

**BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND**

Form N-CSRS

May 06, 2011

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 811-08349

Name of Fund: BlackRock MuniHoldings Investment Quality Fund (MFL)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniHoldings Investment Quality Fund, 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: 08/31/2011

Date of reporting period: 02/28/2011

Item 1 Report to Stockholders

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February 28, 2011

## Semi-Annual Report (Unaudited)

BlackRock Municipal Income Quality Trust (BYM)

BlackRock Municipal Income Investment Quality Trust (BAF)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Bond Investment Trust (BIE)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Investment Quality Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

Not FDIC Insured No  
Bank Guarantee May  
Lose Value

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## Dear Shareholder

Over the past 12 months, we have seen a sluggish, stimulus-driven economic recovery at long last gain real traction, accelerate, and transition into a consumption-driven expansion. For the most part, 2010 was plagued with widely fluctuating economic data, but as the year drew to a close, it became clear that cyclical stimulus had beaten out structural problems as economic data releases generally became more positive and financial markets showed signs of continuing improvement. Although the sovereign debt crises and emerging market inflation that troubled the global economy in 2010 remain a challenge, overall investor sentiment considerably improved. Near the end of the period, geopolitical tensions across the Middle East North Africa ( MENA ) region along with rising oil prices introduced new cause for concern about the future of the global economy. As of this writing, economic news remains fairly positive although we face additional uncertainties related to the aftermath of the devastating earthquake in Japan, with particular focus on the damage to nuclear power plants.

In the United States, strength from the corporate sector and increasing consumer spending have been key drivers of economic growth, while the housing and labor markets have been the heaviest burdens. While housing has yet to show any meaningful sign of improvement, labor statistics have delivered a mixed bag month after month, but became increasingly encouraging toward the end of the period when the unemployment rate fell to its lowest level since April 2009.

Global equity markets experienced uneven growth and high volatility over the course of 2010, but ended the year strong. Following a strong start to 2011, stocks lost their momentum on the back of geopolitical events in the MENA region and a sharp rise in oil prices. Overall, equities posted strong returns for the 12-month period. US stocks outpaced most international markets and small cap stocks outperformed large caps as investors moved into higher-risk assets.

Fixed income markets saw yields trend lower over most of 2010, until the fourth quarter brought an abrupt reversal in sentiment and risk tolerance that drove yields sharply upward (pushing bond prices down) through year end. Improving economic data continued to pressure fixed income yields in 2011; however, escalating geopolitical risks have acted as a counterweight, restoring relative stability to yield movements. Nevertheless, the yield curve remained steep and higher-risk sectors outperformed the fixed income market.

The tax-exempt municipal market enjoyed a powerful rally during the period of low interest rates in 2010; however, when the yield trend reversed, the market was dealt an additional blow as it became evident that the Build America Bond program would expire at year end. In addition, negative headlines regarding fiscal challenges faced by state and local governments damaged investor confidence and further heightened volatility in the municipal market. Tax-exempt mutual funds experienced heavy outflows, resulting in wider quality spreads and further downward pressure on municipal bond prices. These headwinds began to abate as the period came to a close and municipals finally posted gains in February, following a five-month run of negative performance.

Cash investments, as represented by the 3-month Treasury bill, returned only a fraction over 0% for the 12-month period as short-term interest rates remained low. Yields on money market securities remain near all-time lows.

| <b>Total returns as of February 28, 2011</b>                           | <b>6-month</b> | <b>12-month</b> |
|--|----------------|-----------------|
| US large cap equities (S&P 500 Index)                                  | 27.73%         | 22.57%          |
| US small cap equities (Russell 2000 Index)                             | 37.55          | 32.60           |
| International equities (MSCI Europe, Australasia, Far East Index)      | 23.77          | 20.00           |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.07           | 0.14            |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)  | (6.04)         | 4.76            |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index)   | (0.83)         | 4.93            |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)     | (3.51)         | 1.72            |

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US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)

10.05

17.34

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

While no one can peer into a crystal ball and eliminate the uncertainties presented by the economic landscape and financial markets, BlackRock can offer investors the next best thing: partnership with the world's largest asset management firm and a unique global perspective that allows us to identify trends early and capitalize on market opportunities. For additional market perspective and investment insight, visit [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine), where you'll find the most recent issue of our award-winning *Shareholder*® magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kopito  
President, BlackRock Advisors, LLC

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THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

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**As of February 28, 2011**

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The municipal market began the six-month period with yields at historic lows as investor concerns were focused on the possibility of deflation and a double-dip in the US economy. However, as these fears soon abated, yields began drifting higher in October, and ultimately, a perfect storm of negative events resulted in the worst quarterly performance that the municipal market has seen since the Fed tightening cycle of 1994. Treasury yields lost their support as concerns about the US deficit raised questions over the willingness of foreign investors to continue to purchase Treasury securities, at least at the previous historically low yields. Municipal valuations also suffered a quick and severe setback as it became evident that the Build America Bond (BAB) program would expire at year-end. The program had opened the taxable market to municipal issuers, which had successfully alleviated supply pressure in the traditional tax-exempt marketplace, bringing down yields in that space.

The financial media has been replete with interviews, articles and presentations publicizing the stress experienced in municipal finance, resulting in a loss of confidence among retail investors who buy individual bonds or mutual funds. From the middle of November through year-end, funds specializing in tax-exempt bonds witnessed weekly outflows averaging over \$2.5 billion. Long-term and high-yield funds saw the greatest redemptions, followed by state-specific funds to a lesser but still significant degree. Demand usually is strong at the beginning of a new year against a backdrop of low new-issue supply, but the mutual fund outflows continued into February, putting additional upward pressure on municipal yields. Political uncertainty surrounding the midterm elections and the approach taken by the new Congress on issues such as income tax rates and alternative minimum tax (and the previously mentioned BAB non-extension) exacerbated the situation. All these conditions, combined with the seasonal illiquidity surrounding year-end holidays and dealers closing their fiscal books, sapped willing market participation from the trading community.

As demand for municipal securities from traditional retail investors was declining and trading desk liquidity was being curtailed, there was no comparable reduction in supply. As it became evident that the BAB program would be retired, issuers rushed deals to market both in the taxable municipal space and, to a lesser degree, in the traditional tax-exempt space. This imbalance in the supply/demand technicals provided the classic market action, leading to wider quality spreads and higher bond yields. The municipal curve steepened as the issuance was concentrated in longer (greater than 20-year) maturities. Curve steepening that began in October accelerated in November, spurred on by Treasury weakness, heavy supply and record outflows. As measured by Thomson Municipal Market Data, yields on AAA-rated municipals rose nearly 103 basis points (bps) for maturities 25 years and longer from August 31, 2010, to February 28, 2011. The spread between two-year and 30-year maturities widened from 332 bps to 398 bps over the period.

The fundamental picture for municipalities will be subject to scrutiny for months to come, as the challenges to state and local budgets are real and need to be addressed with significant cuts to expenses and tax revenue increases. The debates around austerity measures needed to succeed in balancing these budgets are not over whether action needs to be taken, but over degree, approach and political will to accomplish these needs. The attention shone upon municipal finance has the potential to improve this market for the future if these efforts result in greater means toward disclosure and accuracy (and timeliness) of reporting. Early tests to judge progress will come soon as California, Illinois and Puerto Rico need to take austerity measures and access financing in the municipal market to address relatively immediate fiscal imbalances. BlackRock favors a more constructive outlook for the municipal market as the typical, and this year particularly atypical, weakness passes.

Trust Summary as of February 28, 2011

BlackRock Municipal Income Quality Trust

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**Trust Overview**


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Effective November 9, 2010, BlackRock Insured Municipal Income Trust changed its name to BlackRock Municipal Income Quality Trust.

**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 primarily 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.

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**Performance**


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Effective November 9, 2010, the Trust s investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. For the six months ended February 28, 2011, the Trust returned (9.53)% based on market price and (7.89)% based on net asset value ( NAV ). For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV, and the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (11.51)% based on market price and (6.90)% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s performance was negatively impacted by its long duration during a period of rising rates. The Trust s holdings of longer maturity bonds also detracted from performance as the municipal yield curve bear-steepened (long rates increased more than short rates). Conversely, the Trust s performance was positively impacted by its holdings of pre-refunded bonds and securities with higher coupons that are priced to shorter call dates. These types of securities performed well due to their shorter duration as municipal rates rose sharply. In addition, the Trust benefited from its holdings in the housing sector, which had strong performance over 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.

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**Trust Information**


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|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange ( NYSE )                                   | BYM              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.34) <sup>1</sup> | 6.93%            |
| Tax Equivalent Yield <sup>2</sup>  | 10.66%           |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.077          |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.924          |

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Leverage as of February 28, 2011<sup>4</sup>

39%

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents Auction Market Preferred Shares ( Preferred Shares ) and tender option bond trusts ( TOBs ) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.34 | \$ 15.26 | (12.58)% | \$ 15.42 | \$ 11.71 |
| Net Asset Value | \$ 13.03 | \$ 14.64 | (11.00)% | \$ 14.69 | \$ 12.20 |

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

## Sector Allocations

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Transportation                               | 23%     | 21%     |
| Utilities                                    | 21      | 24      |
| County/City/Special District/School District | 21      | 21      |
| State  | 15      | 15      |
| Health                                       | 7       | 7       |
| Tobacco                                      | 6       | 6       |
| Education                                    | 3       | 3       |
| Corporate                                    | 2       | 2       |
| Housing                                      | 2       | 1       |

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

|         | 2/28/11 | 8/31/10 |
|---------|---------|---------|
| AAA/Aaa | 25%     | 57%     |
| AA/Aa   | 54      | 24      |
| A       | 12      | 12      |
| BBB/Baa | 9       | 5       |



- <sup>5</sup> Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.
- <sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2010, the market value of these securities was \$10,513,600 representing 2% of the Trust's long-term investments.

Trust Summary as of February 28, 2011

BlackRock Municipal Income Investment Quality Trust

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**Trust Overview**


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Effective November 9, 2010, BlackRock Insured Municipal Income Investment Trust changed its name to BlackRock Municipal Income Investment Quality Trust.

**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 primarily 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. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

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**Performance**


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Effective November 9, 2010, the Trust s investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. For the six months ended February 28, 2011, the Trust returned (13.50)% based on market price and (7.61)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV, and the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (11.51)% based on market price and (6.90)% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s holdings of high-quality essential service bonds with premium coupons (6% or higher) benefited performance, as they held their value better than lower-coupon bonds in the rising interest rate environment. Conversely, exposure to longer-duration and longer-maturity bonds detracted from performance as the long end of the yield curve steepened during the period. Additionally, holdings in health care and transportation hindered performance as both sectors underperformed the broad municipal market.

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.

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**Trust Information**


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|  |                  |
|--|------------------|
| Symbol on NYSE   | BAF              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.10) <sup>1</sup> | 6.82%            |
| Tax Equivalent Yield <sup>2</sup>  | 10.49%           |

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|   |          |
|---|----------|
| Current Monthly Distribution per Common Share <sup>3</sup>    | \$0.0745 |
| Current Annualized Distribution per Common Share <sup>3</sup> | \$0.8940 |
| Leverage as of February 28, 2011 <sup>4</sup>                 | 37%      |

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.10 | \$ 15.64 | (16.24)% | \$ 15.92 | \$ 11.92 |
| Net Asset Value | \$ 13.49 | \$ 15.08 | (10.54)% | \$ 15.08 | \$ 12.76 |

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

**Sector Allocations**

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| County/City/Special District/School District | 33%     | 36%     |
| Utilities                                    | 26      | 27      |
| Transportation                               | 15      | 15      |
| Health                                       | 12      | 10      |
| State  | 11      | 11      |
| Education                                    | 1       |         |
| Housing                                      | 1       | 1       |
| Tobacco                                      | 1       |         |

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

|         | 2/28/11 | 8/31/10 |
|---------|---------|---------|
| AAA/Aaa | 8%      | 59%     |
| AA/Aa   | 79      | 25      |
| A       | 9       | 13      |
| BBB/Baa | 4       |         |

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

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2010, the market value of these securities was \$5,171,100 representing 3% of the Trust's long-term investments.

Trust Summary as of February 28, 2011

BlackRock Municipal Bond Trust

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**Trust Overview**


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**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.

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**Performance**


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For the six months ended February 28, 2011, the Trust returned (10.59)% based on market price and (8.61)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s exposure to the long end of the yield curve and holdings of low-coupon, long-duration bonds during a period of rising rates had a negative impact on performance. The Trust s exposure to Puerto Rico credits and the health sector also detracted from performance, as did holdings of lower-quality credits, where spreads widened amid the backdrop of poor relative performance across the municipal market. Conversely, the Trust benefited from its holdings of tax-backed credits (state, county, city and school district) as well as its exposure to corporate-backed credits, which experienced some buy-side demand from non-traditional cross-over buyers.

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.

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**Trust Information**


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|  |                |
|--|----------------|
| Symbol on NYSE   | BBK            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.61) <sup>1</sup> | 7.58%          |
| Tax Equivalent Yield <sup>2</sup>  | 11.66%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.086        |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$1.032        |
| Leverage as of February 28, 2011 <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.

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- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Common Share was increased to \$0.0885. 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 further change in the future.
- <sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.61 | \$ 15.79 | (13.81)% | \$ 16.00 | \$ 12.20 |
| Net Asset Value | \$ 13.47 | \$ 15.29 | (11.90)% | \$ 15.30 | \$ 12.70 |

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

### Sector Allocations

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Health                                       | 24%     | 23%     |
| Housing                                      | 15      | 14      |
| State  | 14      | 15      |
| County/City/Special District/School District | 11      | 13      |
| Corporate                                    | 10      | 8       |
| Education                                    | 10      | 10      |
| Transportation                               | 9       | 9       |
| Utilities                                    | 5       | 5       |
| Tobacco                                      | 2       | 3       |

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

|                        | 2/28/11 | 8/31/10 |
|------------------------|---------|---------|
| AAA/Aaa                | 8%      | 26%     |
| AA/Aa                  | 40      | 20      |
| A                      | 19      | 22      |
| BBB/Baa                | 19      | 20      |
| BB/Ba                  | 5       | 1       |
| B                      | 3       | 3       |
| CCC/Caa                | 1       | 1       |
| Not Rated <sup>6</sup> | 5       | 7       |

- <sup>5</sup> Using the higher of S&P's or Moody's ratings.
- <sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2011 and August 31, 2010, the market value of these securities was \$4,946,681 representing 2% and \$6,207,616 representing 3%, respectively, of the Trust's long-term investments.

Trust Summary as of February 28, 2011

BlackRock Municipal Bond Investment Trust

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**Trust Overview**


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**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. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

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**Performance**


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For the six months ended February 28, 2011, the Trust returned (13.80)% based on market price and (9.43)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Exposure to longer-duration and longer-maturity bonds detracted from the Trust s performance as the long end of the yield curve steepened during the period. Additionally, holdings in health care and transportation hindered performance as both sectors underperformed the broad municipal market. Conversely, exposure to housing and corporate-backed bonds aided performance as both sectors outperformed the broad municipal market. The Trust s holdings of high-quality essential service bonds with premium coupons (6% or higher) also benefited performance, as they held their value better than lower-coupon bonds in the rising interest rate 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.

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**Trust Information**


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|  |                |
|--|----------------|
| Symbol on NYSE   | BIE            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.00) <sup>1</sup> | 7.27%          |
| Tax Equivalent Yield <sup>2</sup>  | 11.18%         |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0788       |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.9456       |
| Leverage as of February 28, 2011 <sup>4</sup>                                | 43%            |

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- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Common Share was increased to \$0.081. 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 further change in the future.
- <sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.00 | \$ 15.60 | (16.67)% | \$ 15.76 | \$ 12.14 |
| Net Asset Value | \$ 13.58 | \$ 15.51 | (12.44)% | \$ 15.51 | \$ 12.76 |

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

### Sector Allocations

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Health                                       | 23%     | 22%     |
| Utilities                                    | 19      | 18      |
| Transportation                               | 18      | 18      |
| County/City/Special District/School District | 17      | 19      |
| State  | 8       | 8       |
| Education                                    | 8       | 8       |
| Housing                                      | 5       | 5       |
| Corporate                                    | 1       | 1       |
| Tobacco                                      | 1       | 1       |

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

|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| AAA/Aaa   | 10%     | 14%     |
| AA/Aa     | 66      | 64      |
| A         | 18      | 17      |
| BBB/Baa   | 5       | 4       |
| BB/Ba     | 1       |         |
| Not Rated |         | 1       |

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

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8

SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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Trust Summary as of February 28, 2011

BlackRock Municipal Income Trust II

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**Trust Overview**


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**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.

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**Performance**


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For the six months ended February 28, 2011, the Trust returned (11.27)% based on market price and (6.98)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. At the beginning of the period, the Trust s longer duration stance was beneficial as rates declined and credit spreads tightened; however, the sharp reversal of these trends mid-period resulted in an overall negative impact on performance for the period. In addition, the Trust s emphasis on lower-quality bonds hurt performance as credit spreads widened over the period. Contributing positively to performance was the Trust s reduced exposure to the tobacco sector, which was the worst performing sector for the period. Additionally, a general reduction of capital appreciation bond ( CAB ) holdings proved beneficial in the rising rate environment as CABs are highly sensitive to interest rate fluctuations.

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.

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**Trust Information**


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|  |               |
|--|---------------|
| Symbol on NYSE Amex  | BLE           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.02) <sup>1</sup> | 7.70%         |
| Tax Equivalent Yield <sup>2</sup>  | 11.85%        |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.0835      |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$1.0020      |
| Leverage as of February 28, 2011 <sup>4</sup>                                | 38%           |

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- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 Tax equivalent yield assumes the maximum federal tax rate of 35%.
- 3 The distribution rate is not constant and is subject to change.
- 4 Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.02 | \$ 15.22 | (14.45)% | \$ 15.35 | \$ 11.87 |
| Net Asset Value | \$ 13.12 | \$ 14.63 | (10.32)% | \$ 14.63 | \$ 12.41 |

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

### Sector Allocations

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Health                                       | 20%     | 19%     |
| State  | 18      | 17      |
| Utilities                                    | 12      | 13      |
| Corporate                                    | 11      | 11      |
| Transportation                               | 11      | 11      |
| County/City/Special District/School District | 10      | 12      |
| Education                                    | 8       | 7       |
| Housing                                      | 6       | 6       |
| Tobacco                                      | 4       | 4       |

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

|                        | 2/28/11 | 8/31/10 |
|------------------------|---------|---------|
| AAA/Aaa                | 13%     | 18%     |
| AA/Aa                  | 28      | 21      |
| A                      | 29      | 30      |
| BBB/Baa                | 15      | 17      |
| BB/Ba                  | 5       | 1       |
| B                      | 4       | 6       |
| CCC/Caa                | 1       | 1       |
| Not Rated <sup>6</sup> | 5       | 6       |

- <sup>5</sup> Using the higher of S&P's or Moody's ratings.
- <sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2011 and August 31, 2010, the market value of these securities was \$7,192,827 representing 1% and \$13,839,185 representing 3%, respectively, of the Trust's long-term investments.

