48%               |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                     |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                            | 1.92% <sup>5</sup>                                      | 1.82%               | 1.69% <sup>6</sup>    | 1.33% <sup>6</sup>  | 1.29% <sup>6</sup>  | 1.51% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                      | 1.91% <sup>5</sup>                                      | 1.82%               | 1.64% <sup>6</sup>    | 1.19% <sup>6</sup>  | 1.08% <sup>6</sup>  | 1.19% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 1.22% <sup>5</sup>                                      | 1.17%               | 1.18% <sup>6,8</sup>  | 1.16% <sup>6</sup>  | 1.05% <sup>6</sup>  | 1.10% <sup>6</sup>  |
| Net investment income                                                                                                                     | 6.56% <sup>5</sup>                                      | 5.85%               | 6.39% <sup>6</sup>    | 8.15% <sup>6</sup>  | 8.08% <sup>6</sup>  | 9.67% <sup>6</sup>  |
| Dividends to AMPS Shareholders                                                                                                            |                                                         |                     | 0.04%                 | 0.19%               | 0.22%               | 1.11%               |
| Net investment income to Common Shareholders                                                                                              | 6.56% <sup>5</sup>                                      | 5.85%               | 6.35%                 | 7.96%               | 7.86%               | 8.56%               |
| <b>Supplemental Data</b>                                                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                         | \$ 162,458                                              | \$ 149,003          | \$ 176,216            | \$ 151,471          | \$ 159,216          | \$ 137,030          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                  |                                                         |                     |                       | \$ 79,900           | \$ 79,900           | \$ 79,900           |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                               | \$ 79,900                                               | \$ 79,900           | \$ 79,900             |                     |                     |                     |
| Portfolio turnover                                                                                                                        | 15%                                                     | 32%                 | 46%                   | 27%                 | 51%                 | 46%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                 |                                                         |                     |                       | \$ 72,394           | \$ 74,819           | \$ 67,877           |

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

|  |            |            |            |
|--|------------|------------|------------|
|  | \$ 303,327 | \$ 286,487 | \$ 320,545 |
|--|------------|------------|------------|

- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Determined in accordance with federal income tax regulations.
- <sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Annualized.
- <sup>6</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.
- <sup>8</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.16%.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock Municipal Income Investment Quality Trust  
(BAF)

|                                                                                                                                          | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                          | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                   |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                     | \$ 13.83                                                | \$ 16.53            | \$ 14.50              | \$ 15.08            | \$ 14.06            | \$ 14.23            |
| Net investment income <sup>1</sup>                                                                                                       | 0.41                                                    | 0.81                | 0.83                  | 0.91                | 0.94                | 0.91                |
| Net realized and unrealized gain (loss)                                                                                                  | 1.19                                                    | (2.68)              | 2.09                  | (0.58)              | 0.95                | (0.27)              |
| Dividends to AMPS Shareholders from net investment income                                                                                |                                                         |                     | (0.00) <sup>2</sup>   | (0.02)              | (0.02)              | (0.09)              |
| Net increase (decrease) from investment operations                                                                                       | 1.60                                                    | (1.87)              | 2.92                  | 0.31                | 1.87                | 0.55                |
| Dividends to Common Shareholders from net investment income                                                                              | (0.41)                                                  | (0.83) <sup>3</sup> | (0.89) <sup>3</sup>   | (0.89) <sup>3</sup> | (0.85) <sup>3</sup> | (0.72) <sup>3</sup> |
| Net asset value, end of period                                                                                                           | \$ 15.02                                                | \$ 13.83            | \$ 16.53              | \$ 14.50            | \$ 15.08            | \$ 14.06            |
| Market price, end of period                                                                                                              | \$ 13.64                                                | \$ 12.82            | \$ 16.24              | \$ 13.92            | \$ 15.64            | \$ 13.01            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>4</sup></b>                                                             |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                 | 12.05% <sup>5</sup>                                     | (11.69)%            | 20.76%                | 2.62%               | 13.93%              | 5.36%               |
| Based on market price                                                                                                                    | 9.77% <sup>5</sup>                                      | (16.68)%            | 23.59%                | (5.01)%             | 27.70%              | 11.70%              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                    |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                           | 1.63% <sup>6</sup>                                      | 1.63%               | 1.49% <sup>7</sup>    | 1.25% <sup>7</sup>  | 1.23% <sup>7</sup>  | 1.60% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                     | 1.63% <sup>6</sup>                                      | 1.63%               | 1.49% <sup>7</sup>    | 1.23% <sup>7</sup>  | 1.14% <sup>7</sup>  | 1.40% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering cost <sup>8</sup> | 1.05% <sup>6</sup>                                      | 1.03%               | 1.06% <sup>7,9</sup>  | 1.09% <sup>7</sup>  | 0.97% <sup>7</sup>  | 0.98% <sup>7</sup>  |
| Net investment income                                                                                                                    | 5.75% <sup>6</sup>                                      | 5.02%               | 5.31% <sup>7</sup>    | 6.51% <sup>7</sup>  | 6.54% <sup>7</sup>  | 7.04% <sup>7</sup>  |
| Dividends to AMPS Shareholders                                                                                                           |                                                         |                     | 0.02%                 | 0.12%               | 0.14%               | 0.66%               |
| Net investment income to Common Shareholders                                                                                             | 5.75% <sup>6</sup>                                      | 5.02%               | 5.29%                 | 6.39%               | 6.40%               | 6.38%               |
| <b>Supplemental Data</b>                                                                                                                 |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                        | \$ 131,448                                              | \$ 120,962          | \$ 144,587            | \$ 126,783          | \$ 131,772          | \$ 122,825          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                 |                                                         |                     |                       | \$ 42,275           | \$ 42,275           | \$ 42,275           |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                              | \$ 42,200                                               | \$ 42,200           | \$ 42,200             |                     |                     |                     |
| Portfolio turnover                                                                                                                       | 21%                                                     | 43%                 | 51%                   | 33%                 | 26%                 | 45%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                |                                                         |                     |                       | \$ 99,975           | \$ 102,926          | \$ 97,637           |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period                                                             | \$ 411,488                                              | \$ 386,639          | \$ 442,624            |                     |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Amount is greater than \$(0.005) per share.
- <sup>3</sup> Determined in accordance with federal income tax regulations.
- <sup>4</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>5</sup> Aggregate total investment return.
- <sup>6</sup> Annualized.
- <sup>7</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>8</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.
- <sup>9</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs, liquidity and remarketing fees was 1.05%.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Income Quality Trust (BYM)