Trust Summary as of February 28, 2011

BlackRock MuniHoldings Investment Quality Fund

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**Trust Overview**


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Effective November 9, 2010, BlackRock MuniHoldings Insured Investment Fund changed its name to BlackRock MuniHoldings Investment Quality Fund.

**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. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

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**Performance**


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Effective November 9, 2010, the Trust s investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. For the six months ended February 28, 2011, the Trust returned (10.49)% based on market price and (8.76)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV, and the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (11.51)% based on market price and (6.90)% 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. Exposure to longer-duration and longer-maturity bonds detracted from the Trust s performance as the long end of the yield curve steepened during the period. Additionally, holdings in health care and transportation hindered performance as both sectors underperformed the broad municipal market. Conversely, exposure to housing bonds aided performance as that sector outperformed the broad municipal market. The Trust s holdings of high-quality essential service bonds with premium coupons (6% or higher) also benefited performance, as they held their value better than lower-coupon bonds in the rising interest rate 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.

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**Trust Information**


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Symbol on NYSE  
Initial Offering Date

MFL  
September 26, 1997

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|  |         |
|--|---------|
| Yield on Closing Market Price as of February 28, 2011 (\$12.68) <sup>1</sup> | 7.10%   |
| Tax Equivalent Yield <sup>2</sup>  | 10.92%  |
| Current Monthly Distribution per Common Share <sup>3</sup>                   | \$0.075 |
| Current Annualized Distribution per Common Share <sup>3</sup>                | \$0.900 |
| Leverage as of February 28, 2011 <sup>4</sup>                                | 41%     |

- <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> The equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Common Share was increased to \$0.0765. 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 Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 12.68 | \$ 14.65 | (13.45)% | \$ 14.87 | \$ 11.68 |
| Net Asset Value | \$ 12.96 | \$ 14.69 | (11.78)% | \$ 14.69 | \$ 12.23 |

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

### Sector Allocations

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Utilities                                    | 26%     | 26%     |
| Transportation                               | 24      | 27      |
| County/City/Special District/School District | 18      | 18      |
| Health                                       | 12      | 11      |
| State  | 11      | 12      |
| Housing                                      | 5       | 4       |
| Education                                    | 3       | 2       |
| Tobacco                                      | 1       |         |

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

2/28/11      8/31/10

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|                        |    |     |
|------------------------|----|-----|
| AAA/Aaa                | 6% | 64% |
| AA/Aa                  | 82 | 24  |
| A                      | 8  | 11  |
| BBB/Baa                | 3  |     |
| Not Rated <sup>6</sup> | 1  | 1   |

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

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2011 and August 31, 2010, the market value of these securities was \$3,022,118 representing 1% and \$5,793,997 representing 1%, respectively, of the Trust's long-term investments.



Trust Summary as of February 28, 2011

BlackRock MuniVest Fund, Inc.

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**Trust Overview**


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

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

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**Performance**


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For the six months ended February 28, 2011, the Trust returned (9.59)% based on market price and (7.91)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (10.86)% based on market price and (7.86)% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. At the beginning of the period, the Trust benefited from tightening credit quality spreads driven by generous investor cash flows into tax-exempt mutual funds. Spreads were pushed even tighter by heightened demand from taxable investors for corporate-backed municipal debt due to its attractive valuation relative to the corporate sector. In this environment of strong demand, we were able to sell lower-quality securities that had outperformed and had previously been very limited in their liquidity. Toward the end of the period, the Trust s position in cash and cash equivalents proved beneficial when the municipal market saw net cash flows into mutual funds turn dramatically negative. However, as municipal rates rose on credit concerns and the Build America Bonds program neared its expiration, while long-term investment rates (i.e., rates on US Treasuries and other fixed income securities) were generally increasing, the Trust s longer duration stance had an overall negative impact on performance.

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.

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**Trust Information**


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|   |                    |
|---|--------------------|
| Symbol on NYSE Amex   | MVF                |
| Initial Offering Date   | September 29, 1988 |
| Yield on Closing Market Price as of February 28, 2011 (\$9.04) <sup>1</sup> | 7.83%              |
| Tax Equivalent Yield <sup>2</sup>   | 12.05%             |
| Current Monthly Distribution per Common Share <sup>3</sup>                  | \$0.059            |
| Current Annualized Distribution per Common Share <sup>3</sup>               | \$0.708            |
| Leverage as of February 28, 2011 <sup>4</sup>                               | 43%                |

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- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.
- <sup>3</sup> The distribution rate is not constant and is subject to change.
- <sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

|                 | 2/28/11 | 8/31/10  | Change   | High     | Low     |
|-----------------|---------|----------|----------|----------|---------|
| Market Price    | \$ 9.04 | \$ 10.38 | (12.91)% | \$ 10.45 | \$ 8.53 |
| Net Asset Value | \$ 8.88 | \$ 10.01 | (11.29)% | \$ 10.03 | \$ 8.45 |

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

**Sector Allocations**

|  | 2/28/11 | 8/31/10 |
|--|---------|---------|
| Health                                       | 24%     | 22%     |
| Corporate                                    | 16      | 17      |
| Transportation                               | 15      | 13      |
| Utilities                                    | 11      | 12      |
| County/City/Special District/School District | 10      | 10      |
| State  | 8       | 8       |
| Education                                    | 7       | 7       |
| Housing                                      | 7       | 7       |
| Tobacco                                      | 2       | 4       |

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

|                        | 2/28/11 | 8/31/10 |
|------------------------|---------|---------|
| AAA/Aaa                | 18%     | 23%     |
| AA/Aa                  | 41      | 35      |
| A                      | 23      | 23      |
| BBB/Baa                | 15      | 15      |
| B                      |         | 1       |
| Not Rated <sup>6</sup> | 3       | 3       |

- <sup>5</sup> Using the higher of S&P's or Moody's ratings.
- <sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2011 and August 31, 2010, the market value of these securities was \$12,857,530 representing 1% and \$21,938,423 representing 2%, respectively, of the Trust's long-term investments.

### The Benefits and Risks of Leveraging

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

To leverage, the Trusts issue preferred shares ( Preferred Shares ), which pay dividends at prevailing short-term interest rates, and invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's holders of Common Shares ( Common Shareholders ) will benefit from the incremental net income.

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

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Trust pays interest expense on the higher short-term interest rate whereas the Trust's total portfolio earns income based on lower long-term interest rates.

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

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

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

Under the Investment Company Act of 1940, the Trusts are permitted to issue Preferred Shares in an amount up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Trust anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of February 28, 2011, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

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|     | Percent of<br>Leverage |
|-----|------------------------|
| BYM | 39%                    |
| BAF | 37%                    |
| BBK | 38%                    |
| BIE | 43%                    |
| BLE | 38%                    |
| MFL | 41%                    |
| MVF | 43%                    |

### Derivative Financial Instruments

The Trusts may invest in various derivative instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. Each Trust's ability to use a derivative instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative 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 distributions paid to shareholders or may cause the Trusts to hold an investment that they might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 3.9%</b>  |              |              |
| Alabama State Docks Department, Refunding RB,<br>6.00%, 10/01/40   | \$ 3,800     | \$ 3,742,848 |
| Birmingham Airport Authority, RB (AGM), 5.50%,<br>7/01/40  | 5,800        | 5,651,230    |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children s Hospital (AGC), 6.00%, 6/01/39                                 | 1,495        | 1,556,609    |
| County of Jefferson Alabama, RB, Series A, 4.75%,<br>1/01/25   | 2,800        | 2,301,124    |
|  |              | 13,251,811   |
| <b>Arizona 0.6%</b>  |              |              |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM):  |              |              |
| 5.00%, 10/01/27  | 1,500        | 1,504,080    |
| 5.25%, 10/01/28  | 650          | 658,034      |
|  |              | 2,162,114    |
| <b>California 30.1%</b>  |              |              |
| California Health Facilities Financing Authority,<br>Refunding RB, St. Joseph Health System, Series A,<br>5.75%, 7/01/39                 | 625          | 625,356      |
| California Infrastructure & Economic Development<br>Bank, RB, Bay Area Toll Bridges, First Lien, Series A<br>(AMBAC), 5.00%, 1/01/28 (a) | 10,100       | 11,328,564   |
| Coast Community College District California, GO,<br>Refunding, CAB, Election of 2002, Series C (AGM):                                    |              |              |
| 5.58%, 8/01/13 (b)   | 7,450        | 6,009,319    |
| 5.40%, 8/01/36 (c)   | 4,200        | 743,022      |
| Fresno Unified School District California, GO, Election of<br>2001, Series E (AGM), 5.00%, 8/01/30                                       | 1,100        | 1,047,420    |
| Golden State Tobacco Securitization Corp. California,<br>RB, Series 2003-A-1 (a):  |              |              |
| 6.63%, 6/01/13   | 6,500        | 7,320,560    |
| 6.75%, 6/01/13   | 14,500       | 16,370,790   |
| Los Angeles Municipal Improvement Corp., RB, Series B1<br>(NPFGC), 4.75%, 8/01/37  | 4,000        | 3,406,840    |
| Metropolitan Water District of Southern California, RB,<br>Series B-1 (NPFGC), 5.00%, 10/01/33   | 17,500       | 17,600,450   |
| Monterey Peninsula Community College District, GO,<br>CAB, Series C (AGM) (c):   |              |              |
| 5.15%, 8/01/31   | 13,575       | 3,358,862    |
| 5.16%, 8/01/32   | 14,150       | 3,230,728    |
| Orange County Sanitation District, COP, Series B (AGM),<br>5.00%, 2/01/31  | 2,500        | 2,526,700    |

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Sacramento Unified School District California, GO,  
Election of 2002 (NPFGC), 5.00%, 7/01/30 2,700 2,666,871

**Municipal Bonds** **Par (000)** **Value**

**California (concluded)**

|  |          |             |
|--|----------|-------------|
| San Diego Unified School District California, GO, CAB,<br>Election of 2008, Series C, 6.86%, 7/01/38 (c)                     | \$ 2,000 | \$ 329,980  |
| San Francisco City & County Public Utilities Commission,<br>Refunding RB, Series A (AGM), 5.00%, 11/01/31                    | 15,000   | 15,007,800  |
| San Joaquin Hills Transportation Corridor Agency<br>California, Refunding RB, CAB, Series A (NPFGC),<br>5.50%, 1/15/31 (c)   | 53,000   | 9,086,850   |
| San Jose Unified School District Santa Clara County<br>California, GO, Election of 2002, Series B (NPFGC),<br>5.00%, 8/01/29 | 2,350    | 2,359,165   |
|  |          | 103,019,277 |

**Colorado 0.3%**

|  |     |         |
|--|-----|---------|
| Regional Transportation District, COP, Series A,<br>5.38%, 6/01/31 | 960 | 965,126 |
|--|-----|---------|

**District of Columbia 2.6%**

|  |       |           |
|--|-------|-----------|
| District of Columbia Tobacco Settlement Financing<br>Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40 | 9,500 | 8,925,250 |
|--|-------|-----------|

**Florida 14.6%**

|   |        |            |
|---|--------|------------|
| Broward County School Board Florida, COP, Series A<br>(AGM), 5.25%, 7/01/33                                   | 2,000  | 1,896,600  |
| City of Tallahassee Florida, RB (NPFGC), 5.00%,<br>10/01/32   | 3,000  | 2,918,760  |
| County of Broward Florida, RB, Series A, 5.25%,<br>10/01/34   | 5,950  | 5,986,712  |
| County of Duval Florida, COP, Master Lease Program<br>(AGM), 5.00%, 7/01/33                                   | 2,800  | 2,631,272  |
| County of Miami-Dade Florida, RB:<br>CAB, Sub-Series A (NPFGC), 5.25%, 10/01/38 (c)                           | 25,520 | 3,538,858  |
| Jackson Health System (AGC), 5.75%, 6/01/39   | 2,300  | 2,321,735  |
| Water & Sewer System (AGM), 5.00%, 10/01/39   | 10,100 | 9,584,799  |
| County of Miami-Dade Florida, Refunding RB (AGM),<br>5.00%, 7/01/35   | 1,300  | 1,231,620  |
| Florida Housing Finance Corp., RB, Homeowner<br>Mortgage, Series 3 (Ginnie Mae), 5.45%, 7/01/33               | 4,020  | 4,039,055  |
| Florida State Department of Environmental Protection,<br>RB, Series B (NPFGC), 5.00%, 7/01/27                 | 7,500  | 7,582,200  |
| Miami-Dade County School Board, COP, Refunding,<br>Series B (AGC), 5.25%, 5/01/31                             | 2,385  | 2,401,814  |
| Orange County School Board, COP, Series A (AGC),<br>5.50%, 8/01/34  | 5,590  | 5,604,702  |
| Sarasota County Public Hospital District, RB, Sarasota<br>Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 300    | 297,663    |
|   |        | 50,035,790 |

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**Portfolio Abbreviations**


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

|                |   |
|----------------|---|
| <b>ACA</b>     | ACA Financial Guaranty Corp.            |
| <b>AGC</b>     | Assured Guaranty Corp.                  |
| <b>AGM</b>     | Assured Guaranty Municipal Corp.        |
| <b>AMBAC</b>   | American Municipal Bond Assurance Corp. |
| <b>AMT</b>     | Alternative Minimum Tax (subject to)    |
| <b>ARB</b>     | Airport Revenue Bonds                   |
| <b>BHAC</b>    | Berkshire Hathaway Assurance Corp.      |
| <b>CAB</b>     | Capital Appreciation Bonds              |
| <b>CIFG</b>    | CDC IXIS Financial Guaranty             |
| <b>COP</b>     | Certificates of Participation           |
| <b>EDA</b>     | Economic Development Authority          |
| <b>EDC</b>     | Economic Development Corp.              |
| <b>ERB</b>     | Education Revenue Bonds                 |
| <b>FHA</b>     | Federal Housing Administration          |
| <b>GARB</b>    | General Airport Revenue Bonds           |
| <b>GO</b>      | General Obligation Bonds                |
| <b>HDA</b>     | Housing Development Authority           |
| <b>HFA</b>     | Housing Finance Agency                  |
| <b>HRB</b>     | Housing Revenue Bonds                   |
| <b>IDA</b>     | Industrial Development Authority        |
| <b>IDB</b>     | Industrial Development Board            |
| <b>IDRB</b>    | Industrial Development Revenue Bonds    |
| <b>ISD</b>     | Independent School District             |
| <b>MRB</b>     | Mortgage Revenue Bonds                  |
| <b>NPFGC</b>   | National Public Finance Guarantee Corp. |
| <b>PILOT</b>   | Payment in Lieu of Taxes                |
| <b>PSF-GTD</b> | Permanent School Fund Guaranteed        |
| <b>RB</b>      | Revenue Bonds                           |
| <b>SBPA</b>    | Stand-by Bond Purchase Agreement        |
| <b>S/F</b>     | Single-Family                           |
| <b>VRDN</b>    | Variable Rate Demand Notes              |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Georgia 2.6%</b>  |              |                   |
| City of Atlanta Georgia, Refunding RB, General, Series C,<br>6.00%, 1/01/30  | \$ 7,500     | \$ 8,155,875      |
| Gwinnett County Hospital Authority, Refunding RB,<br>Gwinnett Hospital System, Series D (AGM), 5.50%,<br>7/01/41         | 900          | 853,002           |
|  |              | <u>9,008,877</u>  |
| <b>Hawaii 1.4%</b>   |              |                   |
| Hawaii State Harbor, RB, Series A, 5.50%, 7/01/35  | 5,000        | 4,843,250         |
| <b>Illinois 5.3%</b>   |              |                   |
| Chicago Board of Education Illinois, GO, Refunding,<br>Chicago School Reform Board, Series A (NPFGC),<br>5.50%, 12/01/26 | 2,500        | 2,550,050         |
| Chicago Park District, GO, Harbor Facilities, Series C,<br>5.25%, 1/01/40  | 600          | 584,304           |
| City of Chicago Illinois, RB, Series A (AGC), 5.00%,<br>1/01/38  | 7,310        | 6,838,651         |
| County of Cook Illinois, GO, Refunding, Series A,<br>5.25%, 11/15/33   | 1,475        | 1,449,911         |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC),<br>5.25%, 2/01/27  | 4,800        | 4,853,328         |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%,<br>6/01/28   | 710          | 693,535           |
| State of Illinois, RB, Build Illinois, Series B, 5.25%,<br>6/15/34   | 1,400        | 1,350,664         |
|  |              | <u>18,320,443</u> |
| <b>Indiana 2.1%</b>  |              |                   |
| Indiana Municipal Power Agency, RB:<br>Series A (NPFGC), 5.00%, 1/01/37  | 2,050        | 1,901,355         |
| Series B, 5.75%, 1/01/34   | 450          | 453,591           |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Waterworks Project, Series A:<br>(AGC), 5.50%, 1/01/38 | 2,000        | 2,051,020         |
| (NPFGC), 5.50%, 7/01/20  | 2,630        | 2,912,146         |
|  |              | <u>7,318,112</u>  |
| <b>Iowa 1.5%</b>   |              |                   |
| Iowa Finance Authority, RB, Series A (AGC), 5.63%,<br>8/15/37  | 5,000        | 5,011,550         |
| <b>Kentucky 0.5%</b>   |              |                   |

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|   |       |           |
|---|-------|-----------|
| Kentucky State Property & Buildings Commission,<br>Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29 | 1,500 | 1,537,050 |
|---|-------|-----------|

**Louisiana 2.2%**

|  |       |           |
|--|-------|-----------|
| State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/31 | 7,500 | 7,557,225 |
|--|-------|-----------|

**Michigan 2.8%**

|   |       |           |
|---|-------|-----------|
| City of Detroit Michigan, RB:   |       |           |
| Senior Lien, Series A (NPFGC), 5.00%, 7/01/30   | 1,000 | 903,330   |
| Senior Lien, Series A (NPFGC), 5.00%, 7/01/34   | 2,480 | 2,263,223 |
| System, Second Lien, Series A (BHAC), 5.50%,<br>7/01/36                                       | 2,900 | 2,856,906 |
| System, Second Lien, Series B (NPFGC), 5.00%,<br>7/01/36                                      | 100   | 87,876    |
| City of Detroit Michigan, Refunding RB, Second Lien,<br>Series E (BHAC), 5.75%, 7/01/31       | 3,000 | 3,048,180 |
| Kalamazoo Hospital Finance Authority, RB, Bronson<br>Methodist Hospital (AGM), 5.25%, 5/15/36 | 465   | 427,265   |
|   |       | 9,586,780 |