|                                                                                                                                              | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended July 31,  |                     |                     |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                              | 2013                                                    | 2012                | 2011                 | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                       |                                                         |                     |                      |                     |                     |                     |
| Net asset value, beginning of period                                                                                                         | \$ 13.46                                                | \$ 16.11            | \$ 14.09             | \$ 14.64            | \$ 13.55            | \$ 14.04            |
| Net investment income <sup>1</sup>                                                                                                           | 0.43                                                    | 0.91                | 0.93                 | 0.97                | 0.96                | 0.91                |
| Net realized and unrealized gain (loss)                                                                                                      | 1.25                                                    | (2.62)              | 2.02                 | (0.58)              | 1.00                | (0.55)              |
| Dividends to AMPS shareholders from net investment income                                                                                    |                                                         |                     | (0.00) <sup>2</sup>  | (0.02)              | (0.02)              | (0.10)              |
| Net increase (decrease) from investment operations                                                                                           | 1.68                                                    | (1.71)              | 2.95                 | 0.37                | 1.94                | 0.26                |
| Dividends to Common Shareholders from net investment income                                                                                  | (0.47)                                                  | (0.94) <sup>3</sup> | (0.93) <sup>3</sup>  | (0.92) <sup>3</sup> | (0.85) <sup>3</sup> | (0.75) <sup>3</sup> |
| Net asset value, end of period                                                                                                               | \$ 14.67                                                | \$ 13.46            | \$ 16.11             | \$ 14.09            | \$ 14.64            | \$ 13.55            |
| Market price, end of period                                                                                                                  | \$ 13.59                                                | \$ 12.59            | \$ 16.73             | \$ 13.85            | \$ 15.26            | \$ 13.69            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>4</sup></b>                                                                 |                                                         |                     |                      |                     |                     |                     |
| Based on net asset value                                                                                                                     | 12.90% <sup>5</sup>                                     | (11.13)%            | 21.54%               | 3.09%               | 14.74%              | 2.83%               |
| Based on market price                                                                                                                        | 11.82% <sup>5</sup>                                     | (19.96)%            | 28.40%               | (2.79)%             | 18.42%              | 10.58%              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                        |                                                         |                     |                      |                     |                     |                     |
| Total expenses                                                                                                                               | 1.61% <sup>6</sup>                                      | 1.55%               | 1.46% <sup>7</sup>   | 1.25% <sup>7</sup>  | 1.15% <sup>7</sup>  | 1.38% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                         | 1.61% <sup>6</sup>                                      | 1.55%               | 1.46% <sup>7</sup>   | 1.24% <sup>7</sup>  | 1.06% <sup>7</sup>  | 1.20% <sup>7</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees and amortization of offering costs <sup>8</sup> | 1.01% <sup>6</sup>                                      | 0.96%               | 1.00% <sup>7,9</sup> | 1.07% <sup>7</sup>  | 0.92% <sup>7</sup>  | 0.93% <sup>7</sup>  |
| Net investment income                                                                                                                        | 6.23% <sup>6</sup>                                      | 5.77%               | 6.12% <sup>7</sup>   | 7.15% <sup>7</sup>  | 6.85% <sup>7</sup>  | 7.23% <sup>7</sup>  |
| Dividends to AMPS Shareholders                                                                                                               |                                                         |                     | 0.03%                | 0.14%               | 0.15%               | 0.76%               |
| Net investment income to Common Shareholders                                                                                                 | 6.23% <sup>6</sup>                                      | 5.77%               | 6.09%                | 7.01%               | 6.70%               | 6.47%               |
| <b>Supplemental Data</b>                                                                                                                     |                                                         |                     |                      |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of year (000)                                                                              | \$ 387,251                                              | \$ 355,372          | \$ 424,785           | \$ 371,014          | \$ 384,563          | \$ 355,334          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                     |                                                         |                     |                      | \$ 137,250          | \$ 137,250          | \$ 137,250          |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                                  | \$ 137,200                                              | \$ 137,200          | \$ 137,200           |                     |                     |                     |
| Portfolio turnover                                                                                                                           | 10%                                                     | 24%                 | 17%                  | 19%                 | 13%                 | 18%                 |
| Asset coverage per AMPS at \$25,000 liquidation value, end of period                                                                         |                                                         |                     |                      | \$ 92,580           | \$ 95,049           | \$ 89,725           |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period                                                                 | \$ 382,253                                              | \$ 359,018          | \$ 409,610           |                     |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Amount is greater than \$(0.005) per share.
- <sup>3</sup> Determined in accordance with federal income tax regulations.
- <sup>4</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>5</sup> Aggregate total investment return.
- <sup>6</sup> Annualized.
- <sup>7</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>8</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP shares, respectively.
- <sup>9</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.99%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Municipal Income Trust II (BLE)

|                                                                                                                                           | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                    |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                      | \$ 13.32                                                | \$ 16.10            | \$ 13.96              | \$ 14.63            | \$ 12.78            | \$ 13.60            |
| Net investment income <sup>1</sup>                                                                                                        | 0.46                                                    | 0.97                | 1.02                  | 1.08                | 1.08                | 1.09                |
| Net realized and unrealized gain (loss)                                                                                                   | 1.21                                                    | (2.72)              | 2.14                  | (0.73)              | 1.77                | (0.95)              |
| Dividends to AMPS shareholders from net investment income                                                                                 |                                                         |                     | (0.01)                | (0.02)              | (0.03)              | (0.12)              |
| Net increase (decrease) from investment operations                                                                                        | 1.67                                                    | (1.75)              | 3.15                  | 0.33                | 2.82                | 0.02                |
| Dividends to Common Shareholders from net investment income                                                                               | (0.50)                                                  | (1.03) <sup>2</sup> | (1.01) <sup>2</sup>   | (1.00) <sup>2</sup> | (0.97) <sup>2</sup> | (0.84) <sup>2</sup> |
| Net asset value, end of period                                                                                                            | \$ 14.49                                                | \$ 13.32            | \$ 16.10              | \$ 13.96            | \$ 14.63            | \$ 12.78            |
| Market price, end of period                                                                                                               | \$ 13.88                                                | \$ 13.20            | \$ 16.74              | \$ 14.13            | \$ 15.22            | \$ 13.45            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                                              |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                  | 12.85% <sup>4</sup>                                     | (11.60)%            | 23.25%                | 2.70%               | 22.83%              | 1.54%               |
| Based on market price                                                                                                                     | 9.08% <sup>4</sup>                                      | (15.75)%            | 26.61%                | (0.07)%             | 21.42%              | 9.52%               |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                     |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                            | 1.68% <sup>5</sup>                                      | 1.67%               | 1.55% <sup>6</sup>    | 1.18% <sup>6</sup>  | 1.16% <sup>6</sup>  | 1.36% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                      | 1.68% <sup>5</sup>                                      | 1.67%               | 1.48% <sup>6</sup>    | 1.10% <sup>6</sup>  | 1.08% <sup>6</sup>  | 1.19% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 1.03% <sup>5</sup>                                      | 1.00%               | 0.96% <sup>6,8</sup>  | 1.01% <sup>6</sup>  | 0.99% <sup>6</sup>  | 1.05% <sup>6</sup>  |
| Net investment income                                                                                                                     | 6.78% <sup>5</sup>                                      | 6.17%               | 6.74% <sup>6</sup>    | 7.94% <sup>6</sup>  | 7.89% <sup>6</sup>  | 9.69% <sup>6</sup>  |
| Dividends to AMPS Shareholders                                                                                                            |                                                         |                     | 0.03%                 | 0.17%               | 0.20%               | 1.07%               |
| Net investment income to Common Shareholders                                                                                              | 6.78% <sup>5</sup>                                      | 6.17%               | 6.71%                 | 7.77%               | 7.69%               | 8.62%               |
| <b>Supplemental Data</b>                                                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                         | \$ 339,947                                              | \$ 312,329          | \$ 376,774            | \$ 325,713          | \$ 340,269          | \$ 296,070          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                  |                                                         |                     |                       | \$ 151,300          | \$ 151,300          | \$ 151,300          |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                               | \$ 151,300                                              | \$ 151,300          | \$ 151,300            |                     |                     |                     |
| Portfolio turnover                                                                                                                        | 10%                                                     | 17%                 | 24%                   | 16%                 | 29%                 | 19%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                 |                                                         |                     |                       | \$ 78,819           | \$ 81,226           | \$ 73,923           |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period                                                              | \$ 324,684                                              | \$ 306,430          | \$ 349,025            |                     |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Determined in accordance with federal income tax regulations.
- <sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Annualized.
- <sup>6</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.
- <sup>8</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.94%.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock MuniHoldings Investment Quality Fund (MFL)

|                                                                                                                                           | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                    |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                      | \$ 13.27                                                | \$ 15.96            | \$ 14.00              | \$ 14.69            | \$ 13.57            | \$ 13.50            |
| Net investment income <sup>1</sup>                                                                                                        | 0.44                                                    | 0.87                | 0.86                  | 0.95                | 0.96                | 0.94                |
| Net realized and unrealized gain (loss)                                                                                                   | 1.22                                                    | (2.66)              | 2.02                  | (0.71)              | 1.04                | (0.03)              |
| Dividend to AMPS Shareholders from net investment income                                                                                  |                                                         |                     |                       | (0.02)              | (0.03)              | (0.13)              |
| Net increase (decrease) from investment operations                                                                                        | 1.66                                                    | (1.79)              | 2.88                  | 0.22                | 1.97                | 0.78                |
| Dividends to Common Shareholders from net investment income                                                                               | (0.43)                                                  | (0.90) <sup>2</sup> | (0.92) <sup>2</sup>   | (0.91) <sup>2</sup> | (0.85) <sup>2</sup> | (0.71) <sup>2</sup> |
| Net asset value, end of period                                                                                                            | \$ 14.50                                                | \$ 13.27            | \$ 15.96              | \$ 14.00            | \$ 14.69            | \$ 13.57            |
| Market price, end of period                                                                                                               | \$ 13.34                                                | \$ 12.59            | \$ 16.13              | \$ 13.84            | \$ 14.65            | \$ 12.63            |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                                              |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                  | 12.95% <sup>4</sup>                                     | (11.70)%            | 21.22%                | 2.01%               | 15.22%              | 7.36%               |
| Based on market price                                                                                                                     | 9.53% <sup>4</sup>                                      | (17.11)%            | 23.93%                | 1.12%               | 23.46%              | 16.19%              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                     |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                            | 1.69% <sup>5</sup>                                      | 1.71%               | 1.87%                 | 1.37% <sup>6</sup>  | 1.17% <sup>6</sup>  | 1.32% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                      | 1.61% <sup>5</sup>                                      | 1.62%               | 1.80%                 | 1.30% <sup>6</sup>  | 1.09% <sup>6</sup>  | 1.20% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 1.34% <sup>5,8</sup>                                    | 1.29% <sup>8</sup>  | 1.39% <sup>8</sup>    | 1.14% <sup>6</sup>  | 1.01% <sup>6</sup>  | 1.07% <sup>6</sup>  |
| Net investment income                                                                                                                     | 6.46% <sup>5</sup>                                      | 5.55%               | 5.76%                 | 7.03% <sup>6</sup>  | 6.85% <sup>6</sup>  | 7.48% <sup>6</sup>  |
| Dividends to AMPS Shareholders                                                                                                            |                                                         |                     |                       | 0.18%               | 0.21%               | 1.05%               |
| Net investment income to Common Shareholders                                                                                              | 6.46%                                                   | 5.55%               | 5.76%                 | 6.85%               | 6.64%               | 6.43%               |
| <b>Supplemental Data</b>                                                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                         | \$ 548,309                                              | \$ 501,810          | \$ 602,780            | \$ 528,173          | \$ 553,367          | \$ 511,013          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                  |                                                         |                     |                       |                     | \$ 274,650          | \$ 274,650          |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                               | \$ 274,600                                              | \$ 274,600          | \$ 274,600            | \$ 274,600          |                     |                     |
| Portfolio turnover                                                                                                                        | 16%                                                     | 59%                 | 44%                   | 32%                 | 38%                 | 40%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                 |                                                         |                     |                       |                     | \$ 75,371           | \$ 71,516           |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period                                                              | \$ 299,676                                              | \$ 282,742          | \$ 319,152            | \$ 292,343          |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Determined in accordance with federal income tax regulations.
- <sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Annualized.
- <sup>6</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>7</sup> Interest expense and fees relate to TOBs and/or VRDP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
- <sup>8</sup> For the six months ended February 28, 2014, the year ended August 31, 2013 and the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering cost, liquidity and remarketing fees was 0.94%, 0.92% and 0.99%, respectively.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock MuniVest Fund, Inc. (MVF)