**Nebraska 1.3%**

|   |       |           |
|---|-------|-----------|
| Nebraska Investment Finance Authority, Refunding RB,<br>Series A: |       |           |
| 5.90%, 9/01/36  | 2,450 | 2,507,232 |
| 6.05%, 9/01/41  | 1,860 | 1,882,766 |
|   |       | 4,389,998 |

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Nevada 1.6%</b>  |              |              |
| County of Clark Nevada, RB:   |              |              |
| Las Vegas-McCarran International Airport, Series A<br>(AGC), 5.25%, 7/01/39 | \$ 4,100     | \$ 3,841,823 |
| System, Subordinate Lien, Series C (AGM),<br>5.00%, 7/01/26                 | 1,650        | 1,625,580    |
|   |              | 5,467,403    |

**New York 2.4%**

|   |       |           |
|---|-------|-----------|
| New York City Transitional Finance Authority, RB, Fiscal<br>2009, Series S-4, 5.50%, 1/15/33          | 1,950 | 2,002,533 |
| New York State Dormitory Authority, ERB, Series B,<br>5.75%, 3/15/36                                  | 1,300 | 1,383,382 |
| Port Authority of New York & New Jersey, Refunding RB,<br>Consolidated, 140th Series, 5.00%, 12/01/34 | 5,000 | 4,965,250 |
|   |       | 8,351,165 |

**North Carolina 0.7%**

|  |       |           |
|--|-------|-----------|
| North Carolina Medical Care Commission, RB, Novant<br>Health Obligation, Series A, 4.75%, 11/01/43 | 2,875 | 2,438,345 |
|--|-------|-----------|

**Ohio 0.5%**

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|  |        |            |
|--|--------|------------|
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37  | 610    | 645,649    |
| Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40              | 1,125  | 1,042,661  |
|  |        | 1,688,310  |
| <b>Puerto Rico 1.6%</b>  |        |            |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39  | 5,300  | 5,486,295  |
| <b>Rhode Island 0.8%</b>   |        |            |
| Rhode Island Health & Educational Building Corp., Refunding RB, Public Schools Financing Program, Series E (AGC), 6.00%, 5/15/29 | 2,625  | 2,799,825  |
| <b>South Carolina 1.4%</b>   |        |            |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40   | 5,000  | 4,854,000  |
| <b>Tennessee 4.1%</b>  |        |            |
| Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM) (c):                      |        |            |
| 5.88%, 1/01/23   | 9,260  | 4,757,418  |
| 5.90%, 1/01/24   | 8,500  | 4,101,930  |
| 5.91%, 1/01/25   | 6,850  | 3,108,119  |
| 5.93%, 1/01/26   | 5,000  | 2,125,000  |
|  |        | 14,092,467 |
| <b>Texas 27.8%</b>   |        |            |
| City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/34   | 4,165  | 4,199,694  |
| City of San Antonio Texas, Refunding RB (NPFGC):   |        |            |
| 5.13%, 5/15/29   | 9,250  | 9,296,805  |
| 5.13%, 5/15/34   | 10,000 | 10,030,000 |
| Comal ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/36   | 2,500  | 2,525,975  |
| Coppell ISD Texas, GO, Refunding, CAB (PSF-GTD), 5.64%, 8/15/30 (c)  | 10,030 | 3,792,243  |
| County of Harris Texas, GO (NPFGC) (c):  |        |            |
| 5.57%, 8/15/25   | 7,485  | 3,936,811  |
| 5.60%, 8/15/28   | 10,915 | 4,742,895  |
| County of Harris Texas, Refunding RB, Senior Lien, Toll Road (AGM), 5.00%, 8/15/30   | 5,510  | 5,515,290  |
| Harris County-Houston Sports Authority, Refunding RB (NPFGC) (c):  |        |            |
| CAB, Junior Lien, Series H, 5.93%, 11/15/38  | 5,785  | 593,830    |
| CAB, Junior Lien, Series H, 5.94%, 11/15/39  | 6,160  | 582,490    |
| Third Lien, Series A-3, 5.97%, 11/15/38  | 26,890 | 2,687,924  |
| Third Lien, Series A-3, 5.98%, 11/15/39  | 27,675 | 2,559,937  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Texas (concluded)</b>   |              |              |
| Lewisville ISD Texas, GO, Refunding, CAB, School Building (NPFGC), 4.67%, 8/15/24 (c)                          | \$ 3,815     | \$ 1,947,214 |
| Mansfield ISD Texas, GO, School Building (PSF-GTD), 5.00%, 2/15/33   | 2,980        | 3,050,864    |
| North Texas Tollway Authority, Refunding RB, First Tier: Series A, 6.00%, 1/01/28                              | 625          | 655,994      |
| System, (NPFGC), 5.75%, 1/01/40  | 23,050       | 22,019,204   |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42                               | 20,000       | 17,085,400   |
|  |              | 95,222,570   |
| <b>Washington 5.2%</b>   |              |              |
| Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series C (AMBAC), 5.13%, 7/01/33         | 3,655        | 3,657,339    |
| County of King Washington, Refunding RB (AGM), 5.00%, 1/01/36  | 2,200        | 2,184,380    |
| Port of Seattle Washington, RB, Series A (NPFGC), 5.00%, 4/01/31   | 4,500        | 4,460,400    |
| Washington Health Care Facilities Authority, RB: MultiCare Health Care, Series C (AGC), 5.50%, 8/15/43         | 6,400        | 6,120,512    |
| Providence Health & Services, Series A, 5.00%, 10/01/39  | 1,000        | 885,110      |
| Providence Health & Services, Series A, 5.25%, 10/01/39  | 675          | 620,798      |
|  |              | 17,928,539   |
| <b>Wisconsin 0.4%</b>  |              |              |
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,500        | 1,381,380    |
| <b>Total Municipal Bonds 118.3%</b>  |              | 405,642,952  |

Municipal Bonds Transferred to  
Tender Option Bond Trusts (d)

## Arizona 0.4%

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|   |       |           |
|---|-------|-----------|
| Phoenix Civic Improvement Corp., RB, Junior Lien,<br>Series A, 5.00%, 7/01/34 | 1,300 | 1,311,388 |
|---|-------|-----------|

**California 10.9%**

|  |        |            |
|--|--------|------------|
| California State University, RB, Systemwide, Series A<br>(AGM), 5.00%, 11/01/33                            | 3,379  | 3,202,755  |
| California State University, Refunding RB, Systemwide,<br>Series A (AGM), 5.00%, 11/01/32                  | 8,000  | 7,682,320  |
| Foothill-De Anza Community College District, GO,<br>Election of 1999, Series C (NPFGC), 5.00%, 8/01/36     | 7,500  | 7,320,450  |
| Los Angeles Community College District California, GO,<br>Election of 2001, Series A (AGM), 5.00%, 8/01/32 | 5,000  | 4,890,450  |
| San Diego Community College District California, GO,<br>Election of 2002, 5.25%, 8/01/33                   | 449    | 452,607    |
| San Diego County Water Authority, COP, Refunding,<br>Series 2008-A (AGM), 5.00%, 5/01/33                   | 4,870  | 4,736,075  |
| University of California, RB, Series C (NPFGC), 4.75%,<br>5/15/37  | 10,000 | 8,964,400  |
|  |        | 37,249,057 |

**District of Columbia 0.3%**

|   |       |           |
|---|-------|-----------|
| District of Columbia, RB, Series A, 5.50%, 12/01/30 | 1,080 | 1,162,242 |
|---|-------|-----------|

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

**Par  
(000)      Value**

**Florida 4.0%**

|  |          |              |
|--|----------|--------------|
| City of Tallahassee Florida, RB (NPFGC), 5.00%,<br>10/01/37          | \$ 5,000 | \$ 4,787,150 |
| Florida State Board of Education, GO, Series D,<br>5.00%, 6/01/37    | 2,999    | 2,994,075    |
| Orange County School Board, COP, Series A (NPFGC),<br>5.00%, 8/01/30 | 6,000    | 5,911,800    |
|  |          | 13,693,025   |

**Hawaii 2.9%**

|   |        |            |
|---|--------|------------|
| Honolulu City & County Board of Water Supply, RB,<br>Series A (NPFGC), 5.00%, 7/01/33 | 10,000 | 10,042,100 |
|---|--------|------------|

**Illinois 8.2%**

|  |        |            |
|--|--------|------------|
| Illinois State Toll Highway Authority, RB, Series B,<br>5.50%, 1/01/33   | 4,499  | 4,514,114  |
| Metropolitan Pier & Exposition Authority, RB, McCormick<br>Place Expansion Project, Series A (NPFGC),<br>5.00%, 12/15/28 | 24,010 | 23,564,375 |
|  |        | 28,078,489 |

**Massachusetts 3.8%**

|  |        |            |
|--|--------|------------|
| Massachusetts School Building Authority, RB, Series A<br>(AGM), 5.00%, 8/15/30 | 12,987 | 13,158,069 |
|--|--------|------------|

**Nevada 1.9%**

|  |       |           |
|--|-------|-----------|
|  | 4,197 | 4,391,419 |
|--|-------|-----------|

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City of Las Vegas Nevada, GO, Limited Tax, Performing  
Arts Center, 6.00%, 4/01/39  
Clark County Water Reclamation District, GO, Series B,  
5.75%, 7/01/34

2,024 2,157,979

6,549,398

**New York 4.8%**

Erie County Industrial Development Agency, RB, City  
School District of Buffalo Project, Series A (AGM),  
5.75%, 5/01/28  
Metropolitan Transportation Authority, RB, Series A  
(NPFGC), 5.00%, 11/15/31  
Triborough Bridge & Tunnel Authority, RB, General,  
Series A-2, 5.25%, 11/15/34

4,494 4,801,911

7,002 6,992,433

4,500 4,559,445

16,353,789

**Ohio 0.2%**

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

620 620,732

**South Carolina 0.2%**

South Carolina State Public Service Authority, RB,  
Santee Cooper, Series A, 5.50%, 1/01/38

600 621,978

**Texas 2.8%**

Northside ISD Texas, GO, School Building (PSF-GTD),  
5.13%, 6/15/29

9,500 9,755,913

**Utah 1.5%**

Utah Transit Authority, RB, Series A (AGM), 5.00%,  
6/15/36

5,000 5,014,800

**Virginia 0.1%**

Fairfax County IDA Virginia, Refunding RB, Health Care,  
Inova Health System, Series A, 5.50%, 5/15/35

400 403,364

**Washington 1.0%**

Central Puget Sound Regional Transit Authority, RB,  
Series A (AGM), 5.00%, 11/01/32

3,494 3,529,596

**Total Municipal Bonds Transferred to  
Tender Option Bond Trusts 43.0%**

147,543,940

**Total Long-Term Investments  
(Cost \$576,752,468) 161.3%**

553,186,892

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

| Short-Term Securities  | Par<br>(000) | Value          |
|--|--------------|----------------|
| <b>New York 0.5%</b>   |              |                |
| City of New York New York, GO, VRDN, Sub-Series A-6<br>(AGM Insurance, Dexia Credit Local SBPA), 0.23%,<br>3/01/11 (e) | \$ 1,700     | \$ 1,700,000   |
|  |              | <b>Shares</b>  |
| <b>Money Market Fund 0.7%</b>  |              |                |
| FFI Institutional Tax-Exempt Fund, 0.13% (f)(g)  | 2,376,259    | 2,376,259      |
| <b>Total Short-Term Securities</b><br>(Cost \$4,076,259) 1.2%  |              | 4,076,259      |
| <b>Total Investments (Cost \$580,828,727*) 162.5%</b>  |              | 557,263,151    |
| <b>Other Assets Less Liabilities 1.1%</b>  |              | 3,821,897      |
| <b>Liability for Trust Certificates, Including</b>   |              |                |
| <b>Interest Expense and Fees Payable (23.6)%</b>   |              | (80,966,277)   |
| <b>Preferred Shares, at Redemption Value (40.0)%</b>   |              | (137,256,220)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |              | \$ 342,862,551 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 500,494,695  |
| Gross unrealized appreciation | \$ 10,332,280   |
| Gross unrealized depreciation | (34,478,336)    |
| Net unrealized depreciation   | \$ (24,146,056) |

- (a) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.

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

| Affiliate                            | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--------------------------------------|--------------------------------------|-----------------|--|----------|
| FFI Institutional<br>Tax-Exempt Fund | 9,416,737                            | (7,040,478)     | 2,376,259                              | \$ 6,948 |

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

Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts | Issue                         | Exchange                  | Expiration   | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-------------------------------|---------------------------|--------------|-------------------|----------------------------|
| 195       | 10-Year U.S.<br>Treasury Note | Chicago<br>Board of Trade | June<br>2011 | \$ 23,110,176     | \$ (103,964)               |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:



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| Valuation Inputs                   | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments in Securities:         |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 553,186,892 |         | \$ 553,186,892 |
| Short-Term Securities              | \$ 2,376,259 | 1,700,000      |         | 4,076,259      |
| <b>Total</b>                       | \$ 2,376,259 | \$ 554,886,892 |         | \$ 557,263,151 |

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

| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
|---|--------------|---------|---------|--------------|
| Valuation Inputs                              | Level 1      | Level 2 | Level 3 | Total        |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (103,964) |         |         | \$ (103,964) |

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

See Notes to Financial Statements.

Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Alabama 2.2%</b>  |              |                   |
| Birmingham Airport Authority, RB (AGM), 5.00%,<br>7/01/25  | \$ 520       | \$ 522,662        |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children s Hospital (AGC):<br>6.13%, 6/01/34      | 1,000        | 1,059,990         |
| 6.00%, 6/01/39   | 1,000        | 1,041,210         |
|  |              | <u>2,623,862</u>  |
| <b>Arizona 0.4%</b>  |              |                   |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM), 5.25%, 10/01/28                          | 465          | 470,747           |
| <b>California 12.3%</b>  |              |                   |
| California Educational Facilities Authority, RB, University<br>of Southern California, Series A, 5.25%, 10/01/38 | 2,155        | 2,179,093         |
| California Health Facilities Financing Authority,<br>Refunding RB, Sutter Health, Series B, 6.00%,<br>8/15/42    | 1,120        | 1,109,024         |
| County of Sacramento California, RB, Senior Series A<br>(AGC), 5.50%, 7/01/41                                    | 1,400        | 1,373,554         |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (NPFGC), 5.00%,<br>8/01/32  | 1,000        | 975,560           |
| Election of 2008, Series C, 5.25%, 8/01/39   | 1,000        | 985,430           |
| Los Angeles Department of Water & Power, RB, Power<br>System, Sub-Series A-1, 5.25%, 7/01/38                     | 1,175        | 1,163,132         |
| Los Angeles Municipal Improvement Corp., Refunding<br>RB, Real Property, Series B (AGC), 5.50%, 4/01/39          | 3,810        | 3,693,300         |
| Oxnard Union High School District, GO, Refunding,<br>Election of 2004, Series A (AGM), 5.00%, 8/01/40            | 1,000        | 890,240           |
| San Diego Public Facilities Financing Authority,<br>Refunding RB, Series B (AGC), 5.38%, 8/01/34                 | 1,125        | 1,145,160         |
| San Jacinto Unified School District, GO, Election of<br>2006 (AGM), 5.25%, 8/01/32                               | 1,000        | 968,710           |
|  |              | <u>14,483,203</u> |
| <b>Colorado 1.6%</b>   |              |                   |
| Colorado Health Facilities Authority, RB, Hospital,<br>NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26         | 1,425        | 1,531,818         |
| Regional Transportation District, COP, Series A, 5.00%,<br>6/01/25   | 300          | 300,417           |
|  |              | <u>1,832,235</u>  |

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**Florida 12.6%**

|   |        |            |
|---|--------|------------|
| City of Jacksonville Florida, RB (NPFGC), 5.00%,<br>10/01/31                            | 5,000  | 4,968,000  |
| City of Miami Florida, RB (NPFGC), 5.25%, 1/01/28                                       | 1,660  | 1,664,615  |
| Village Center Community Development District, RB,<br>Series A (NPFGC), 5.00%, 11/01/32 | 10,000 | 8,178,100  |
|   |        | 14,810,715 |

**Georgia 4.2%**

|  |       |           |
|--|-------|-----------|
| Augusta-Richmond County Georgia, RB (AGM), 5.25%,<br>10/01/39  | 1,000 | 1,000,600 |
| City of Atlanta Georgia, Refunding RB, General, Series C,<br>6.00%, 1/01/30                                      | 2,500 | 2,718,625 |
| Gwinnett County Hospital Authority, Refunding RB,<br>Gwinnett Hospital System, Series D (AGM), 5.50%,<br>7/01/41 | 1,350 | 1,279,503 |
|  |       | 4,998,728 |

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

**Illinois 11.5%**

|  |        |            |
|--|--------|------------|
| Chicago Board of Education Illinois, GO, Refunding,<br>Chicago School Reform Board, Series A (NPFGC),<br>5.50%, 12/01/26 | \$ 745 | \$ 759,915 |
| Chicago Transit Authority, RB, Federal Transit<br>Administration Section 5309, Series A (AGC),<br>6.00%, 6/01/26         | 1,300  | 1,405,196  |
| City of Chicago Illinois, GO, Refunding, Projects,<br>Series A (AGM):<br>5.00%, 1/01/29                                  | 1,425  | 1,353,878  |
| 5.00%, 1/01/30   | 570    | 538,057    |
| City of Chicago Illinois, RB, General, Third Lien,<br>Series C (AGM):<br>5.25%, 1/01/30                                  | 1,000  | 1,001,330  |
| 5.25%, 1/01/35   | 820    | 798,196    |
| City of Chicago Illinois, Refunding RB, Second Lien<br>(NPFGC), 5.50%, 1/01/30   | 1,000  | 1,023,080  |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC):<br>5.25%, 2/01/28  | 1,560  | 1,572,558  |
| 5.25%, 2/01/35   | 1,250  | 1,216,750  |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23   | 915    | 874,072    |
| 6.00%, 6/01/28   | 260    | 253,971    |
| State of Illinois, RB:<br>(AGM), 5.00%, 6/15/27  | 1,000  | 996,620    |
| Build Illinois, Series B, 5.25%, 6/15/28   | 1,750  | 1,762,723  |
|  |        | 13,556,346 |