|                                                                                                                                           | Six Months Ended<br>February 28,<br>2014<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                                                                                           | 2013                                                    | 2012                | 2011                  | 2010                | 2009                |                     |
| <b>Per Share Operating Performance</b>                                                                                                    |                                                         |                     |                       |                     |                     |                     |
| Net asset value, beginning of period                                                                                                      | \$ 9.14                                                 | \$ 10.68            | \$ 9.55               | \$ 10.01            | \$ 8.98             | \$ 8.91             |
| Net investment income <sup>1</sup>                                                                                                        | 0.32                                                    | 0.67                | 0.69                  | 0.73                | 0.73                | 0.70                |
| Net realized and unrealized gain (loss)                                                                                                   | 0.67                                                    | (1.50)              | 1.16                  | (0.47)              | 0.97                | (0.03)              |
| Dividends to AMPS Shareholders from net investment income                                                                                 |                                                         |                     | (0.01)                | (0.02)              | (0.02)              | (0.06)              |
| Net increase (decrease) from investment operations                                                                                        | 0.99                                                    | (0.83)              | 1.84                  | 0.24                | 1.68                | 0.61                |
| Dividends to Common Shareholders from net investment income                                                                               | (0.35)                                                  | (0.71) <sup>2</sup> | (0.71) <sup>2</sup>   | (0.70) <sup>2</sup> | (0.65) <sup>2</sup> | (0.54) <sup>2</sup> |
| Net asset value, end of period                                                                                                            | \$ 9.78                                                 | \$ 9.14             | \$ 10.68              | \$ 9.55             | \$ 10.01            | \$ 8.98             |
| Market price, end of period                                                                                                               | \$ 9.50                                                 | \$ 8.91             | \$ 11.28              | \$ 9.73             | \$ 10.38            | \$ 8.91             |
| <b>Total Investment Return Applicable to Common Shareholders<sup>3</sup></b>                                                              |                                                         |                     |                       |                     |                     |                     |
| Based on net asset value                                                                                                                  | 11.07% <sup>4</sup>                                     | (8.39)%             | 19.85%                | 2.90%               | 19.31%              | 8.18%               |
| Based on market price                                                                                                                     | 10.67% <sup>4</sup>                                     | (15.45)%            | 24.24%                | 1.11%               | 24.69%              | 14.81%              |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                                                     |                                                         |                     |                       |                     |                     |                     |
| Total expenses                                                                                                                            | 1.52% <sup>5</sup>                                      | 1.54%               | 1.51% <sup>6</sup>    | 1.28% <sup>6</sup>  | 1.22% <sup>6</sup>  | 1.53% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly                                                                                      | 1.52% <sup>5</sup>                                      | 1.54%               | 1.51% <sup>6</sup>    | 1.28% <sup>6</sup>  | 1.22% <sup>6</sup>  | 1.50% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>7</sup> | 0.92% <sup>5</sup>                                      | 0.91%               | 0.98% <sup>6,8</sup>  | 1.05% <sup>6</sup>  | 1.03% <sup>6</sup>  | 1.14% <sup>6</sup>  |
| Net investment income                                                                                                                     | 6.86% <sup>5</sup>                                      | 6.43%               | 6.79% <sup>6</sup>    | 7.93% <sup>6</sup>  | 7.71% <sup>6</sup>  | 8.74% <sup>6</sup>  |
| Dividends to AMPS Shareholders                                                                                                            |                                                         |                     | 0.05%                 | 0.18%               | 0.19%               | 0.78%               |
| Net investment income to Common Shareholders                                                                                              | 6.86% <sup>5</sup>                                      | 6.43%               | 6.74%                 | 7.75%               | 7.52%               | 7.96%               |
| <b>Supplemental Data</b>                                                                                                                  |                                                         |                     |                       |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                                                         | \$ 625,974                                              | \$ 584,718          | \$ 679,207            | \$ 602,234          | \$ 625,195          | \$ 555,889          |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000)                                                                  |                                                         |                     |                       | \$ 243,825          | \$ 243,825          | \$ 243,825          |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)                                                               | \$ 243,800                                              | \$ 243,800          | \$ 243,800            |                     |                     |                     |
| Portfolio turnover                                                                                                                        | 7%                                                      | 11%                 | 11%                   | 10%                 | 25%                 | 31%                 |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period                                                                 |                                                         |                     |                       | \$ 86,749           | \$ 89,106           | \$ 81,999           |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period                                                              | \$ 356,757                                              | \$ 339,835          | \$ 378,592            |                     |                     |                     |

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- <sup>1</sup> Based on average Common Shares outstanding.
- <sup>2</sup> Determined in accordance with federal income tax regulations.
- <sup>3</sup> Total investment returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of dividends and distributions.
- <sup>4</sup> Aggregate total investment return.
- <sup>5</sup> Annualized.
- <sup>6</sup> Does not reflect the effect of dividends to AMPS shareholders.
- <sup>7</sup> Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 3 and Note 9 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.
- <sup>8</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.96%.

See Notes to Financial Statements.

## Notes to Financial Statements (Unaudited)

### 1. Organization:

BlackRock Municipal Bond Investment Trust ( BIE ) and BlackRock Municipal Bond Trust ( BBK ), BlackRock Municipal Income Investment Quality Trust ( BAF ), BlackRock Municipal Income Quality Trust ( BYM ) and BlackRock Municipal Income Trust II ( BLE ) are organized as Delaware statutory trusts. BlackRock MuniHoldings Investment Quality Fund ( MFL ) and BlackRock MuniVest Fund, Inc. ( MVF ) are organized as a Massachusetts business trust and as a Maryland corporation, respectively. BIE, BBK, BAF, BYM, BLE, MFL and MVF are referred to herein collectively as the Trusts . BBK, BYM and BLE are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as diversified, closed-end management investment companies. BAF, BIE, MFL and MVF are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Boards of Directors and Boards of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Trustees . The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

### 2. Significant Accounting Policies:

The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The following is a summary of the significant accounting policies followed by the Trusts:

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair value of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Trusts for all financial instruments.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value. Investments in open-end registered investment companies are valued at NAV each business day.

In the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement, which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trusts' pricing vendors, regular reviews of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

**Segregation and Collateralization:** In cases where a Trust enters into certain investments (e.g., financial futures contracts) or certain borrowings (e.g., TOBs) that would be senior securities for 1940 Act purposes, the Trust may segregate or designate on its books and records cash or liquid securities having a market value at least equal to the amount of the Trust's future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty

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agreement, the Trust may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

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

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## Notes to Financial Statements (continued)

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 9.

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

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts' US federal tax returns remains open for each of the four years ended August 31, 2013. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Trusts' facts and circumstances and does not believe there are any uncertain tax positions that require recognition of a tax liability.

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

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Deferred compensation liabilities are included in officer's and trustees' fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

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

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

### 3. Securities and Other Investments:

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

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

**Municipal Bonds Transferred to TOBs:** The Trusts leverage their assets through the use of TOBs. A TOB is a special purpose entity established by a third party sponsor, into which a trust, or an agent on behalf of the trusts, transfers municipal bonds into a trust ( "TOB Trust"). Other trusts managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates ( "TOB Trust Certificates"), which are sold to third party investors, and residual certificates ( "TOB Residuals"), which are generally issued to the participating trusts that contributed the municipal bonds to the TOB Trust. If multiple trusts participate in the same TOB, the rights and obligations under the TOB Residual will be shared among the trusts ratably in proportion to their participation.

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The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates at par plus accrued interest upon the occurrence of certain mandatory tender events defined in the TOB agreements, and (2) to transfer, subject to a specified number of days' prior notice, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be collapsed without the consent of a Trust, as the TOB Residual holder, upon the occurrence of certain termination events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond and a judgment or ruling that interest on the municipal bond is subject to federal income taxation. Upon the occurrence of a termination event, the TOB would generally be liquidated in full with the proceeds typically applied first to any accrued fees owed to the trustee, remarketing agent and liquidity provider, and then to the holders of the TOB Trust Certificates up to par plus accrued interest owed on the TOB Trust Certificates, with the balance paid out to the TOB Residual holder. During the six months ended February 28, 2014, no TOBs in which the Trusts participated were terminated without the consent of the Trusts.

## Notes to Financial Statements (continued)

The cash received by the TOB from the sale of the TOB Trust Certificates, less transaction expenses, is paid to a Trust. The Trust typically invests the cash received in additional municipal bonds. Each Trust's transfer of the municipal bonds to a TOB Trust is accounted for as a secured borrowing; therefore, the municipal bonds deposited into a TOB are presented in the Trusts' Schedules of Investments and the TOB Trust Certificates are shown in other liabilities in the Statements of Assets and Liabilities. The carrying amount of each Trust's payable to the holder of the TOB Trust Certificates, as reported in Statements of Assets and Liabilities as TOB Trust Certificates, approximates its fair value.

The Trusts may invest in TOBs on either a non-recourse or recourse basis. TOB Trusts are typically supported by a liquidity facility provided by a bank or other financial institution (the Liquidity Provider) that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment from the Liquidity Provider of par plus accrued interest on any business day prior to the occurrence of the termination events described above. When a Trust invests in TOBs on a non-recourse basis, and the Liquidity Provider is required to make a payment under the liquidity facility due to a termination event, the Liquidity Provider will typically liquidate all or a portion of the municipal securities held in the TOB Trust and then trust, on a net basis, the balance, if any, of the amount owed under the liquidity facility over the liquidation proceeds (the Liquidation Shortfall). If a Trust invests in a TOB on a recourse basis, the Trust will typically enter into a reimbursement agreement with the Liquidity Provider where the Trust is required to repay the Liquidity Provider the amount of any Liquidation Shortfall. As a result, a Trust investing in recourse TOB will bear the risk of loss with respect to any Liquidation Shortfall. If multiple trusts participate in any such TOB, these losses will be shared ratably, including the maximum potential amounts owed by Trusts at February 28, 2014, in proportion to their participation. The recourse TOB Trusts are identified in the Schedules of Investments, including the maximum potential amounts owed by the Trusts at February 28, 2014.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The TOB Trust Certificates have interest rates that generally reset weekly and their holders have the option to tender such certificates to the TOB for redemption at par at each reset date. At February 28, 2014, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for TOB Trust Certificates and the range of interest rates on the liability for TOB Trust Certificates were as follows:

|     | Underlying<br>Municipal Bonds<br>Transferred to TOBs | Liability<br>for TOB Trust<br>Certificates | Range of<br>Interest Rates |
|-----|------------------------------------------------------|--------------------------------------------|----------------------------|
| BIE | \$ 30,723,914                                        | \$ 16,235,837                              | 0.03% - 0.28%              |
| BBK | \$ 32,024,291                                        | \$ 18,224,759                              | 0.03% - 0.25%              |
| BAF | \$ 57,867,073                                        | \$ 32,344,766                              | 0.03% - 0.28%              |
| BYM | \$ 186,287,630                                       | \$ 99,830,779                              | 0.03% - 0.31%              |
| BLE | \$ 120,639,443                                       | \$ 70,266,599                              | 0.03% - 0.25%              |
| MFL | \$ 172,005,337                                       | \$ 89,456,878                              | 0.03% - 0.28%              |
| MVF | \$ 291,243,701                                       | \$ 149,177,344                             | 0.03% - 0.13%              |

For the six months ended February 28, 2014, the Trusts' average TOB Trust Certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

|     | Average TOB Trust<br>Certificates<br>Outstanding | Daily Weighted<br>Average<br>Interest Rate |
|-----|--------------------------------------------------|--------------------------------------------|
| BIE | \$ 16,363,981                                    | 0.65%                                      |
| BBK | \$ 17,168,766                                    | 0.65%                                      |
| BAF | \$ 32,825,994                                    | 0.69%                                      |
| BYM | \$ 108,687,596                                   | 0.62%                                      |
| BLE | \$ 68,297,252                                    | 0.61%                                      |
| MFL | \$ 91,019,291                                    | 0.69%                                      |
| MVF | \$ 149,243,531                                   | 0.61%                                      |

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

#### 4. Derivative Financial Instruments:

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

**Financial Futures Contracts:** The Trusts purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date.

Upon entering into a financial futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin. Variation margin is recorded by the Trusts as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

## Notes to Financial Statements (continued)

The following is a summary of the Trusts' derivative financial instruments categorized by risk exposure:

**Fair Values of Derivative Financial Instruments as of February 28, 2014**

|                         | Statements of Assets and Liabilities Location | Liabilities Derivatives |             |             |             |             |              |              |
|-------------------------|-----------------------------------------------|-------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                         |                                               | BIE                     | BBK         | BAF         | BYM         | BLE         | MFL          | MVF          |
| Interest rate contracts | Net unrealized depreciation <sup>1</sup>      | \$ (10,524)             | \$ (43,662) | \$ (26,645) | \$ (76,129) | \$ (80,831) | \$ (110,387) | \$ (170,170) |

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

**The Effect of Derivative Financial Instruments in the Statements of Operations**

**Six Months Ended February 28, 2014**

**Net Realized Gain (Loss) From**

|                             | BIE        | BBK          | BAF         | BYM          | BLE          | MFL         | MVF          |
|-----------------------------|------------|--------------|-------------|--------------|--------------|-------------|--------------|
| Interest rate contracts:    |            |              |             |              |              |             |              |
| Financial futures contracts | \$ (4,082) | \$ (180,608) | \$ (10,577) | \$ (258,706) | \$ (491,595) | \$ (43,891) | \$ (329,447) |

**Net Change in Unrealized Depreciation on**

|                             | BIE         | BBK         | BAF         | BYM         | BLE         | MFL          | MVF          |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Interest rate contracts:    |             |             |             |             |             |              |              |
| Financial futures contracts | \$ (10,524) | \$ (43,662) | \$ (26,645) | \$ (76,129) | \$ (80,831) | \$ (110,387) | \$ (170,170) |

For the six months ended February 28, 2014, the average quarterly balances of outstanding derivative financial instruments were as follows:

|                                          | BIE          | BBK           | BAF           | BYM           | BLE           | MFL           | MVF           |
|------------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Financial futures contracts:             |              |               |               |               |               |               |               |
| Average number of contracts sold         | 39           | 130           | 99            | 283           | 231           | 408           | 440           |
| Average notional value of contracts sold | \$ 4,889,414 | \$ 16,194,297 | \$ 12,348,594 | \$ 35,417,383 | \$ 28,809,922 | \$ 51,149,414 | \$ 54,920,313 |

**Counterparty Credit Risk:** A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

With exchange-traded futures, there is less counterparty credit risk to the Trusts since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Trust does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Trusts.