**Indiana 4.2%**

|   |       |           |
|---|-------|-----------|
| Indiana Finance Authority, Refunding RB, Trinity Health,<br>Series B, 4.50%, 12/01/37 | 3,000 | 2,451,960 |
| Indianapolis Local Public Improvement Bond Bank,                                      |       |           |

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|   |       |           |
|---|-------|-----------|
| Refunding RB, Waterworks Project, Series A (AGC),<br>5.50%, 1/01/38                           | 2,415 | 2,476,607 |
|   |       | 4,928,567 |
| <b>Iowa 0.9%</b>  |       |           |
| Iowa Finance Authority, Refunding RB, Iowa Health<br>System (AGC), 5.25%, 2/15/29             | 1,125 | 1,110,814 |
| <b>Louisiana 4.7%</b>   |       |           |
| East Baton Rouge Sewerage Commission, RB, Series A,<br>5.25%, 2/01/39                         | 2,250 | 2,257,132 |
| Louisiana State Citizens Property Insurance Corp., RB,<br>Series C-3 (AGC), 6.13%, 6/01/25    | 2,510 | 2,748,425 |
| New Orleans Aviation Board Louisiana, Refunding GARB,<br>Restructuring (AGC):                 |       |           |
| Series A-1, 6.00%, 1/01/23  | 375   | 414,143   |
| Series A-2, 6.00%, 1/01/23  | 150   | 165,657   |
|   |       | 5,585,357 |
| <b>Maine 0.9%</b>   |       |           |
| City of Portland Maine, RB, General (AGM), 5.25%,<br>1/01/35                                  | 1,095 | 1,091,967 |
| <b>Michigan 16.6%</b>   |       |           |
| City of Detroit Michigan, RB:   |       |           |
| Second Lien, Series B (AGM), 6.25%, 7/01/36   | 1,700 | 1,804,074 |
| Second Lien, Series B (AGM), 7.00%, 7/01/36   | 200   | 223,666   |
| Second Lien, Series B (NPFGC), 5.50%, 7/01/29   | 1,790 | 1,731,020 |
| Senior Lien, Series B (AGM), 7.50%, 7/01/33   | 1,500 | 1,772,175 |
| Senior Lien, Series B (BHAC), 5.50%, 7/01/35  | 4,750 | 4,724,398 |
| System, Second Lien, Series A (BHAC), 5.50%,<br>7/01/36                                       | 2,330 | 2,295,376 |
| City of Detroit Michigan, Refunding RB, Second Lien:  |       |           |
| Series C-1 (AGM), 7.00%, 7/01/27  | 1,800 | 2,069,424 |
| Series E (BHAC), 5.75%, 7/01/31   | 2,300 | 2,336,938 |
| Michigan State Building Authority, RB, Facilities Program,<br>Series H (AGM), 5.00%, 10/15/26 | 365   | 365,485   |

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   | Par<br>(000) | Value            |
|---|--------------|------------------|
| <b>Michigan (concluded)</b>   |              |                  |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program, Series I (AGC):                                   |              |                  |
| 5.25%, 10/15/24   | \$ 565       | \$ 584,374       |
| 5.25%, 10/15/25   | 300          | 306,495          |
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding RB, William Beaumont Hospital, 8.25%,<br>9/01/39              | 1,205        | 1,344,611        |
|   |              | <hr/> 19,558,036 |
| <b>Minnesota 5.1%</b>   |              |                  |
| City of Minneapolis Minnesota, Refunding RB, Fairview<br>Health Services, Series B (AGC), 6.50%, 11/15/38                 | 5,680        | 5,999,670        |
| <b>Nevada 1.8%</b>  |              |                  |
| County of Clark Nevada, RB, Las Vegas-McCarran<br>International Airport, Series A (AGC), 5.25%, 7/01/39                   | 2,295        | 2,150,484        |
| <b>New Jersey 5.1%</b>  |              |                  |
| New Jersey EDA, RB, School Facilities Construction,<br>Series Z (AGC), 6.00%, 12/15/34                                    | 1,000        | 1,052,550        |
| New Jersey Health Care Facilities Financing Authority,<br>RB, Virtua Health (AGC), 5.50%, 7/01/38                         | 1,300        | 1,320,748        |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, S/F Housing, Series CC, 5.25%, 10/01/29                        | 1,575        | 1,573,063        |
| New Jersey Transportation Trust Fund Authority, RB,<br>Transportation System, Series A (AGC), 5.50%,<br>12/15/38          | 2,000        | 2,050,780        |
|   |              | <hr/> 5,997,141  |
| <b>New York 4.3%</b>  |              |                  |
| New York City Municipal Water Finance Authority, RB,<br>Second General Resolution, Series EE, 5.38%,<br>6/15/43           | 1,545        | 1,566,614        |
| New York City Transitional Finance Authority, RB,<br>Fiscal 2009:   |              |                  |
| Series S-3, 5.25%, 1/15/39  | 900          | 906,291          |
| Series S-4 (AGC), 5.50%, 1/15/29  | 2,465        | 2,573,682        |
|   |              | <hr/> 5,046,587  |
| <b>Ohio 0.5%</b>  |              |                  |
| Ohio Higher Educational Facility Commission, Refunding<br>RB, Summa Health System, 2010 Project (AGC),<br>5.25%, 11/15/40 | 625          | 579,256          |

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|  |                      |              |
|--|----------------------|--------------|
| <b>Pennsylvania 0.8%</b>   |                      |              |
| Pennsylvania Turnpike Commission, Refunding RB,<br>Sub-Series B-1 (AGM), 5.00%, 12/01/37   | 1,000                | 932,940      |
| <b>Puerto Rico 2.2%</b>  |                      |              |
| Puerto Rico Highway & Transportation Authority,<br>Refunding RB, Series CC (AGM), 5.50%, 7/01/30                                     | 1,170                | 1,167,145    |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39   | 1,350                | 1,397,453    |
|  |                      | 2,564,598    |
| <b>Texas 21.4%</b>   |                      |              |
| Austin Community College District, RB, Educational<br>Facilities Project, Round Rock Campus, 5.25%,<br>8/01/33                       | 2,000                | 2,012,120    |
| City of Austin Texas, Refunding RB, Series A (AGM):<br>5.00%, 11/15/28   | 705                  | 717,436      |
| 5.00%, 11/15/29  | 895                  | 904,541      |
| City of Houston Texas, Refunding RB, Combined,<br>First Lien, Series A (AGC):<br>6.00%, 11/15/35                                     | 2,600                | 2,822,378    |
| 6.00%, 11/15/36  | 2,215                | 2,399,753    |
| 5.38%, 11/15/38  | 1,000                | 1,020,200    |
|  | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>   |                      |              |
| <b>Texas (concluded)</b>   |                      |              |
| Dallas Area Rapid Transit, Refunding RB, Senior Lien,<br>5.25%, 12/01/38   | \$ 1,500             | \$ 1,511,280 |
| Frisco ISD Texas, GO, School Building (AGC):<br>5.38%, 8/15/39   | 1,415                | 1,440,470    |
| 5.50%, 8/15/41   | 3,365                | 3,465,849    |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare System,<br>Series B, 7.13%, 12/01/31 | 500                  | 542,810      |
| Lubbock Cooper ISD Texas, GO, School Building (AGC),<br>5.75%, 2/15/42   | 500                  | 512,495      |
| North Texas Tollway Authority, RB, System, First Tier,<br>Series K-1 (AGC), 5.75%, 1/01/38   | 1,500                | 1,510,215    |
| North Texas Tollway Authority, Refunding RB, System,<br>First Tier:<br>(AGM), 6.00%, 1/01/43   | 1,000                | 1,029,860    |
| Series A (AGC), 5.75%, 1/01/40   | 1,500                | 1,507,440    |
| Series A (NPFGC), 5.13%, 1/01/28   | 2,895                | 2,864,226    |
| Tarrant County Cultural Education Facilities Finance<br>Corp., Refunding RB, Christus Health, Series A (AGC),<br>6.50%, 7/01/37      | 1,000                | 1,031,440    |
|  |                      | 25,292,513   |
| <b>Utah 1.3%</b>   |                      |              |
| City of Riverton Utah, RB, IHC Health Services Inc.,<br>5.00%, 8/15/41   | 1,625                | 1,521,439    |
| <b>Virginia 0.9%</b>   |                      |              |
| Virginia Public School Authority, RB, School Financing,<br>6.50%, 12/01/35   | 1,000                | 1,094,710    |

|                              |               |  |             |
|------------------------------|---------------|--|-------------|
| <b>Total Municipal Bonds</b> | <b>115.5%</b> |  | 136,229,915 |
|------------------------------|---------------|--|-------------|

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


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**Alabama 1.3%**

|  |       |           |
|--|-------|-----------|
| Mobile Board of Water & Sewer Commissioners, RB<br>(NPFGC), 5.00%, 1/01/31 | 1,500 | 1,498,020 |
|--|-------|-----------|

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**California 2.1%**

|  |       |           |
|--|-------|-----------|
| San Diego Community College District California, GO,<br>Election of 2002 (AGM), 5.00%, 5/01/30 | 2,500 | 2,481,550 |
|--|-------|-----------|

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**District of Columbia 0.7%**

|  |     |         |
|--|-----|---------|
| District of Columbia Water & Sewer Authority, RB,<br>Series A, 6.00%, 10/01/35 | 760 | 825,081 |
|--|-----|---------|

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**Florida 26.5%**

|   |       |           |
|---|-------|-----------|
| City of Jacksonville Florida, RB, Better Jacksonville<br>(NPFGC), 5.00%, 10/01/27         | 3,930 | 3,956,370 |
| County of Pinellas Florida, RB (AGM), 5.00%, 10/01/32                                     | 9,500 | 9,076,328 |
| Florida State Board of Education, GO, Public Education,<br>Series A (AGM), 5.00%, 6/01/27 | 9,000 | 9,108,450 |
| Palm Beach County School District, COP, Refunding,<br>Series D (AGM), 5.00%, 8/01/28      | 9,190 | 9,147,359 |

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31,288,507

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**Illinois 5.0%**

|  |       |           |
|--|-------|-----------|
| Chicago Transit Authority, Refunding RB, Federal<br>Transit Administration Section 5309 (AGM),<br>5.00%, 6/01/28 | 2,999 | 2,832,783 |
| Illinois State Toll Highway Authority, RB, Series B,<br>5.50%, 1/01/33   | 2,999 | 3,009,410 |

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5,842,193

See Notes to Financial Statements.

## Schedule of Investments (concluded)

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

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (a)  | Par<br>(000)  | Value          |
|--|---------------|----------------|
| <b>Kentucky 0.8%</b><br>Kentucky State Property & Building Commission,<br>Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | \$ 898        | \$ 931,964     |
| <b>Nevada 1.8%</b><br>Clark County Water Reclamation District, GO, Limited<br>Tax, 6.00%, 7/01/38                            | 2,000         | 2,144,320      |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 38.2%</b>  |               | 45,011,635     |
| <b>Total Long-Term Investments<br/>(Cost \$183,499,520) 153.7%</b>   |               | 181,241,550    |
| <b>Short-Term Securities</b>   |               |                |
|  | <b>Shares</b> |                |
| FFI Institutional Tax-Exempt Fund, 0.13% (b)(c)  | 5,323,892     | 5,323,892      |
| <b>Total Short-Term Securities<br/>(Cost \$5,323,892) 4.5%</b>   |               | 5,323,892      |
| <b>Total Investments (Cost \$188,823,412*) 158.2%</b>  |               | 186,565,442    |
| <b>Liabilities in Excess of Other Assets (0.4)%</b>  |               | (480,374)      |
| <b>Liability for Trust Certificates, Including<br/>Interest Expense and Fees Payable (22.0)%</b>                             |               | (25,887,547)   |
| <b>Preferred Shares, at Redemption Value (35.8)%</b>   |               | (42,278,454)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |               | \$ 117,919,067 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 163,232,643 |
| Gross unrealized appreciation | \$ 2,730,254   |
| Gross unrealized depreciation | (5,263,721)    |



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Net unrealized depreciation

\$ (2,533,467)

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

| Affiliate                            | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--------------------------------------|--------------------------------------|-----------------|--|----------|
| FFI Institutional<br>Tax-Exempt Fund | 1,211,264                            | 4,112,628       | 5,323,892                              | \$ 2,595 |

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

Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts | Issue                         | Exchange                  | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-------------------------------|---------------------------|------------|-------------------|----------------------------|
| 47        | 10-Year U.S.<br>Treasury Note | Chicago<br>Board of Trade | June 2011  | \$ 5,570,145      | \$ (25,058)                |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

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| Valuation Inputs         | Level 1      | Level 2        | Level 3 | Total          |
|--------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>           |              |                |         |                |
| Investments in           |              |                |         |                |
| Securities:              |              |                |         |                |
| Long-Term                |              |                |         |                |
| Investments <sup>1</sup> |              | \$ 181,241,550 |         | \$ 181,241,550 |
| Short-Term               |              |                |         |                |
| Securities               | \$ 5,323,892 |                |         | 5,323,892      |
| <b>Total</b>             | \$ 5,323,892 | \$ 181,241,550 |         | \$ 186,565,442 |

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

**Derivative Financial Instruments<sup>2</sup>**

| Valuation Inputs    | Level 1     | Level 2 | Level 3 | Total       |
|---------------------|-------------|---------|---------|-------------|
| <b>Liabilities:</b> |             |         |         |             |
| Interest rate       |             |         |         |             |
| contracts           | \$ (25,058) |         |         | \$ (25,058) |

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

See Notes to Financial Statements.

## Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 3.4%</b>  |              |              |
| Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC):   |              |              |
| 6.00%, 6/01/34   | \$ 1,150     | \$ 1,205,522 |
| 6.00%, 6/01/39   | 450          | 468,544      |
| Hoover City Board of Education, GO, Refunding, 4.25%, 2/15/40  | 3,750        | 3,131,550    |
|  |              | 4,805,616    |
| <b>Arizona 4.8%</b>  |              |              |
| Arizona State University, RB, Series D, 5.50%, 7/01/26   | 200          | 211,662      |
| Mohave County Unified School District No. 20 Kingman, GO, School Improvement Project of 2006, Series C (AGC), 5.00%, 7/01/26   | 200          | 205,338      |
| Pima County IDA, Refunding IDR, Tucson Electric Power, 5.75%, 9/01/29  | 900          | 872,802      |
| Salt Verde Financial Corp., RB, Senior:  |              |              |
| 5.00%, 12/01/32  | 1,500        | 1,297,680    |
| 5.00%, 12/01/37  | 2,065        | 1,733,712    |
| San Luis Facility Development Corp., RB, Senior Lien, Regional Detention Center Project:                                       |              |              |
| 6.25%, 5/01/15   | 300          | 289,518      |
| 7.00%, 5/01/20   | 300          | 286,317      |
| 7.25%, 5/01/27   | 600          | 561,066      |
| State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29   | 750          | 748,163      |
| University Medical Center Corp. Arizona, RB, 6.50%, 7/01/39  | 500          | 509,600      |
|  |              | 6,715,858    |
| <b>California 15.3%</b>  |              |              |
| California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)                         | 4,500        | 25,875       |
| California HFA, RB, Home Mortgage, Series G, AMT, 5.05%, 2/01/29   | 2,285        | 2,129,186    |
| California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 5.88%, 8/15/31                        | 1,900        | 1,908,835    |
| Carlsbad Unified School District, GO, Election of 2006, Series B, 6.09%, 5/01/34 (b)   | 1,000        | 568,640      |
| Dinuba Unified School District, GO, Election of 2006 (AGM):  |              |              |
| 5.63%, 8/01/31   | 250          | 258,715      |
| 5.75%, 8/01/33   | 500          | 517,855      |
| Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.46%, 8/01/34 (b)                        | 1,650        | 803,847      |
| Norwalk-La Mirada Unified School District California, GO, Refunding, CAB, Election of 2002, Series E (AGC), 6.47%, 8/01/38 (a) | 8,000        | 1,212,320    |
| Palomar Community College District, GO, CAB, Election of 2006, Series B:   |              |              |
| 6.09%, 8/01/30 (a)   | 1,500        | 397,860      |
| 7.57%, 8/01/39 (b)   | 2,000        | 708,220      |
| San Diego Community College District California, GO, CAB, Election of 2002, 6.24%, 8/01/19 (b)                                 | 2,800        | 1,592,080    |
| State of California, GO, Refunding:  |              |              |
| (CIFG), 4.50%, 8/01/28   | 500          | 452,200      |
| Veterans, AMT, 5.05%, 12/01/36   | 1,000        | 865,550      |

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State of California, GO, Various Purpose:

|   |       |            |
|---|-------|------------|
| 5.75%, 4/01/31  | 2,000 | 2,063,800  |
| 6.00%, 3/01/33  | 2,050 | 2,151,721  |
| 6.50%, 4/01/33  | 1,950 | 2,115,594  |
| 5.50%, 3/01/40  | 2,350 | 2,326,453  |
| Val Verde Unified School District California, Special Tax Bonds, Refunding, Junior Lien,<br>6.25%, 10/01/28 | 1,585 | 1,459,674  |
|   |       | 21,558,425 |

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Colorado 1.9%</b>  |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%,<br>10/01/33               | \$ 1,070     | \$ 1,120,547 |
| Sand Creek Metropolitan District, GO, Refunding, Limited Tax, Series B:<br>4.75%, 12/01/35                        | 1,000        | 879,510      |
| 5.00%, 12/01/40   | 800          | 720,136      |
|   |              | 2,720,193    |
| <b>Delaware 0.8%</b>  |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40                            | 1,200        | 1,168,356    |
| <b>District of Columbia 6.3%</b>  |              |              |
| District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%,<br>6/01/33                | 595          | 452,140      |
| District of Columbia, Tax Allocation Bonds, Gallery Place Project (AGM), 5.40%, 7/01/31                           | 6,000        | 6,019,560    |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed,<br>6.75%, 5/15/40            | 2,500        | 2,348,750    |
|   |              | 8,820,450    |
| <b>Florida 6.4%</b>   |              |              |
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%,<br>11/15/21            | 1,180        | 1,196,024    |
| Palm Beach County Housing Finance Authority, HRB, Indian Trace Apartments, Series A,<br>AMT (AGM), 5.63%, 1/01/44 | 7,255        | 7,121,145    |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A,<br>7.10%,<br>5/01/35       | 940          | 721,817      |
|   |              | 9,038,986    |
| <b>Idaho 1.7%</b>   |              |              |
| Idaho Health Facilities Authority, RB, St. Luke's Regional Medical Center (AGM), 5.00%,<br>7/01/35                | 500          | 474,350      |
| Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%,<br>12/01/33               | 1,750        | 1,845,358    |
|   |              | 2,319,708    |
| <b>Illinois 10.6%</b>   |              |              |
| Illinois Finance Authority, RB:<br>MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (c)(d)           | 425          | 114,104      |