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

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. (BlackRock).

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Trusts' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the

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management of each Trust's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee based on a percentage of each Trust's average weekly net assets, except MFL and MVF, which are based on average daily net assets, at the following annual rates:

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

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

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

## Notes to Financial Statements (continued)

The Manager voluntarily agreed to waive a portion of the investment advisory fees or other expenses, with respect to BIE as a percentage of its average weekly net assets of 0.08%. With respect to MFL, the Manager voluntarily agreed to waive its investment advisory fees on the proceeds of Preferred Shares and TOBs that exceed 35% of its total assets minus its total accrued liabilities. The amounts waived are included in fees waived by Manager in the Statements of Operations. For the six months ended February 28, 2014, the amounts included in fees waived by Manager were as follows:

|     |            |
|-----|------------|
| BIE | \$ 33,132  |
| MFL | \$ 229,332 |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by Manager in the Statements of Operations. For the six months ended February 28, 2014, the amounts waived were as follows:

|     |        |
|-----|--------|
| BIE | \$ 81  |
| BBK | \$ 305 |
| BAF | \$ 220 |
| BYM | \$ 681 |
| BLE | \$ 625 |
| MFL | \$ 757 |
| MVF | \$ 815 |

These voluntary waivers may be reduced or discontinued at any time without notice.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for a portion of the compensation paid to the Trusts' Chief Compliance Officer, which is included in officer and trustees in the Statements of Operations.

**6. Purchases and Sales:**

Purchases and sales of investments, excluding short-term securities, for the six months ended February 28, 2014, were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BIE | \$ 11,604,666  | \$ 11,554,850  |
| BBK | \$ 37,443,062  | \$ 36,219,511  |
| BAF | \$ 40,925,096  | \$ 43,564,934  |
| BYM | \$ 60,936,676  | \$ 80,774,557  |
| BLE | \$ 53,992,811  | \$ 59,559,458  |
| MFL | \$ 137,118,615 | \$ 157,515,161 |
| MVF | \$ 67,923,749  | \$ 72,320,349  |

**7. Income Tax Information:**

As of August 31, 2013, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

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| Expires August 31,              | BIE        | BYM          | BLE           | MFL          | MVF           |
|---------------------------------|------------|--------------|---------------|--------------|---------------|
| 2016                            |            | \$ 3,216,104 |               |              |               |
| 2017                            |            | 6,430,212    | \$ 2,066,643  | \$ 1,863,647 | \$ 7,618,622  |
| 2018                            | \$ 150,549 | 2,209,430    | 4,366,226     | 11,734,707   |               |
| 2019                            | 718,157    |              | 2,448,693     |              | 5,276,524     |
| No expiration date <sup>1</sup> |            |              |               |              | 6,692,484     |
| <b>Total</b>                    |            | \$ 868,706   | \$ 11,855,746 | \$ 8,881,562 | \$ 13,598,354 |
|                                 |            |              |               |              | \$ 19,587,630 |

<sup>1</sup> Must be utilized prior to losses subject to expiration.

As of February 28, 2014, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|                               | BIE           | BBK            | BAF            | BYM            | BLE            | MFL            | MVF            |
|-------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax cost                      | \$ 62,075,253 | \$ 228,356,933 | \$ 159,871,165 | \$ 493,218,135 | \$ 469,052,092 | \$ 746,515,482 | \$ 796,782,390 |
| Gross unrealized appreciation | \$ 6,646,045  | \$ 16,496,957  | \$ 12,601,262  | \$ 35,672,345  | \$ 28,851,567  | \$ 58,306,315  | \$ 73,505,834  |
| Gross unrealized depreciation | (248,057)     | (3,906,106)    | (1,163,466)    | (9,285,885)    | (11,858,786)   | (2,674,197)    | (9,812,525)    |
| Net unrealized appreciation   | \$ 6,397,988  | \$ 12,590,851  | \$ 11,437,796  | \$ 26,386,460  | \$ 16,992,781  | \$ 55,632,118  | \$ 63,693,309  |

### 8. Concentration, Market and Credit Risk:

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

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

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers



## Notes to Financial Statements (continued)

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

The Trusts invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed income markets. See the Schedules of Investments for these securities and/or derivatives. Changes in market interest rates or economic conditions, including the Federal Reserve's decision in December 2013 to taper its quantitative easing policy, may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Trusts may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

As of February 28, 2014, BIE, BAF and BYM invested a significant portion of their assets in securities in the county/city/special district/school district sector. BIE, BAF, BYM, MFL and MVF invested a significant portion of its assets in securities in the transportation sector. BBK and MVF invested a significant portion of its assets in securities in the health sector. BAF invested a significant portion of its assets in securities in the utilities sector. Changes in economic conditions affecting the county/city/special district/school district, transportation, health and utilities sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

The Trusts may hold a significant amount of bonds subject to calls by the issuers at defined dates and prices. When bonds are called by issuers and the Trusts reinvest the proceeds received, such investments may be in securities with lower yields than the bonds originally held, and correspondingly, could adversely impact the yield and total return performance of a trust.

On December 10, 2013, regulators published final rules implementing section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), which prohibit banking entities from engaging in proprietary trading of certain instruments and limit such entities' investments in, and relationships with, covered funds, as defined in the rules. Banking entities subject to the rules are required to fully comply by July 21, 2015. These rules may preclude banking entities and their affiliates from (i) sponsoring TOB trust programs (as such programs are presently structured) and (ii) continuing relationships with or services for existing TOB trust programs. As a result, TOB trusts may need to be restructured or unwound. There can be no assurances that TOB trusts can be restructured, that new sponsors of TOB trusts will develop, or that alternative forms of leverage will be available to the Trust. Any alternative forms of leverage may be more or less advantageous to the Trust than existing TOB leverage.

TOB transactions constitute an important component of the municipal bond market. Accordingly, implementation of the Volcker Rule may adversely impact the municipal market, including through reduced demand for and liquidity of municipal bonds and increased financing costs for municipal issuers. Any such developments could adversely affect the Trust. The ultimate impact of these rules on the TOB market and the overall municipal market is not yet certain.

### 9. Capital Share Transactions:

Each of BIE, BBK, BAF, BYM and BLE is authorized to issue an unlimited number of shares, including Preferred Shares, par value \$0.001 per share, all of which were initially classified as Common Shares. The Board is authorized, however, to reclassify any unissued Common Shares to Preferred Shares, including AMPS, without approval of Common Shareholders.