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|  |        |            |
|--|--------|------------|
| Navistar International, Recovery Zone, 6.50%, 10/15/40   | 1,285  | 1,298,608  |
| Roosevelt University Project, 6.50%, 4/01/44   | 1,000  | 1,001,880  |
| Rush University Medical Center, Series C, 6.63%, 11/01/39  | 650    | 665,346    |
| Illinois Finance Authority, Refunding RB, Series A:<br>Friendship Village Schaumburg, 5.63%, 2/15/37 | 210    | 160,220    |
| Lake Forest Hospital, 5.75%, 7/01/29   | 4,000  | 4,040,240  |
| OSF Healthcare System, 6.00%, 5/15/39  | 1,050  | 976,017    |
| Railsplitter Tobacco Settlement Authority, RB:<br>6.25%, 6/01/24                                     | 1,000  | 1,002,050  |
| 6.00%, 6/01/28   | 1,150  | 1,123,331  |
| Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC), 6.22%, 1/01/36 (a)                 | 23,065 | 4,465,615  |
|  |        | 14,847,411 |

**Indiana 2.0%**

|   |       |           |
|---|-------|-----------|
| County of Monroe Indiana, Multifamily Housing Revenue Bond Pass-Through Certificates,<br>RB, Series 1, Canterbury House Apartments, Mandatory Put Bonds, AMT, 5.90%, 12/01/34 (e) | 1,835 | 1,845,753 |
| Indiana Finance Authority, Refunding RB, Improvement, U.S. Steel Corp., 6.00%, 12/01/26   | 1,000 | 988,460   |
|   |       | 2,834,213 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value            |
|--|--------------|------------------|
| <b>Iowa 1.1%</b>   |              |                  |
| Iowa Higher Education Loan Authority, Refunding RB, Private College Facility:<br>5.75%, 9/01/30  | \$ 500       | \$ 501,810       |
| 6.00%, 9/01/39   | 1,000        | 1,005,750        |
|  |              | <u>1,507,560</u> |
| <b>Kansas 3.5%</b>   |              |                  |
| Kansas Development Finance Authority, RB, University of Kansas Tenant, Series O, 4.75%,<br>6/15/41   | 700          | 632,457          |
| Wichita Airport Authority, RB, Special, Cessna Citation Service Center, Series A, AMT,<br>6.25%, 6/15/32   | 5,000        | 4,308,450        |
|  |              | <u>4,940,907</u> |
| <b>Kentucky 0.4%</b>   |              |                  |
| Kentucky Economic Development Finance Authority, RB, Louisville Arena, Sub-Series A-1<br>(AGC), 6.00%, 12/01/38                                    | 500          | 509,655          |
| <b>Louisiana 2.2%</b>  |              |                  |
| Louisiana Local Government Environmental Facilities & Community Development Authority,<br>RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35 | 1,050        | 1,068,722        |
| Louisiana Public Facilities Authority, Refunding RB, Entergy Gulf States Louisiana, LLC<br>Project, Series A, 5.00%, 9/01/28                       | 2,000        | 1,967,920        |
|  |              | <u>3,036,642</u> |
| <b>Maryland 2.1%</b>   |              |                  |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25   | 500          | 467,915          |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Doctor s<br>Community Hospital, 5.63%, 7/01/30                            | 2,900        | 2,477,876        |
|  |              | <u>2,945,791</u> |
| <b>Michigan 3.8%</b>   |              |                  |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.25%,<br>10/15/38  | 1,250        | 1,315,637        |
| Michigan State Hospital Finance Authority, Refunding RB:<br>Henry Ford Health System, Series A, 5.25%, 11/15/46                                    | 1,065        | 888,306          |
| Hospital, Henry Ford Health, 5.75%, 11/15/39   | 1,000        | 928,540          |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital,<br>8.25%, 9/01/39  | 1,950        | 2,175,927        |
|  |              | <u>5,308,410</u> |

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|  |       |           |
|--|-------|-----------|
| <b>Minnesota 4.0%</b>  |       |           |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | 5,350 | 5,651,098 |

|  |       |           |
|--|-------|-----------|
| <b>Mississippi 3.1%</b>  |       |           |
| Mississippi Development Bank Special Obligation, RB, Jackson County Limited Tax Note (AGC), 5.50%, 7/01/32 | 1,750 | 1,780,292 |
| University of Southern Mississippi, RB, Campus Facilities Improvements Project, 5.38%, 9/01/36             | 2,500 | 2,522,925 |
|  |       | 4,303,217 |

|  |       |           |
|--|-------|-----------|
| <b>Montana 1.8%</b>  |       |           |
| Montana Facility Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 4.75%, 1/01/40 | 2,750 | 2,489,988 |

|  |        |            |
|--|--------|------------|
| <b>Multi-State 8.1%</b>                                |        |            |
| Centerline Equity Issuer Trust, 7.20%, 11/15/52 (f)(g) | 10,500 | 11,416,230 |

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

|   |        |            |
|---|--------|------------|
| <b>Nebraska 2.0%</b>  |        |            |
| Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.50%, 1/01/30 | \$ 425 | \$ 415,705 |
| Nebraska Investment Finance Authority, Refunding RB, Series A:<br>5.90%, 9/01/36                          | 1,200  | 1,228,032  |
| 6.05%, 9/01/41  | 1,165  | 1,179,260  |
|   |        | 2,822,997  |

|  |       |           |
|--|-------|-----------|
| <b>Nevada 1.2%</b>   |       |           |
| City of Las Vegas Nevada, Special Assessment Bonds, Summerlin Area, 5.65%, 6/01/23           | 1,315 | 1,095,145 |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29 | 575   | 538,994   |
|  |       | 1,634,139 |

|   |       |            |
|---|-------|------------|
| <b>New Jersey 14.3%</b>   |       |            |
| Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (c)(d)     | 915   | 91,500     |
| New Jersey EDA, RB:<br>Cigarette Tax, 5.50%, 6/15/24  | 3,710 | 3,419,878  |
| Cigarette Tax (Radian), 5.50%, 6/15/31  | 1,500 | 1,288,350  |
| Continental Airlines Inc. Project, AMT, 7.20%, 11/15/30 (e)   | 3,000 | 3,004,680  |
| New Jersey EDA, Refunding RB, First Mortgage, Winchester, Series A, 5.80%, 11/01/31                                 | 1,500 | 1,423,770  |
| New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28                | 7,500 | 7,488,675  |
| New Jersey Educational Facilities Authority, Refunding RB:<br>College of New Jersey, Series D (AGM), 5.00%, 7/01/35 | 1,000 | 987,450    |
| University of Medicine & Dentistry, Series B, 7.13%, 12/01/23   | 630   | 708,492    |
| University of Medicine & Dentistry, Series B, 7.50%, 12/01/32   | 800   | 878,944    |
| New Jersey State Housing & Mortgage Finance Agency, RB, Series AA, 6.50%, 10/01/38                                  | 810   | 872,167    |
|   |       | 20,163,906 |

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**New Mexico 1.5%**

|   |       |           |
|---|-------|-----------|
| Village of Los Ranchos de Albuquerque New Mexico, Refunding RB, Albuquerque Academy Project, 4.50%, 9/01/40 | 2,500 | 2,108,325 |
|---|-------|-----------|

**New York 7.9%**

|   |       |           |
|---|-------|-----------|
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (c)(d)                      | 455   | 136,486   |
| Hudson Yards Infrastructure Corp., RB, Series A, 5.00%, 2/15/47   | 500   | 419,205   |
| New York City Housing Development Corp., RB, Series A, AMT, 5.50%, 11/01/34   | 3,000 | 2,968,410 |
| New York City Industrial Development Agency, RB:  |       |           |
| American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (e)  | 3,165 | 3,228,933 |
| Queens Baseball Stadium, PILOT (AGC), 6.50%, 1/01/46  | 700   | 727,776   |
| New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49 | 800   | 795,944   |
| New York State Dormitory Authority, RB:   |       |           |
| The New School (AGM), 5.50%, 7/01/43  | 1,550 | 1,555,487 |
| Rochester Institute of Technology, Series A, 6.00%, 7/01/33   | 1,000 | 1,056,970 |
| University of Rochester, Series A, 5.13%, 7/01/39   | 250   | 245,400   |

11,134,611

See Notes to Financial Statements.

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FEBRUARY 28, 2011

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## Schedule of Investments (continued)

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

| Municipal Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>North Carolina 8.2%</b>  |              |            |
| City of Charlotte North Carolina, Refunding RB, Series A, 5.50%, 7/01/34  | \$ 225       | \$ 228,265 |
| Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | 2,945        | 2,218,498  |
| North Carolina Capital Facilities Finance Agency, RB, Duke Energy Carolinas, Series B, 4.38%, 10/01/31  | 2,475        | 2,283,410  |
| North Carolina Medical Care Commission, RB, Series A: Novant Health Obligation, 4.75%, 11/01/43   | 4,000        | 3,392,480  |
| WakeMed, (AGC), 5.88%, 10/01/38   | 1,000        | 1,015,910  |
| North Carolina Medical Care Commission, Refunding RB, Caromont Health (AGC): 4.50%, 2/15/30   | 750          | 673,620    |
| 4.63%, 2/15/35  | 1,000        | 876,760    |
| University Health System, Series D, 6.25%, 12/01/33   | 800          | 835,856    |
|   |              | 11,524,799 |
| <b>Oklahoma 1.3%</b>  |              |            |
| Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (e)  | 1,725        | 1,763,416  |
| <b>Oregon 2.1%</b>  |              |            |
| City of Portland Oregon, Multifamily Housing Revenue Bond Pass-Through Certificates, RB, Series 6, Pacific Tower Apartments, AMT, 6.05%, 11/01/34                   | 515          | 515,438    |
| Oregon Health & Science University, RB, Series A, 5.75%, 7/01/39  | 1,250        | 1,273,925  |
| Oregon State Facilities Authority, Refunding RB, Limited College Project, Series A: 5.00%, 10/01/34   | 850          | 769,207    |
| 5.25%, 10/01/40   | 500          | 461,955    |
|   |              | 3,020,525  |
| <b>Pennsylvania 3.0%</b>  |              |            |
| Delaware River Port Authority, RB, Series D (AGC), 5.00%, 1/01/40   | 2,600        | 2,515,032  |
| Pennsylvania Economic Development Financing Authority, RB, Aqua Pennsylvania Inc. Project, Series B, 4.50%, 12/01/42  | 2,000        | 1,758,080  |
|   |              | 4,273,112  |

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**Puerto Rico 1.9%**

|  |       |           |
|--|-------|-----------|
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37                  | 2,000 | 1,975,800 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.75%, 8/01/41 (a) | 5,000 | 666,350   |
|  |       | 2,642,150 |

**Rhode Island 2.4%**

|   |       |           |
|---|-------|-----------|
| Rhode Island Health & Educational Building Corp., RB, Hospital Financing, LifeSpan Obligation, Series A (AGC), 7.00%, 5/15/39 | 1,000 | 1,099,760 |
| Rhode Island Housing & Mortgage Finance Corp., RB, Homeownership Opportunity, Series 54, AMT, 4.85%, 10/01/41                 | 1,500 | 1,322,205 |
| State of Rhode Island, COP, Series C, School for the Deaf (AGC), 5.38%, 4/01/28   | 900   | 925,209   |
|   |       | 3,347,174 |

**South Carolina 0.9%**

|  |       |           |
|--|-------|-----------|
| County of Florence South Carolina, RB, McLeod Regional Medical Center, Series A, 5.00%, 11/01/37 | 1,350 | 1,210,923 |
|--|-------|-----------|

**Tennessee 0.2%**

|   |     |         |
|---|-----|---------|
| Memphis-Shelby County Sports Authority Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28 | 275 | 276,777 |
|---|-----|---------|

| Municipal Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Texas 14.9%</b>  |              |            |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B:  |              |            |
| 7.13%, 12/01/31   | \$ 500       | \$ 542,810 |
| 7.25%, 12/01/35   | 1,750        | 1,895,162  |
| Harris County Housing Finance Corp., Multifamily Housing Revenue Bond Pass-Through Certificates, RB, Series 9, Copperwood Ranch Apartments, Mandatory Put Bonds, AMT, 5.95%, 11/01/35 (e) | 2,420        | 2,441,901  |
| Harris County-Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 6.17%, 11/15/41 (a)   | 11,690       | 1,071,155  |
| Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40   | 2,500        | 2,222,450  |
| Lower Colorado River Authority, Refunding RB (NPFGC), 5.00%, 5/15/13 (h)  | 15           | 16,376     |
| Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29  | 1,500        | 1,545,810  |
| 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        | 2,028,440  |
| Texas State Turnpike Authority, RB (AMBAC):   |              |            |
| CAB, 6.08%, 8/15/35 (a)   | 50,000       | 8,592,500  |
| First Tier, Series A, 5.00%, 8/15/42  | 750          | 640,703    |

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|  |       |             |
|--|-------|-------------|
|  |       | 20,997,307  |
| <b>Virginia 0.5%</b>   |       |             |
| Henrico County EDA, RB, Bon Secours Health, Series B-1 (AGC), 4.50%, 11/01/42                            | 860   | 715,967     |
| <b>Washington 1.0%</b>   |       |             |
| Washington Health Care Facilities Authority, RB, MultiCare Health System, Series B (AGC), 6.00%, 8/15/39 | 1,400 | 1,431,052   |
| <b>Wisconsin 1.8%</b>  |       |             |
| Wisconsin Health & Educational Facilities Authority, RB, Aurora Health Care, 6.40%, 4/15/33              | 1,350 | 1,362,946   |
| Wisconsin Housing & EDA, Refunding RB, Series A, AMT, 4.75%, 9/01/33                                     | 1,340 | 1,217,578   |
|  |       | 2,580,524   |
| <b>Wyoming 0.9%</b>  |       |             |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26                      | 1,200 | 1,237,248   |
| <b>Total Municipal Bonds 149.3%</b>  |       | 209,823,666 |

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

|   |       |           |
|---|-------|-----------|
| <b>Colorado 2.5%</b>  |       |           |
| Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36 | 3,750 | 3,504,225 |
| <b>Massachusetts 1.0%</b>   |       |           |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41    | 1,450 | 1,450,623 |
| <b>New York 4.3%</b>  |       |           |
| New York City Municipal Water Finance Authority, RB: Fiscal 2009, Series A, 5.75%, 6/15/40  | 450   | 474,776   |
| Series FF-2, 5.50%, 6/15/40   | 405   | 416,807   |
| New York City Municipal Water Finance Authority, Refunding RB, Series A, 4.75%, 6/15/30     | 3,000 | 2,973,600 |
| New York State Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38       | 2,199 | 2,147,937 |
|   |       | 6,013,120 |

See Notes to Financial Statements.



Schedule of Investments (concluded)

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

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (i)  | Par<br>(000)  | Value                 |
|--|---------------|-----------------------|
| <b>Ohio 2.2%</b>   |               |                       |
| County of Montgomery Ohio, RB, Catholic Health,<br>Series C-1 (AGM), 5.00%, 10/01/41   | \$ 1,260      | \$ 1,153,291          |
| Ohio Higher Educational Facility Commission,<br>Refunding RB, Hospital, Cleveland Clinic Health,<br>Series A, 5.25%, 1/01/33 | 2,000         | 1,934,260             |
|  |               | <u>3,087,551</u>      |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 10.0%</b>  |               | 14,055,519            |
| <b>Total Long-Term Investments<br/>(Cost \$233,041,707) 159.3%</b>   |               | 223,879,185           |
| <b>Short-Term Securities</b>   | <b>Shares</b> |                       |
| FII Institutional Tax-Exempt Fund, 0.13% (j)(k)  | 1,592,687     | 1,592,687             |
| <b>Total Short-Term Securities<br/>(Cost \$1,592,687) 1.1%</b>   |               | 1,592,687             |
| <b>Total Investments (Cost \$234,634,394*) 160.4%</b>  |               | 225,471,872           |
| <b>Other Assets Less Liabilities 1.7%</b>  |               | 2,421,499             |
| <b>Liability for Trust Certificates, Including<br/>Interest Expense and Fees Payable (5.3)%</b>                              |               | (7,405,015)           |
| <b>Preferred Shares, at Redemption Value (56.8)%</b>   |               | (79,904,531)          |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |               | <u>\$ 140,583,825</u> |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                |                |
|----------------|----------------|
| Aggregate cost | \$ 226,514,765 |
|----------------|----------------|

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|                               |                |
|-------------------------------|----------------|
| Gross unrealized appreciation | \$ 5,625,658   |
| Gross unrealized depreciation | (14,067,699)   |
|                               | <hr/>          |
| Net unrealized depreciation   | \$ (8,442,041) |
|                               | <hr/>          |

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

| Affiliate                         | Shares Held at August 31, 2010 | Net Activity | Shares Held at February 28, 2011 | Income   |
|-----------------------------------|--------------------------------|--------------|----------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 4,831,353                      | (3,238,666)  | 1,592,687                        | \$ 2,086 |

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

Financial futures contracts sold as of February 28,2011 were as follows:

| Contracts | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------------------|------------------------|------------|----------------|-------------------------|
| 79        | 30-Year U.S. Treasury Bond | Chicago Board of Trade | June 2011  | \$ 9,412,037   | \$ (95,119)             |

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Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statements purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

| Valuation Inputs                   | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments in Securities:         |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 223,879,185 |         | \$ 223,879,185 |
| Short-Term Securities              | \$ 1,592,687 |                |         | 1,592,687      |
| <b>Total</b>                       | \$ 1,592,687 | \$ 223,879,185 |         | \$ 225,471,872 |

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

| <b>Derivative Financial Instruments<sup>2</sup></b> |             |         |         |             |
|---|-------------|---------|---------|-------------|
| Valuation Inputs                                    | Level 1     | Level 2 | Level 3 | Total       |
| <b>Liabilities:</b>                                 |             |         |         |             |
| Interest rate contracts                             | \$ (95,119) |         |         | \$ (95,119) |

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

See Notes to Financial Statements.



Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Arizona 0.7%</b>   |              |            |
| Pima County IDA, Refunding IDRB, Tucson Electric Power, 5.75%, 9/01/29  | \$ 330       | \$ 320,027 |
| <b>California 20.2%</b>   |              |            |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44                             | 720          | 729,058    |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38         | 700          | 707,826    |
| California Health Facilities Financing Authority, Refunding RB, Series A:   |              |            |
| Catholic Healthcare West, 6.00%, 7/01/39  | 120          | 120,300    |
| St. Joseph Health System, 5.75%, 7/01/39  | 730          | 730,416    |
| California State Public Works Board, RB:  |              |            |
| Department of General Services, Buildings 8 & 9, Series A, 6.25%, 4/01/34   | 1,100        | 1,115,235  |
| Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34   | 340          | 348,605    |
| Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45                                  | 965          | 814,663    |
| Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/35 | 1,460        | 1,389,059  |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38                             | 1,660        | 1,643,234  |
| San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36      | 850          | 843,616    |
| State of California, GO, Various Purpose, 6.00%, 3/01/33  | 685          | 718,990    |
|   |              | 9,161,002  |
| <b>Colorado 3.7%</b>  |              |            |
| City & County of Denver Colorado, Refunding RB, Series A, 5.25%, 11/15/36   | 1,095        | 1,075,202  |
| Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34                     | 580          | 579,194    |
|   |              | 1,654,396  |
| <b>Delaware 1.4%</b>  |              |            |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40                                | 655          | 637,728    |
| <b>District of Columbia 1.5%</b>  |              |            |
| District of Columbia Water & Sewer Authority, RB, Series A, 5.25%, 10/01/29   | 640          | 670,131    |
| <b>Florida 0.4%</b>   |              |            |
| County of St. John s Florida, RB, CAB (AMBAC), 5.40%, 6/01/32 (a)   | 565          | 164,144    |
| <b>Georgia 2.4%</b>   |              |            |
| Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23                      | 1,000        | 1,104,670  |
| <b>Illinois 8.4%</b>  |              |            |

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|  |       |           |
|--|-------|-----------|
| Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40                 | 710   | 691,426   |
| County of Cook Illinois, GO, Refunding, Series A, 5.25%, 11/15/33                      | 900   | 884,691   |
| Illinois Finance Authority, RB, Navistar International, Recovery Zone, 6.50%, 10/15/40 | 270   | 272,859   |
| Illinois Finance Authority, Refunding RB, Series A:                                    |       |           |
| Northwestern Memorial Hospital, 6.00%, 8/15/39   | 1,000 | 1,032,080 |
| OSF Healthcare System, , 6.00%, 5/15/39  | 525   | 488,008   |
| Railsplitter Tobacco Settlement Authority, RB:   |       |           |
| 5.50%, 6/01/23   | 365   | 348,674   |
| 6.00%, 6/01/28   | 105   | 102,565   |
|  |       | 3,820,303 |

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Indiana 2.7%</b>   |              |              |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39  | \$ 1,190     | \$ 1,232,745 |
| <b>Kansas 2.0%</b>  |              |              |
| Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29   | 900          | 913,608      |
| <b>Kentucky 4.2%</b>  |              |              |
| Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40                        | 350          | 328,230      |
| Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34  | 800          | 838,016      |
| Louisville & Jefferson County Metropolitan Government, Refunding RB, Jewish Hospital & St. Mary's HealthCare, 6.13%, 2/01/37                    | 775          | 749,107      |
|   |              | 1,915,353    |
| <b>Louisiana 0.9%</b>   |              |              |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35 | 380          | 386,775      |
| <b>Maryland 1.1%</b>  |              |              |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25  | 525          | 491,311      |
| <b>Massachusetts 3.6%</b>   |              |              |
| Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40  | 375          | 379,830      |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare System, Series B, 5.25%, 7/01/29                     | 1,000        | 998,760      |
| Massachusetts State College Building Authority, RB, Series A, 5.50%, 5/01/39  | 250          | 256,430      |
|   |              | 1,635,020    |
| <b>Michigan 4.7%</b>  |              |              |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36  | 1,060        | 1,001,965    |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38  | 500          | 518,520      |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39  | 530          | 591,406      |
|   |              | 2,111,891    |

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**Multi-State 7.2%**

|  |       |           |
|--|-------|-----------|
| Centerline Equity Issuer Trust, 7.20%, 11/15/52 (b)(c) | 3,000 | 3,261,780 |
|--|-------|-----------|

**Nebraska 0.4%**

|  |     |         |
|--|-----|---------|
| Lancaster County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40 | 170 | 165,147 |
|--|-----|---------|

**Nevada 8.4%**

|   |       |           |
|---|-------|-----------|
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34 | 1,000 | 1,054,940 |
|---|-------|-----------|

County of Clark Nevada, RB:

|  |       |           |
|--|-------|-----------|
| Motor Vehicle Fuel Tax, 5.00%, 7/01/28 | 1,130 | 1,130,689 |
|--|-------|-----------|

|                          |       |           |
|--------------------------|-------|-----------|
| Series B, 5.75%, 7/01/42 | 1,630 | 1,629,854 |
|--------------------------|-------|-----------|

3,815,483

**New Jersey 4.7%**

|  |     |         |
|--|-----|---------|
| New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29 | 750 | 775,155 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29 | 620 | 619,237 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A, 5.88%, 12/15/38 | 695 | 721,535 |
|--|-----|---------|

2,115,927

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>New York 7.2%</b>   |              |            |
| City of Troy New York, Refunding RB, Rensselaer Polytechnic, Series A, 5.13%, 9/01/40  | \$ 955       | \$ 885,973 |
| New York City Municipal Water Finance Authority, RB, Second General Resolution, Series EE, 5.38%, 6/15/43  | 205          | 207,868    |
| New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-3, 5.25%, 1/15/39  | 1,000        | 1,006,990  |
| New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49                                | 325          | 323,352    |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.38%, 11/15/38   | 840          | 852,902    |
|  |              | 3,277,085  |
| <b>North Carolina 2.7%</b>   |              |            |
| North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43  | 1,450        | 1,229,774  |
| <b>Pennsylvania 2.8%</b>   |              |            |
| Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39  | 300          | 312,159    |
| Pennsylvania Turnpike Commission, RB:<br>Sub-Series B, 5.25%, 6/01/39  | 425          | 405,135    |
| Sub-Series C (AGC), 6.25%, 6/01/38   | 500          | 530,575    |
|  |              | 1,247,869  |
| <b>Texas 8.3%</b>  |              |            |
| Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35  | 470          | 495,305    |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31                                     | 250          | 271,405    |
| Lower Colorado River Authority, RB, 5.75%, 5/15/28   | 450          | 467,140    |
| North Texas Tollway Authority, RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38  | 500          | 503,405    |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45   | 1,020        | 1,029,496  |
| 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 | 1,000        | 1,009,150  |
|  |              | 3,775,901  |
| <b>Utah 1.3%</b>   |              |            |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41  | 640          | 599,213    |
| <b>Virginia 1.8%</b>   |              |            |
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35  | 750          | 821,033    |
| <b>West Virginia 1.2%</b>  |              |            |
| West Virginia EDA, Refunding RB, Appalachian Power Co., Amos Project, Series A, 5.38%, 12/01/38 (d)  | 580          | 540,850    |

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**Total Municipal Bonds 103.9%** 47,069,166

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (e)  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>California 20.2%</b>  |              |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%,<br>10/01/39 | \$ 1,005     | \$ 1,015,603 |
| Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40                             | 1,300        | 1,191,580    |
| Los Angeles Community College District California, GO, Election of 2008:<br>Series A, 6.00%, 8/01/33             | 2,079        | 2,224,906    |
| Series C, 5.25%, 8/01/39   | 1,410        | 1,389,456    |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34                                     | 200          | 190,820      |
| San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39                          | 2,234        | 2,268,772    |
| University of California, RB, Series O, 5.75%, 5/15/34   | 810          | 849,334      |
|  |              | 9,130,471    |
| <b>District of Columbia 3.8%</b>   |              |              |
| District of Columbia, RB, Series A, 5.50%, 12/01/30  | 735          | 790,970      |
| District of Columbia Water & Sewer Authority, RB, Series A, 5.50%, 10/01/39                                      | 899          | 931,479      |
|  |              | 1,722,449    |
| <b>Florida 7.7%</b>  |              |              |
| Jacksonville Economic Development Commission, RB, Mayo Clinic Jacksonville, Series B, 5.50%,<br>11/15/36         | 3,510        | 3,509,684    |
| <b>Illinois 8.1%</b>   |              |              |
| Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38                                  | 1,500        | 1,647,720    |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33  | 2,000        | 2,006,273    |
|  |              | 3,653,993    |
| <b>Nevada 3.5%</b>   |              |              |
| Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38   | 1,500        | 1,608,240    |
| <b>New Hampshire 1.3%</b>  |              |              |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%,<br>6/01/39        | 585          | 599,631      |
| <b>New Jersey 2.2%</b>   |              |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM),<br>5.00%, 12/15/32    | 1,000        | 1,001,640    |
| <b>New York 6.2%</b>   |              |              |
| New York City Municipal Water Finance Authority, RB:<br>Fiscal 2009, Series A, 5.75%, 6/15/40                    | 750          | 791,294      |
| Series FF-2, 5.50%, 6/15/40  | 990          | 1,018,861    |
| New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38  | 1,000        | 1,007,800    |
|  |              | 2,817,955    |
| <b>Ohio 1.8%</b>   |              |              |

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|   |       |           |
|---|-------|-----------|
| County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38   | 840   | 795,707   |
| <b>South Carolina 2.3%</b>  |       |           |
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38                                  | 1,005 | 1,041,813 |
| <b>Texas 5.6%</b>   |       |           |
| City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31   | 1,050 | 1,096,035 |
| Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children s Hospital Project, 5.50%, 10/01/39 | 1,450 | 1,431,396 |
|   |       | 2,527,431 |

See Notes to Financial Statements.

## Schedule of Investments (concluded)

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

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (e)   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Virginia 1.0%</b>  |              |            |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%,<br>5/15/35                | \$ 460       | \$ 463,869 |
| <b>Wisconsin 1.8%</b>   |              |            |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health<br>Inc., 5.25%, 4/01/39 | 890          | 818,852    |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 65.5%</b>   |              | 29,691,735 |
| <b>Total Long-Term Investments<br/>(Cost \$76,772,880) 169.4%</b>   |              | 76,760,901 |

| Short-Term Securities  | Shares    |               |
|--|-----------|---------------|
| FFI Institutional Tax-Exempt Fund, 0.13% (f)(g)  | 1,965,149 | 1,965,149     |
| <b>Total Short-Term Securities<br/>(Cost \$1,965,149) 4.3%</b>                               |           | 1,965,149     |
| <b>Total Investments (Cost \$78,738,029*) 173.7%</b>   |           | 78,726,050    |
| <b>Other Assets Less Liabilities 1.6%</b>  |           | 714,160       |
| <b>Liability for Trust Certificates, Including Interest Expense and Fees Payable (35.9)%</b> |           | (16,285,810)  |
| <b>Preferred Shares, at Redemption Value (39.4)%</b>   |           | (17,851,005)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |           | \$ 45,303,395 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |               |
|-------------------------------|---------------|
| Aggregate cost                | \$ 62,665,287 |
| Gross unrealized appreciation | \$ 1,572,211  |

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|                               |              |
|-------------------------------|--------------|
| Gross unrealized depreciation | (1,787,280)  |
| Net unrealized depreciation   | \$ (215,069) |

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

| Affiliate                         | Shares Held at August 31, 2010 | Net Activity | Shares Held at February 28, 2011 | Income |
|-----------------------------------|--------------------------------|--------------|----------------------------------|--------|
| FFI Institutional Tax-Exempt Fund | 1,698,254                      | 266,895      | 1,965,149                        | \$ 462 |

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

Financial futures contracts sold as of February 28,2011 were as follows:

| Contracts | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------------------|------------------------|------------|----------------|-------------------------|
| 34        | 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011  | \$ 4,029,467   | \$ (18,127)             |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statements purposes as follows:

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

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



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Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivatives). The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

| Valuation Inputs                   | Level 1             | Level 2              | Level 3 | Total                |
|------------------------------------|---------------------|----------------------|---------|----------------------|
| <b>Assets:</b>                     |                     |                      |         |                      |
| Investments in Securities:         |                     |                      |         |                      |
| Long-Term Investments <sup>1</sup> |                     | \$ 76,760,901        |         | \$ 76,760,901        |
| Short-Term Securities              | \$ 1,965,149        |                      |         | 1,965,149            |
| <b>Total</b>                       | <b>\$ 1,965,149</b> | <b>\$ 76,760,901</b> |         | <b>\$ 78,726,050</b> |

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

### Derivative Financial Instruments<sup>2</sup>

| Valuation Inputs        | Level 1     | Level 2 | Level 3 | Total       |
|-------------------------|-------------|---------|---------|-------------|
| <b>Liabilities:</b>     |             |         |         |             |
| Interest rate contracts | \$ (18,127) |         |         | \$ (18,127) |

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

See Notes to Financial Statements.

Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Arizona 3.4%</b>  |              |              |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38   | \$ 2,135     | \$ 2,125,478 |
| Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32  | 5,635        | 4,874,951    |
| 5.00%, 12/01/37  | 3,990        | 3,349,884    |
|  |              | 10,350,313   |
| <b>Arkansas 0.5%</b>   |              |              |
| County of Little River Arkansas, Refunding RB, Georgia-Pacific Corp. Project, AMT, 5.60%, 10/01/26   | 1,825        | 1,667,064    |
| <b>California 21.2%</b>  |              |              |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44  | 2,480        | 2,511,198    |
| California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)                                     | 9,710        | 55,833       |
| California HFA, RB, AMT, Home Mortgage: Series G, 5.50%, 8/01/42   | 7,270        | 7,174,109    |
| Series K, 5.50%, 2/01/42   | 2,535        | 2,573,684    |
| California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42                                    | 3,500        | 3,465,700    |
| California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34   | 1,280        | 1,312,397    |
| California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 5.50%, 10/01/33           | 5,000        | 5,014,400    |
| Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39   | 860          | 837,709      |
| Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40                      | 6,500        | 6,074,315    |
| Los Angeles Unified School District California, GO: Series D, 5.00%, 7/01/27   | 2,375        | 2,374,834    |
| Series I, 5.00%, 7/01/26   | 1,250        | 1,256,687    |
| San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39   | 10,340       | 9,988,026    |
| San Francisco City & County Redevelopment Agency, Special Tax Bonds, District No. 6, Mission Bay South Public Improvements, 6.63%, 8/01/27 | 3,120        | 3,096,694    |
| State of California, GO, Various Purpose: 6.00%, 3/01/33   | 2,760        | 2,896,951    |
| 6.50%, 4/01/33   | 10,670       | 11,576,096   |
| University of California, RB, Limited Project, Series B, 4.75%, 5/15/38  | 5,095        | 4,545,351    |

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64,753,984

**Colorado 2.3%**

|   |       |           |
|---|-------|-----------|
| City of Colorado Springs Colorado, RB, Subordinate Lien, Improvement, Series C (AGM), 5.00%, 11/15/45       | 1,375 | 1,333,049 |
| Colorado Health Facilities Authority, Refunding RB:   |       |           |
| Catholic Healthcare, Series A, 5.50%, 7/01/34   | 2,330 | 2,326,761 |
| Sisters of Leavenworth, Series A, 5.00%, 1/01/40  | 2,400 | 2,169,624 |
| Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37 | 1,375 | 1,195,274 |
|   |       | 7,024,708 |

**Connecticut 0.5%**

|  |       |           |
|--|-------|-----------|
| Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40 | 1,505 | 1,429,073 |
|--|-------|-----------|

**Municipal Bonds**

Par  
(000)

Value

**Delaware 1.7%**

|  |          |              |
|--|----------|--------------|
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40 | \$ 1,240 | \$ 1,207,301 |
| Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45         | 4,430    | 3,848,164    |
|  |          | 5,055,465    |

**District of Columbia 6.7%**

|   |        |            |
|---|--------|------------|
| District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%, 6/01/33 | 1,265  | 961,274    |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed:            |        |            |
| 6.50%, 5/15/33  | 7,500  | 7,243,050  |
| 6.75%, 5/15/40  | 11,500 | 10,804,250 |
| Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A:                    |        |            |
| 5.00%, 10/01/39   | 550    | 517,352    |
| 5.25%, 10/01/44   | 865    | 816,854    |
|   |        | 20,342,780 |

**Florida 5.5%**

|  |       |           |
|--|-------|-----------|
| City of Leesburg Florida, RB, Leesburg Regional Medical Center Project, 5.50%, 7/01/32               | 1,440 | 1,287,086 |
| County of Miami-Dade Florida, RB, Miami International Airport, Series A, AMT (AGC), 5.25%, 10/01/38  | 2,855 | 2,574,896 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41 | 1,255 | 1,162,105 |
| County of Orange Florida, Refunding RB (Syncora), 4.75%, 10/01/32                                    | 905   | 818,735   |
| Live Oak Community Development District No. 1, Special Assessment Bonds, Series A, 6.30%, 5/01/34    | 3,115 | 3,092,136 |
|  | 3,900 | 3,952,962 |