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

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

#### Common Shares

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

|                  | <b>Six Months Ended</b>  | <b>Year Ended</b>      |
|------------------|--------------------------|------------------------|
|                  | <b>February 28, 2014</b> | <b>August 31, 2013</b> |
| BIE              |                          | 937                    |
| BBK              |                          | 15,055                 |
| BAF              |                          | 2,424                  |
| BYM              |                          | 30,719                 |
| BLE              | 10,827                   | 40,304                 |
| MFL              |                          | 45,928                 |
| MVF              |                          | 361,054                |
| Preferred Shares |                          |                        |

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

## Notes to Financial Statements (continued)

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

## VRDP Shares

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

The VRDP Shares outstanding as of February 28, 2014 were as follows:

|     | Issue<br>Date | Shares<br>Issued | Aggregate<br>Principal | Maturity<br>Date |
|-----|---------------|------------------|------------------------|------------------|
| BIE | 9/15/11       | 178              | \$ 17,800,000          | 10/01/41         |
| MFL | 6/30/11       | 2,746            | \$ 274,600,000         | 7/01/41          |

The VRDP Trusts entered into a fee agreement with the liquidity provider that may require an initial commitment and a per annum liquidity fee payable to the liquidity provider. These fees, if applicable, are shown as liquidity fees in the Statements of Operations.

The initial fee agreement between BIE and the liquidity provider was for a 364 day term and was scheduled to expire on September 15, 2012 and subsequently extended until March 15, 2013, unless renewed or terminated in advance. On November 29, 2012, BIE entered into a new fee agreement with an alternate liquidity provider. The new fee agreement is for a 2-year term and is scheduled to expire on December 4, 2014, unless renewed or terminated in advance. The change in liquidity provider resulted in a mandatory tender of BIE's VRDP Shares on November 28, 2012, which were successfully remarketed by the remarketing agent. The fee agreement between MFL and its liquidity provider was renewed for a 364-day term and is scheduled to expire on June 25, 2014, unless renewed or terminated in advance.

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

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

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

Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. In the event of a failed remarketing, the dividend rate of the VRDP

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Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. Subsequent to the issuance of the VRDP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of February 28, 2014, the VRDP Shares were assigned a long-term rating of Aa1 from Moody's under its new ratings methodology. The VRDP Shares continue to be assigned a long-term rating of AAA from Fitch.

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's, Fitch and/or S&P. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly related based upon either short-term rating. As of February 28, 2014, the short-term ratings of the liquidity provider and the VRDP Shares for BIE were P1, F1 and A1 and for MFL were P1, F1 and A1 as rated by Moody's, Fitch and/or S&P, respectively, which is within the two highest rating categories. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories.

## Notes to Financial Statements (continued)

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

The VRDP Trusts may incur remarketing fees of 0.10% on the aggregate principal amount of all the VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. All of the remarketable VRDP Shares that were tendered for remarketing during the six months ended February 28, 2014, were successfully remarketed.

The annualized dividend rates for the VRDP Shares for the six months ended February 28, 2014 were as follows:

|     |       |
|-----|-------|
| BIE | 0.15% |
| MFL | 0.26% |

VRDP Shares issued and outstanding remained constant for the six months ended February 28, 2014.

On February 28, 2014, the Board of MFL authorized MFL to designate an approximate three-year period (the special rate period), during which the VRDP Shares will not be subject to any remarketing and the dividend rate will be based on a predetermined methodology. The implementation of the special rate period resulted in a mandatory tender of the VRDP Shares prior to the commencement of the special rate period. The mandatory tender event was not the result of a failed remarketing. The VRDP Shares will remain subject to mandatory redemption by the Trusts on the VRDP Shares maturity date. The special rate period commenced on April 17, 2014.

The liquidity and fee agreements remain in effect for the duration of the special rate period and the VRDP Shares are still subject to mandatory redemption by the VRDP Trusts on maturity date. The VRDP Shares will not be remarketed or subject to optional or mandatory tender events during such time. During the special rate period, MFL is required to maintain the same asset coverage, basic maintenance amount and leverage requirements for the VRDP Shares. MFL will pay liquidity and remarketing fees during the special rate period and will also pay dividends monthly based on the sum of SIFMA Municipal Swap Index and a percentage per annum based on the long-term ratings assigned to the VRDP Shares. The short-term ratings were withdrawn by Moody's, Fitch and/or S&P. Short-term ratings may be re-assigned upon the termination of the special rate period when the VRDP Shares revert back to remarketable securities.

If MFL redeems the VRDP Shares on a date that is one year or more before the end of the special rate period and the VRDP Shares are rated above A1/A+ by Moody's, Fitch and S&P, then such redemption is subject to a redemption premium payable to the holder of the VRDP Shares based on the time remaining in the special rate period, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. After April 19, 2017, the holder of the VRDP Shares and MFL may mutually agree to extend the special rate period. If the special rate period is not extended, the VRDP Shares will revert back to remarketable securities and will be remarketed and available for purchase by qualified institutional investors.

## VMTP Shares

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

The VMTP Shares outstanding as of February 28, 2014 were as follows:

|     | Issue    | Shares |                        | Term    |
|-----|----------|--------|------------------------|---------|
|     | Date     | Issued | Aggregate<br>Principal | Date    |
| BBK | 12/16/11 | 799    | \$ 79,900,000          | 1/02/15 |
| BAF | 12/16/11 | 422    | \$ 42,200,000          | 1/02/15 |
| BYM | 12/16/11 | 1,372  | \$ 137,200,000         | 1/02/15 |

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|     |          |       |                |         |
|-----|----------|-------|----------------|---------|
| BLE | 12/16/11 | 1,513 | \$ 151,300,000 | 1/02/15 |
| MVF | 12/16/11 | 2,438 | \$ 243,800,000 | 1/02/15 |

Each VMTP Trust is required to redeem its VMTP Shares on the term date, unless earlier redeemed or repurchased or unless extended. There is no assurance that the term of a Trust's VMTP Shares will be extended or that a Trust's VMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to term date, each VMTP Trust is required to begin to segregate liquid assets with the Trust's custodian to fund the redemption. In addition, each VMTP Trust is required to redeem certain of its outstanding VMTP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, a Trust's VMTP Shares may be redeemed, in whole or in part, at any time at the option of the Trust. The redemption price per VMTP Share is equal to the liquidation value per share plus any outstanding unpaid dividends and applicable redemption premium. If the Trust redeems the VMTP Shares on a date that is one year or more prior to the term date and the VMTP Shares are rated above A1/A+ by Moody's and Fitch, respectively, then such redemption is subject to a prescribed redemption premium (up to 3% of the liquidation preference) payable to the holder of the VMTP Shares based on the time remaining to the term date, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. The VMTP Shares are subject to certain restrictions on transfer, and a Trust may also be required to register the VMTP Shares for sale under the Securities Act under certain circumstances. In addition, amendments to the VMTP governing document generally require the consent of the holders of VMTP Shares.

Dividends on the VMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the Securities Industry and Financial Markets Association Municipal Swap Index. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by Moody's and Fitch. At the date of issuance, the VMTP Shares were assigned long-term ratings of Aaa from

## Notes to Financial Statements (concluded)

Moody's and AAA from Fitch. Subsequent to the issuance of the VMTP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of February 28, 2014, the VMTP Shares were assigned a long-term rating of Aa1 from Moody's under its new rating methodology. The VMTP Shares continue to be assigned a long-term rating of AAA from Fitch. The dividend rate on the VMTP Shares is subject to a step-up spread if the Trust fails to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

The average annualized dividend rates for the VMTP Shares for the six months ended February 28, 2014 were as follows:

|     |       |
|-----|-------|
| BBK | 1.06% |
| BAF | 1.06% |
| BYM | 1.06% |
| BLE | 1.06% |
| MVF | 1.06% |

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

VMTP Shares issued and outstanding remained constant for the six months ended February 28, 2014.

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

### 10. Subsequent Events:

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

Each Trust paid a net investment income dividend on April 1, 2014 to Common Shareholders of record on March 14, 2014 as follows:

|     | <b>Common</b>    |
|-----|------------------|
|     | <b>Dividend</b>  |
|     | <b>Per Share</b> |
| BIE | \$ 0.0760        |
| BBK | \$ 0.0820        |
| BAF | \$ 0.0685        |
| BYM | \$ 0.0770        |
| BLE | \$ 0.0820        |
| MFL | \$ 0.0715        |
| MVF | \$ 0.0565        |

Additionally, the Trusts declared a net investment income dividend on April 1, 2014 payable to Common Shareholders of record on April 15, 2014 for the same amounts noted above.

The dividends declared on Preferred Shares for the period March 1, 2014 to March 31, 2014 were as follows:

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|                 | <b>Series</b> | <b>Dividends<br/>Declared</b> |
|-----------------|---------------|-------------------------------|
| BIE VRDP Shares | W-7           | \$ 1,975                      |
| BBK VMTP Shares | W-7           | \$ 71,144                     |
| BAF VMTP Shares | W-7           | \$ 37,575                     |
| BYM VMTP Shares | W-7           | \$ 122,164                    |
| BLE VMTP Shares | W-7           | \$ 134,719                    |
| MFL VRDP Shares | W-7           | \$ 54,168                     |
| MVF VMTP Shares | W-7           | \$ 207,082                    |

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## Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee

Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee

Paul L. Audet, President<sup>1</sup> and Trustee

Michael J. Castellano, Trustee and Member of the Audit Committee

Frank J. Fabozzi, Trustee and Member of the Audit Committee

Kathleen F. Feldstein, Trustee

James T. Flynn, Trustee and Member of the Audit Committee

Henry Gabbay, Trustee

Jerrold B. Harris, Trustee

R. Glenn Hubbard, Trustee

W. Carl Kester, Trustee and Member of the Audit Committee

John M. Perlowski, President<sup>2</sup> and Chief Executive Officer

Brendan Kyne, Vice President

Robert W. Crothers, Vice President

Neal Andrews, Chief Financial Officer

Jay Fife, Treasurer

Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer

Janey Ahn, Secretary

<sup>1</sup> For MFL.

<sup>2</sup> For all Trusts except MFL.

### **Investment Advisor**

BlackRock Advisors, LLC

Wilmington, DE 19809

### **Sub-Advisors**

BlackRock Investment Management, LLC<sup>3</sup>

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Princeton, NJ 08540

BlackRock Financial Management, Inc.<sup>4</sup>

New York, NY 10055

**Custodians**

The Bank of New York Mellon<sup>3</sup>

New York, NY 10286

State Street Bank and Trust Company<sup>4</sup>

Boston, MA 02110

**Transfer Agent**

Common Shares

Computershare Trust Company, N.A.

Canton, MA 02021

**VRDP Tender and Paying Agent and**

**VMTP Redemption and Paying Agent**

The Bank of New York Mellon

New York, NY 10289

**VRDP Liquidity Providers**

Bank of America, N.A.<sup>5</sup>

New York, NY 10036

Barclays Bank PLC<sup>6</sup>

New York, NY 10019

**VRDP Remarketing Agents**

Merrill Lynch, Pierce, Fenner & Smith Incorporated<sup>5</sup>

New York, NY 10036

Barclays Capital Inc.<sup>6</sup>

New York, NY 10019

**Accounting Agent**

State Street Bank and Trust Company

Boston, MA 02116

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

Boston, MA 02116

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

New York, NY 10036

**Address of the Trusts**

100 Bellevue Parkway

Wilmington, DE 19809

<sup>3</sup> For MFL and MVF.

<sup>4</sup> For all Trusts except MFL and MVF.

<sup>5</sup> For MFL.

<sup>6</sup> For BIE.

## Additional Information

### Regulation Regarding Derivatives

Effective December 31, 2012, the Commodity Futures Trading Commission ( CFTC ) adopted certain regulatory changes that subjects registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps ( CFTC Derivatives ), or if the fund markets itself as providing investment exposure to such instruments. To the extent a Trust uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act ( CEA ) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a commodity pool operator under the CEA in respect of each Trust.

### Dividend Policy

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

### General Information

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

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

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

### Electronic Delivery

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

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

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

### Householding

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The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call (800) 882-0052.

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## Additional Information (continued)

### General Information (concluded)

#### Availability of Quarterly Schedule of Investments

Each Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. Each Trust's Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

#### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

#### Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

#### Availability of Trust Updates

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

### Shelf Offering Program

From time-to-time, each Trust may seek to raise additional equity capital through an equity shelf program (a Shelf Offering). In a Shelf Offering, a Trust may, subject to market conditions, raise additional equity capital by issuing new Common Shares from time to time in varying amounts at a net price at or above the Trust's net asset value (NAV) per Common Share (calculated within 48 hours of pricing). While any such Shelf Offering may allow a Trust to pursue additional investment opportunities without the need to sell existing portfolio investments, it could also entail risks including that the issuance of additional Common Shares may limit the extent to which the Common Shares are able to trade at a premium to NAV in the secondary market. The Trusts have not filed a registration statement with respect to any Shelf Offerings. This report is not an offer to sell Trust Common Shares and is not a solicitation of an offer to buy Trust Common Shares. If a Trust files a registration statement with respect to any Shelf Offering, the prospectus contained therein will contain more complete information about the Trust and should be read carefully before investing.

## Additional Information (concluded)

### BlackRock Privacy Principles

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

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

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following:

(i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

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

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

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

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies  
Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers  
Not Applicable

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Quality Trust

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

Date: May 1, 2014

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

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

Date: May 1, 2014

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

Date: May 1, 2014