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|   |        |                   |
|---|--------|-------------------|
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21   |        |                   |
| Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40   | 2,500  | 2,483,475         |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35 | 1,960  | 1,505,065         |
|   |        | <u>16,876,460</u> |
| <b>Georgia 1.0%</b>   |        |                   |
| DeKalb Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%, 11/15/39               | 915    | 874,466           |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38   | 2,150  | 2,127,790         |
|   |        | <u>3,002,256</u>  |
| <b>Guam 0.8%</b>  |        |                   |
| Territory of Guam, GO, Series A: 6.00%, 11/15/19  | 695    | 696,328           |
| 6.75%, 11/15/29   | 995    | 1,026,561         |
| 7.00%, 11/15/39   | 680    | 708,220           |
|   |        | <u>2,431,109</u>  |
| <b>Hawaii 0.5%</b>  |        |                   |
| State of Hawaii, Refunding RB, Series A, 5.25%, 7/01/30   | 1,480  | 1,474,554         |
| <b>Illinois 9.5%</b>  |        |                   |
| Illinois Finance Authority, RB: MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (b)(c)  | 900    | 241,632           |
| Navistar International, Recovery Zone, 6.50%, 10/15/40  | 1,675  | 1,692,738         |
| Illinois Finance Authority, Refunding RB: Central DuPage Health, Series B, 5.50%, 11/01/39            | 1,750  | 1,686,352         |
| Friendship Village Schaumburg, Series A, 5.63%, 2/15/37   | 455    | 347,142           |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30                 | 15,000 | 15,260,250        |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Illinois (concluded)</b>   |              |              |
| Metropolitan Pier & Exposition Authority, Refunding RB<br>(AGM), McCormick Place Extension Project:<br>CAB, Series B, 6.23%, 6/15/43 (a)              | \$ 10,340    | \$ 1,163,353 |
| Series B, 5.00%, 6/15/50  | 3,430        | 2,927,608    |
| Series B-2, 5.00%, 6/15/50  | 2,725        | 2,258,889    |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23  | 1,470        | 1,404,247    |
| 6.00%, 6/01/28  | 1,255        | 1,225,897    |
| State of Illinois, RB, Build Illinois, Series B, 5.25%,<br>6/15/34  | 685          | 660,861      |
|   |              | 28,868,969   |
| <b>Indiana 2.9%</b>   |              |              |
| Indiana Finance Authority, RB, Sisters of St. Francis<br>Health, 5.25%, 11/01/39  | 915          | 841,415      |
| Indiana Finance Authority, Refunding RB, Ascension<br>Health Senior Credit, Series B-5, 5.00%, 11/15/36   | 1,500        | 1,366,605    |
| Indiana Health Facility Financing Authority,<br>Refunding RB:<br>Ascension Health, Series F, 5.38%, 11/15/25  | 2,095        | 2,131,558    |
| Methodist Hospital Inc., 5.38%, 9/15/22   | 3,675        | 3,359,428    |
| Indiana Municipal Power Agency, RB, Series B, 6.00%,<br>1/01/39   | 1,200        | 1,243,104    |
|   |              | 8,942,110    |
| <b>Kansas 0.6%</b>  |              |              |
| Kansas Development Finance Authority, Refunding RB,<br>Sisters of Leavenworth, Series A, 5.00%, 1/01/40   | 1,820        | 1,714,058    |
| <b>Kentucky 0.3%</b>  |              |              |
| Kentucky Economic Development Finance Authority,<br>Refunding RB, Owensboro Medical Health System,<br>Series A, 6.38%, 6/01/40                        | 1,105        | 1,036,269    |
| <b>Louisiana 1.2%</b>   |              |              |
| Louisiana Local Government Environmental Facilities &<br>Community Development Authority, RB, Westlake<br>Chemical Corp., Series A-1, 6.50%, 11/01/35 | 3,650        | 3,715,079    |
| <b>Maryland 1.5%</b>  |              |              |
| Maryland EDC, RB, Transportation Facilities Project,<br>Series A, 5.75%, 6/01/35  | 475          | 426,327      |
|   | 1,000        | 935,830      |

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|   |       |           |
|---|-------|-----------|
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25  |       |           |
| Maryland Health & Higher Educational Facilities Authority, RB, Union Hospital of Cecil County Issue, 5.63%, 7/01/32 | 1,000 | 1,001,260 |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community, 6.25%, 1/01/41      | 2,400 | 2,321,112 |
|   |       | 4,684,529 |

**Massachusetts 1.3%**

|   |       |           |
|---|-------|-----------|
| Massachusetts Bay Transportation Authority, Refunding RB, Senior Series A, 5.25%, 7/01/29                             | 2,000 | 2,199,040 |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39 | 1,955 | 1,850,153 |
|   |       | 4,049,193 |

**Michigan 1.1%**

|  |       |           |
|--|-------|-----------|
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36               | 1,500 | 1,417,875 |
| Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46 | 2,305 | 1,922,577 |
|  |       | 3,340,452 |

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Missouri 2.1%</b>   |              |              |
| 370/Missouri Bottom Road/Taussig Road Transportation Development District, RB, 7.20%, 5/01/33                                | \$ 6,000     | \$ 5,434,440 |
| Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Home, 5.50%, 2/01/42 | 1,135        | 973,807      |
|  |              | 6,408,247    |
| <b>Multi-State 4.3%</b>  |              |              |
| Centerline Equity Issuer Trust (d)(e):   |              |              |
| 5.75%, 5/15/15   | 1,000        | 1,050,640    |
| 6.00%, 5/15/15   | 5,000        | 5,237,300    |
| 6.00%, 5/15/19   | 3,500        | 3,647,385    |
| 6.30%, 5/15/19   | 3,000        | 3,138,900    |
|  |              | 13,074,225   |

**Nebraska 0.9%**

|  |       |           |
|--|-------|-----------|
| Lancaster County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40 | 1,245 | 1,209,455 |
| Sarpy County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40     | 1,635 | 1,536,344 |

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|   |        |            |
|---|--------|------------|
|   |        | 2,745,799  |
| <b>Nevada 0.8%</b>  |        |            |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29  | 2,465  | 2,310,642  |
| <b>New Jersey 9.9%</b>  |        |            |
| New Jersey EDA, RB:   |        |            |
| Cigarette Tax, 5.75%, 6/15/34   | 3,810  | 3,270,047  |
| Continental Airlines Inc. Project, AMT, 7.20%, 11/15/30 (f)   | 10,100 | 10,115,756 |
| Kapkowski Road Landfill Project, Series 1998B, AMT, 6.50%, 4/01/31  | 10,000 | 9,507,500  |
| New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28                                | 7,475  | 7,463,713  |
|   |        | 30,357,016 |
| <b>New Mexico 1.9%</b>  |        |            |
| New Mexico Income Housing Authority, RB, Villa Del Oso Apartments Project, Series A, 6.00%, 1/01/13 (g)                             | 5,200  | 5,807,048  |
| <b>New York 4.1%</b>  |        |            |
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (b)(c)                      | 985    | 295,471    |
| Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40                                      | 1,325  | 1,263,639  |
| New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (f)         | 6,700  | 6,835,340  |
| New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49 | 1,335  | 1,328,232  |
| Port Authority of New York & New Jersey, RB, JFK International Air Terminal:  |        |            |
| 6.00%, 12/01/36   | 1,410  | 1,377,330  |
| 6.00%, 12/01/42   | 1,375  | 1,330,945  |
|   |        | 12,430,957 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds   | Par<br>(000) | Value             |
|---|--------------|-------------------|
| <b>North Carolina 2.8%</b>  |              |                   |
| Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | \$ 7,500     | \$ 5,649,825      |
| North Carolina Capital Facilities Finance Agency, Refunding RB, Duke Energy Carolinas, Series B, 4.63%, 11/01/40  | 1,760        | 1,565,186         |
| North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42   | 1,525        | 1,435,452         |
|   |              | <u>8,650,463</u>  |
| <b>Ohio 2.0%</b>  |              |                   |
| County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38   | 3,405        | 3,225,454         |
| County of Montgomery Ohio, Refunding RB, Catholic Healthcare, Series A, 5.00%, 5/01/39  | 3,025        | 2,789,111         |
|   |              | <u>6,014,565</u>  |
| <b>Oklahoma 1.3%</b>  |              |                   |
| Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (f)  | 3,925        | 4,012,410         |
| <b>Pennsylvania 3.3%</b>  |              |                   |
| Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40  | 2,000        | 1,281,540         |
| Pennsylvania Economic Development Financing Authority, RB:  |              |                   |
| Amtrak Project, Series A, AMT, 6.38%, 11/01/41  | 5,175        | 5,182,814         |
| Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40   | 2,065        | 1,996,628         |
| Pennsylvania Turnpike Commission, RB, Sub-Series D, 5.13%, 12/01/40   | 1,700        | 1,583,533         |
|   |              | <u>10,044,515</u> |
| <b>Puerto Rico 7.9%</b>   |              |                   |
| Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39  | 3,220        | 3,125,847         |
| Puerto Rico Sales Tax Financing Corp., RB:  |              |                   |
| CAB, Series A, 6.48%, 8/01/31 (a)   | 11,700       | 3,124,368         |
| CAB, Series A, 6.55%, 8/01/32 (a)   | 8,600        | 2,130,564         |
| CAB, Series A, 6.57%, 8/01/33 (a)   | 13,600       | 3,143,232         |
| CAB, Series A, 6.60%, 8/01/34 (a)   | 5,500        | 1,190,750         |



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|                                    |        |            |
|------------------------------------|--------|------------|
| CAB, Series A, 6.61%, 8/01/35 (a)  | 14,055 | 2,823,649  |
| CAB, Series A, 6.63%, 8/01/36 (a)  | 11,875 | 2,217,538  |
| First Sub-Series A, 6.50%, 8/01/44 | 6,100  | 6,339,913  |
|                                    |        | 24,095,861 |

**South Carolina 3.8%**

|  |       |            |
|--|-------|------------|
| County of Greenwood South Carolina, RB, Facilities,<br>Self Memorial Hospital:               |       |            |
| 5.50%, 10/01/26  | 2,280 | 2,280,684  |
| 5.50%, 10/01/31  | 3,250 | 3,190,915  |
| South Carolina Jobs-EDA, Refunding RB, Palmetto<br>Health Alliance, Series A, 6.25%, 8/01/31 |       |            |
|  | 2,640 | 2,627,777  |
| South Carolina State Ports Authority, RB, 5.25%,<br>7/01/40                                  | 3,595 | 3,490,026  |
|  |       | 11,589,402 |

**Tennessee 3.9%**

|  |        |            |
|--|--------|------------|
| Knox County Health Educational & Housing Facilities<br>Board Tennessee, Refunding RB, CAB, Series A (AGM),<br>5.77%, 1/01/21 (a) |        |            |
|  | 20,405 | 11,943,455 |

| Municipal Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Texas 17.5%</b>   |              |            |
| Brazos River Authority, RB, TXU Electric, Series A, AMT,<br>8.25%, 10/01/30  | \$ 2,400     | \$ 767,976 |
| Brazos River Authority, Refunding RB, TXU Electric Co.<br>Project, Series C, Mandatory Put Bonds, AMT, 5.75%,<br>5/01/36 (f) | 1,350        | 1,255,500  |
| City of Dallas Texas, Refunding RB, 5.00%, 10/01/35  | 1,650        | 1,667,474  |
| City of Houston Texas, RB, Senior Lien, Series A, 5.50%,<br>7/01/39  | 1,675        | 1,675,871  |
| City of Houston Texas, Refunding RB, Combined, First<br>Lien, Series A (AGC), 6.00%, 11/15/35                                | 9,145        | 9,927,172  |
| Gulf Coast Waste Disposal Authority, Refunding RB,<br>Series A, AMT, 6.10%, 8/01/24  | 10,000       | 10,029,100 |
| Harris County-Houston Sports Authority, Refunding RB,<br>Third Lien, Series A-3 (NPFGC), 5.96%, 11/15/36 (a)                 | 25,375       | 2,995,011  |
| Lower Colorado River Authority, Refunding RB<br>(NPFGC) (g):   |              |            |
| 5.00%, 5/15/13   | 35           | 38,171     |
| 5.00%, 5/15/13   | 30           | 32,753     |
| Series A, 5.00%, 5/15/13   | 5            | 5,459      |
| North Texas Tollway Authority, RB, Toll, 2nd Tier, Series F,<br>6.13%, 1/01/31   | 6,790        | 6,881,394  |
| San Antonio Energy Acquisition Public Facility Corp., RB,<br>Gas Supply, 5.50%, 8/01/24                                      | 3,600        | 3,593,412  |
| Tarrant County Cultural Education Facilities Finance<br>Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45                  | 4,410        | 4,451,057  |
| Texas Private Activity Bond Surface Transportation Corp.,<br>RB, Senior Lien:  |              |            |
| LBJ Infrastructure Group LLC, LBJ Freeway Managed<br>Lanes Project, 7.00%, 6/30/40   | 4,710        | 4,776,976  |
| NTE Mobility Partners LLC, North Tarrant Express<br>Managed Lanes Project, 6.88%, 12/31/39                                   | 4,200        | 4,238,430  |

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|  |       |             |
|--|-------|-------------|
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42                               | 1,390 | 1,187,435   |
|  |       | 53,523,191  |
| <b>Utah 1.2%</b>   |       |             |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41  | 3,960 | 3,707,629   |
| <b>Virginia 2.9%</b>   |       |             |
| City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31                                       | 1,240 | 1,152,109   |
| Halifax County IDA, Refunding RB, Old Dominion Electric Co-op Project, AMT (AMBAC), 5.63%, 6/01/28             | 5,000 | 5,097,000   |
| Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31   | 2,490 | 2,492,689   |
|  |       | 8,741,798   |
| <b>Washington 0.7%</b>   |       |             |
| Washington Health Care Facilities Authority, RB, Swedish Health Services, Series A, 6.75%, 11/15/41 (h)        | 2,190 | 2,259,795   |
| <b>Wisconsin 2.1%</b>  |       |             |
| Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/30 | 1,790 | 1,701,556   |
| Ascension Health Senior Credit Group, 5.00%, 11/15/33  | 910   | 838,037     |
| Aurora Health Care, 6.40%, 4/15/33   | 3,930 | 3,967,689   |
|  |       | 6,507,282   |
| <b>Wyoming 1.6%</b>  |       |             |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26                            | 3,355 | 3,459,139   |
| Wyoming Municipal Power Agency, RB, Series A: 5.50%, 1/01/33   | 800   | 811,768     |
| 5.50%, 1/01/38   | 750   | 752,910     |
|  |       | 5,023,817   |
| <b>Total Municipal Bonds 137.5%</b>  |       | 420,006,542 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (i)  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 0.8%</b>  |              |              |
| Alabama Special Care Facilities Financing Authority-<br>Birmingham, Refunding RB, Ascension Health Senior<br>Credit, Series C-2, 5.00%, 11/15/36 | \$ 2,519     | \$ 2,392,955 |
| <b>California 2.4%</b>   |              |              |
| California Educational Facilities Authority, RB, University<br>of Southern California, Series A, 5.25%, 10/01/39                                 | 2,850        | 2,880,067    |
| Los Angeles Community College District California, GO,<br>Election of 2001, Series A (AGM), 5.00%, 8/01/32                                       | 2,530        | 2,474,568    |
| San Diego Community College District California, GO,<br>Election of 2002, 5.25%, 8/01/33   | 1,840        | 1,855,691    |
|  |              | 7,210,326    |
| <b>Colorado 2.1%</b>   |              |              |
| Colorado Health Facilities Authority, RB (AGM),<br>Catholic Health:<br>Series C-3, 5.10%, 10/01/41   | 4,230        | 3,933,477    |
| Series C-7, 5.00%, 9/01/36   | 2,710        | 2,532,387    |
|  |              | 6,465,864    |
| <b>Connecticut 3.4%</b>  |              |              |
| Connecticut State Health & Educational Facility<br>Authority, RB, Yale University:<br>Series T-1, 4.70%, 7/01/29                                 | 5,170        | 5,293,253    |
| Series X-3, 4.85%, 7/01/37   | 5,130        | 5,131,898    |
|  |              | 10,425,151   |
| <b>Georgia 1.5%</b>  |              |              |
| Private Colleges & Universities Authority, Refunding RB,<br>Emory University, Series C, 5.00%, 9/01/38   | 4,638        | 4,590,517    |
| <b>Massachusetts 1.0%</b>  |              |              |
| Massachusetts Water Resources Authority, Refunding<br>RB, General, Series A, 5.00%, 8/01/41  | 3,150        | 3,151,355    |
| <b>New Hampshire 0.7%</b>  |              |              |
| New Hampshire Health & Education Facilities Authority,<br>Refunding RB, Dartmouth College, 5.25%, 6/01/39  | 2,219        | 2,275,522    |
| <b>New York 4.5%</b>   |              |              |
|  | 1,710        | 1,759,851    |

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|   |               |                |
|---|---------------|----------------|
| New York City Municipal Water Finance Authority, RB,<br>Series FF-2, 5.50%, 6/15/40   |               |                |
| New York State Dormitory Authority, ERB, Series F,<br>5.00%, 3/15/35  | 9,284         | 9,194,276      |
| New York State Environmental Facilities Corp., RB,<br>Revolving Funds, New York City Municipal Water<br>Project, Series B, 5.00%, 6/15/31 | 2,850         | 2,868,639      |
|   |               | 13,822,766     |
| <b>Virginia 2.0%</b>  |               |                |
| University of Virginia, Refunding RB, General, 5.00%,<br>6/01/40  | 5,910         | 6,006,628      |
| <b>Washington 3.7%</b>  |               |                |
| Central Puget Sound Regional Transit Authority, RB,<br>Series A (AGM), 5.00%, 11/01/32  | 3,029         | 3,059,993      |
| State of Washington, GO, Various Purpose, Series E,<br>5.00%, 2/01/34   | 8,113         | 8,192,336      |
|   |               | 11,252,329     |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 22.1%</b>   |               | 67,593,413     |
| <b>Total Long-Term Investments<br/>(Cost \$502,560,543) 159.6%</b>  |               | 487,599,955    |
| <b>Short-Term Securities</b>  | <b>Shares</b> | <b>Value</b>   |
| FFI Institutional Tax-Exempt Fund, 0.13% (j)(k)   | 4,910,889     | \$ 4,910,889   |
| <b>Total Short-Term Securities<br/>(Cost \$4,910,889) 1.6%</b>  |               | 4,910,889      |
| <b>Total Investments (Cost \$507,471,432*) 161.2%</b>   |               | 492,510,844    |
| <b>Other Assets Less Liabilities 1.2%</b>   |               | 3,686,182      |
| <b>Liability for Trust Certificates, Including<br/>Interest Expense and Fees Payable (12.9)%</b>  |               | (39,282,372)   |
| <b>Preferred Shares, at Redemption Value (49.5)%</b>  |               | (151,309,510)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>  |               | \$ 305,605,144 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 467,400,876 |
| Gross unrealized appreciation | \$ 8,280,053   |
| Gross unrealized depreciation | (22,422,522)   |

|                             |                 |
|-----------------------------|-----------------|
| Net unrealized depreciation | \$ (14,142,469) |
|-----------------------------|-----------------|

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

| Counterparty             | Value        | Unrealized<br>Appreciation |
|--------------------------|--------------|----------------------------|
| Citigroup Global Markets | \$ 2,259,795 | \$ 11,651                  |

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

| Affiliate                            | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--------------------------------------|--------------------------------------|-----------------|--|----------|
| FFI Institutional<br>Tax-Exempt Fund | 9,440,330                            | (4,529,441)     | 4,910,889                              | \$ 5,195 |

- (k) Represents the current yield as of report date.
- Financial futures contracts sold as of February 28, 2011 were as follows:

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| <b>Contracts</b> | <b>Issue</b>               | <b>Exchange</b>        | <b>Expiration</b> | <b>Notional Value</b> | <b>Unrealized Depreciation</b> |
|------------------|----------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 228              | 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011         | \$ 27,021,129         | \$ (121,558)                   |

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Municipal Income Trust II (BLE)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

| Valuation Inputs                   | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments in Securities:         |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 487,599,955 |         | \$ 487,599,955 |
| Short-Term Securities              | \$ 4,910,889 |                |         | 4,910,889      |
| <b>Total</b>                       | \$ 4,910,889 | \$ 487,599,955 |         | \$ 492,510,844 |

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

Derivative Financial Instruments<sup>2</sup>

| Valuation Inputs        | Level 1      | Level 2 | Level 3 | Total        |
|-------------------------|--------------|---------|---------|--------------|
| <b>Liabilities:</b>     |              |         |         |              |
| Interest rate contracts | \$ (121,558) |         |         | \$ (121,558) |

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

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 3.9%</b>  |              |              |
| Birmingham Airport Authority, RB (AGM), 5.00%,<br>7/01/25  | \$ 2,480     | \$ 2,492,698 |
| Birmingham Special Care Facilities Financing Authority,<br>RB, Children s Hospital (AGC):                        |              |              |
| 6.13%, 6/01/34   | 4,980        | 5,278,750    |
| 6.00%, 6/01/39   | 10,995       | 11,448,104   |
|  |              | 19,219,552   |
| <b>Arizona 2.6%</b>  |              |              |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM):  |              |              |
| 5.25%, 10/01/24  | 10,260       | 10,603,402   |
| 5.25%, 10/01/28  | 2,240        | 2,267,687    |
|  |              | 12,871,089   |
| <b>California 19.9%</b>  |              |              |
| California Educational Facilities Authority, RB, University<br>of Southern California, Series A, 5.25%, 10/01/38 | 8,920        | 9,019,726    |
| California Health Facilities Financing Authority,<br>Refunding RB, Sutter Health, Series B, 6.00%,<br>8/15/42    | 5,370        | 5,317,374    |
| California State Public Works Board, RB, Various Capital<br>Projects, Series G-1 (AGC), 5.25%, 10/01/24          | 5,000        | 5,203,100    |
| California State University, RB, Systemwide, Series A<br>(AGM), 5.00%, 11/01/39                                  | 4,000        | 3,669,720    |
| County of Sacramento California, RB, Senior Series A<br>(AGC), 5.50%, 7/01/41                                    | 6,600        | 6,475,326    |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (NPPGC), 5.00%,<br>8/01/32  | 10,000       | 9,755,600    |
| Election of 2008, Series C, 5.25%, 8/01/39   | 7,150        | 7,045,824    |
| Los Angeles Department of Water & Power, RB, Power<br>System, Sub-Series A-1, 5.25%, 7/01/38                     | 5,000        | 4,949,500    |
| Los Angeles Municipal Improvement Corp., Refunding<br>RB, Real Property, Series B (AGC), 5.50%, 4/01/39          | 2,980        | 2,888,723    |
| Los Angeles Unified School District California, GO,<br>Series D, 5.25%, 7/01/25                                  | 3,485        | 3,587,912    |
| Manteca Financing Authority California, RB, Manteca<br>Sewer (AGC):  |              |              |
| 5.63%, 12/01/33  | 2,450        | 2,503,263    |
| 5.75%, 12/01/36  | 3,285        | 3,336,607    |
| Oxnard Union High School District, GO, Refunding,<br>Election of 2004, Series A (AGM), 5.00%, 8/01/40            | 6,750        | 6,009,120    |
|  | 5,000        | 4,963,100    |

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|  |        |            |
|--|--------|------------|
| San Diego Community College District California, GO,<br>Election of 2002 (AGM), 5.00%, 5/01/30   |        |            |
| San Diego Public Facilities Financing Authority,<br>Refunding RB, Series B (AGC), 5.38%, 8/01/34 | 4,690  | 4,774,045  |
| San Jacinto Unified School District, GO, Election of 2006<br>(AGM), 5.25%, 8/01/32               | 3,000  | 2,906,130  |
| State of California, GO, Various Purpose (AGC), 5.50%,<br>11/01/39                               | 15,000 | 15,039,750 |
|  |        | 97,444,820 |

**Colorado 1.6%**

|   |       |           |
|---|-------|-----------|
| Colorado Health Facilities Authority, RB, Hospital,<br>NMC Inc. Project, Series B (AGM), 6.00%, 5/15/26 | 5,925 | 6,369,138 |
| Regional Transportation District, COP, Series A, 5.00%,<br>6/01/25                                      | 1,425 | 1,426,981 |
|   |       | 7,796,119 |

**District of Columbia 0.7%**

|   |       |           |
|---|-------|-----------|
| District of Columbia, Refunding RB, Georgetown<br>University, Series D (BHAC), 5.50%, 4/01/36 | 775   | 800,180   |
| District of Columbia Water & Sewer Authority, RB,<br>Series A (NPFGC), 5.00%, 10/01/38        | 2,545 | 2,492,649 |
|   |       | 3,292,829 |

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Florida 21.9%</b>   |              |              |
| City of Sunrise Florida, Refunding RB (AMBAC),<br>5.20%, 10/01/22  | \$ 1,225     | \$ 1,293,686 |
| County of Lee Florida, RB, Series A, AMT (AGM),<br>6.00%, 10/01/29   | 19,925       | 20,022,433   |
| County of Miami-Dade Florida, RB, AMT, Miami<br>International Airport, Series A:<br>(AGM), 5.50%, 10/01/41   | 11,260       | 10,474,728   |
| (NPFGC), 6.00%, 10/01/29   | 8,000        | 8,083,760    |
| Series A (AGM), 5.13%, 10/01/35  | 8,605        | 7,724,192    |
| County of Osceola Florida, RB, Series A (NPFGC),<br>5.50%, 10/01/27  | 5,560        | 5,604,258    |
| County of St. John s Florida, RB (AGM):<br>5.00%, 10/01/31   | 1,340        | 1,338,231    |
| 5.00%, 10/01/37  | 2,655        | 2,523,843    |
| Florida Housing Finance Corp., HRB, Waverly<br>Apartments, Series C-1, AMT (AGM), 6.30%, 7/01/30             | 2,055        | 2,075,529    |
| Florida Housing Finance Corp., RB, Homeowner<br>Mortgage, Series 11, AMT (AGM), 5.95%, 1/01/32               | 5,500        | 5,501,430    |
| Florida Housing Finance Corp., Refunding RB, AMT,<br>Homeowner Mortgage:<br>Series 2 (NPFGC), 5.75%, 7/01/14 | 525          | 526,050      |
| Series 2 (NPFGC), 5.90%, 7/01/29   | 6,700        | 6,775,576    |
| Series 4 (AGM), 6.25%, 7/01/22   | 510          | 516,309      |
| Jacksonville Port Authority, RB, AMT (AGC), 6.00%,<br>11/01/38   | 6,740        | 6,776,531    |
| Manatee County Housing Finance Authority, RB,<br>Series A, AMT (Ginnie Mae), 5.90%, 9/01/40                  | 2,540        | 2,659,431    |

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|   |        |             |
|---|--------|-------------|
| Miami-Dade County Housing Finance Authority Florida,<br>MRB, Marbrisa Apartments Project, Series 2A, AMT<br>(AGM), 6.00%, 8/01/26 | 2,185  | 2,206,326   |
| Miami-Dade County IDA, RB, Airis Miami II LLC Project,<br>AMT (AMBAC), 6.00%, 10/15/19  | 3,195  | 3,002,118   |
| St. Lucie West Services District, RB (NPFGC):   |        |             |
| 5.25%, 10/01/34   | 1,720  | 1,534,360   |
| 5.00%, 10/01/38   | 4,125  | 3,488,842   |
| St. Lucie West Services District, Refunding RB, Senior<br>Lien (NPFGC), 6.00%, 10/01/22   | 3,250  | 3,325,790   |
| Village Center Community Development District, RB,<br>Series A (NPFGC):   |        |             |
| 5.38%, 11/01/34   | 10,775 | 8,935,600   |
| 5.13%, 11/01/36   | 1,750  | 1,380,277   |
| Volusia County IDA, RB, Student Housing, Stetson<br>University Project, Series A (CIFG), 5.00%, 6/01/35                           | 1,740  | 1,387,580   |
|   |        | 107,156,880 |

**Georgia 6.1%**

|  |       |            |
|--|-------|------------|
| Augusta-Richmond County Georgia, RB (AGM),<br>5.25%, 10/01/39  | 4,350 | 4,352,610  |
| City of Atlanta Georgia, RB, General, Series A (AGM),<br>5.00%, 1/01/40  | 2,735 | 2,579,597  |
| County of Fulton Georgia, RB (NPFGC), 5.25%, 1/01/35   | 7,575 | 7,574,470  |
| Gwinnett County Hospital Authority, Refunding RB,<br>Gwinnett Hospital System, Series D (AGM), 5.50%,<br>7/01/41 | 6,445 | 6,108,442  |
| Metropolitan Atlanta Rapid Transit Authority, RB, Third<br>Indenture, Series B (AGM), 5.00%, 7/01/34             | 9,240 | 9,294,239  |
|  |       | 29,909,358 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Illinois 13.5%</b>  |              |              |
| Chicago Board of Education Illinois, GO, Refunding,<br>Chicago School Reform Board, Series A (NPFGC),<br>5.50%, 12/01/26 | \$ 3,745     | \$ 3,819,975 |
| Chicago Transit Authority, RB, Federal Transit<br>Administration Section 5309, Series A (AGC),<br>6.00%, 6/01/26         | 6,315        | 6,826,010    |
| City of Chicago Illinois, GO, Refunding, Projects,<br>Series A (AGM):<br>5.00%, 1/01/29                                  | 6,845        | 6,503,366    |
| 5.00%, 1/01/30   | 2,730        | 2,577,011    |
| City of Chicago Illinois, RB, Third Lien:<br>General Airport, Series A (NPFGC), 5.00%, 1/01/33                           | 5,000        | 4,525,000    |
| General, Series C (AGM), 5.25%, 1/01/35  | 4,905        | 4,774,576    |
| City of Chicago Illinois, Refunding RB:<br>General, Third Lien, Series C (AGC), 5.25%,<br>1/01/23                        | 3,975        | 4,148,986    |
| Second Lien (NPFGC), 5.50%, 1/01/30  | 4,075        | 4,169,051    |
| Illinois Finance Authority, RB, University of Chicago,<br>Series B, 5.50%, 7/01/37                                       | 10,000       | 10,371,800   |
| Illinois Municipal Electric Agency, RB, Series A (NPFGC),<br>5.25%, 2/01/35  | 4,150        | 4,039,610    |
| Railsplitter Tobacco Settlement Authority, RB:<br>5.50%, 6/01/23   | 4,365        | 4,169,754    |
| 6.00%, 6/01/28   | 1,245        | 1,216,128    |
| State of Illinois, RB:<br>(AGM), 5.00%, 6/15/27  | 3,000        | 2,989,860    |
| Build Illinois, Series B, 5.25%, 6/15/26   | 5,625        | 5,703,862    |
|  |              | 65,834,989   |
| <b>Indiana 3.0%</b>  |              |              |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Waterworks Project, Series A (AGC),<br>5.50%, 1/01/38  | 14,105       | 14,464,819   |
| <b>Iowa 1.1%</b>   |              |              |
| Iowa Finance Authority, Refunding RB, Iowa Health<br>System (AGC), 5.25%, 2/15/29  | 5,500        | 5,430,645    |
| <b>Kentucky 0.5%</b>   |              |              |
| Kentucky State Property & Buildings Commission,<br>Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/28                    | 2,500        | 2,588,325    |
| <b>Louisiana 1.8%</b>  |              |              |
| East Baton Rouge Sewerage Commission, RB, Series A,<br>5.25%, 2/01/34  | 1,370        | 1,384,097    |

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|  |       |           |
|--|-------|-----------|
| Louisiana State Citizens Property Insurance Corp., RB,<br>Series C-3 (AGC), 6.13%, 6/01/25 | 5,475 | 5,995,070 |
| New Orleans Aviation Board Louisiana, Refunding GARB<br>(AGC), Restructuring:              |       |           |
| Series A-1, 6.00%, 1/01/23   | 500   | 552,190   |
| Series A-2, 6.00%, 1/01/23   | 720   | 795,154   |
|  |       | 8,726,511 |

**Maine 0.8%**

|  |       |           |
|--|-------|-----------|
| City of Portland Maine, RB, General (AGM), 5.25%,<br>1/01/35 | 3,735 | 3,724,654 |
|--|-------|-----------|

**Maryland 0.4%**

|  |       |           |
|--|-------|-----------|
| Maryland Health & Higher Educational Facilities<br>Authority, Refunding RB, University of Maryland<br>Medical System, 5.13%, 7/01/39 | 2,225 | 2,090,566 |
|--|-------|-----------|

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

**Michigan 16.7%**

|  |          |              |
|--|----------|--------------|
| City of Detroit Michigan, RB:  |          |              |
| Second Lien, Series B (AGM), 6.25%, 7/01/36  | \$ 6,320 | \$ 6,706,910 |
| Second Lien, Series B (AGM), 7.00%, 7/01/36  | 850      | 950,581      |
| Second Lien, Series B (NPFGC), 5.50%, 7/01/29  | 7,490    | 7,243,204    |
| Senior Lien, Series B (AGM), 7.50%, 7/01/33  | 6,600    | 7,797,570    |
| System, Second Lien, Series A (BHAC), 5.50%,<br>7/01/36  | 20,540   | 20,234,776   |
| City of Detroit Michigan, Refunding RB:  |          |              |
| Second Lien, Series E (BHAC), 5.75%, 7/01/31   | 6,000    | 6,096,360    |
| Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27  | 9,055    | 10,410,352   |
| Kalamazoo Hospital Finance Authority, RB, Bronson<br>Methodist Hospital (AGM), 5.25%, 5/15/36                | 3,235    | 2,972,480    |
| Michigan State Building Authority, RB, Facilities Program,<br>Series H (AGM), 5.00%, 10/15/26                | 1,760    | 1,762,341    |
| Michigan State Building Authority, Refunding RB,<br>Facilities Program, Series I (AGC):                      |          |              |
| 5.25%, 10/15/22  | 6,150    | 6,550,303    |
| 5.25%, 10/15/24  | 2,755    | 2,849,469    |
| 5.25%, 10/15/25  | 1,435    | 1,466,068    |
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding RB, William Beaumont Hospital, 8.25%,<br>9/01/39 | 5,780    | 6,449,671    |
|  |          | 81,490,085   |

**Minnesota 2.1%**

|   |       |            |
|---|-------|------------|
| City of Minneapolis Minnesota, Refunding RB, Fairview<br>Health Services, Series B (AGC), 6.50%, 11/15/38 | 9,900 | 10,457,172 |
|---|-------|------------|

**Nebraska 1.0%**

|   |       |           |
|---|-------|-----------|
| Nebraska Investment Finance Authority, Refunding RB,<br>Series A: |       |           |
| 5.90%, 9/01/36  | 3,650 | 3,735,264 |
| 6.05%, 9/01/41  | 1,350 | 1,366,524 |

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5,101,788

**Nevada 5.8%**

County of Clark Nevada, RB:

|  |        |            |
|--|--------|------------|
| Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39 | 15,005 | 14,060,135 |
| Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36                     | 15,500 | 14,053,385 |
|  |        | 28,113,520 |

**New Jersey 2.3%**

New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34

|  |       |            |
|--|-------|------------|
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38 | 4,350 | 4,578,592  |
|  | 6,500 | 6,603,740  |
|  |       | 11,182,332 |

**New York 5.3%**

New York City Municipal Water Finance Authority, RB:

|   |       |            |
|---|-------|------------|
| Second General Resolution, Series EE, 5.38%, 6/15/43                                    | 6,705 | 6,798,803  |
| Series FF-2, 5.50%, 6/15/40   | 4,000 | 4,117,720  |
| New York City Municipal Water Finance Authority, Refunding RB, Series D, 5.00%, 6/15/37 | 5,000 | 4,941,950  |
| New York City Transitional Finance Authority, Fiscal 2009, RB:                          |       |            |
| Series S-3, 5.25%, 1/15/39  | 5,625 | 5,664,319  |
| Series S-4 (AGC), 5.50%, 1/15/29  | 4,000 | 4,176,360  |
|   |       | 25,699,152 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Ohio 1.5%</b>   |              |              |
| Ohio Higher Educational Facility Commission,<br>Refunding RB, Summa Health System, 2010 Project<br>(AGC), 5.25%, 11/15/40                | \$ 7,725     | \$ 7,159,607 |
| <b>Pennsylvania 2.7%</b>   |              |              |
| Pennsylvania Turnpike Commission, Refunding RB,<br>Sub-Series B-1 (AGM), 5.00%, 12/01/37   | 9,000        | 8,396,460    |
| Pittsburgh & Allegheny County Sports & Exhibition<br>Authority, Refunding RB, Regional Asset District<br>Sales Tax (AGM), 5.00%, 2/01/31 | 4,895        | 4,888,685    |
|  |              | 13,285,145   |
| <b>Puerto Rico 2.2%</b>  |              |              |
| Puerto Rico Highway & Transportation Authority,<br>Refunding RB, Series CC (AGM), 5.50%, 7/01/30   | 4,000        | 3,990,240    |
| Puerto Rico Sales Tax Financing Corp., RB, First<br>Sub-Series A, 6.38%, 8/01/39   | 6,610        | 6,842,341    |
|  |              | 10,832,581   |
| <b>Texas 19.4%</b>   |              |              |
| City of Austin Texas, Refunding RB, Series A (AGM):<br>5.00%, 11/15/28   | 3,360        | 3,419,270    |
| 5.00%, 11/15/29  | 4,255        | 4,300,358    |
| City of Dallas Texas, Refunding RB (AGC), 5.25%,<br>8/15/38  | 3,350        | 3,236,569    |
| City of Houston Texas, Refunding RB, Combined,<br>First Lien, Series A (AGC):<br>6.00%, 11/15/35   | 12,700       | 13,786,231   |
| 6.00%, 11/15/36  | 9,435        | 10,221,973   |
| 5.38%, 11/15/38  | 5,000        | 5,101,000    |
| Dallas Area Rapid Transit, Refunding RB, Senior Lien,<br>5.25%, 12/01/38   | 6,500        | 6,548,880    |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, Memorial Hermann Healthcare<br>System, Series B, 7.25%, 12/01/35     | 1,500        | 1,624,425    |
| Lower Colorado River Authority, Refunding RB, LCRA<br>Transmission Services Project (AGC), 5.50%,<br>5/15/36                             | 3,295        | 3,329,400    |
| Lubbock Cooper ISD Texas, GO, School Building (AGC),<br>5.75%, 2/15/42   | 2,300        | 2,357,477    |
| North Texas Tollway Authority, RB, System, First Tier,<br>Series K-1 (AGC), 5.75%, 1/01/38   | 12,400       | 12,484,444   |
| North Texas Tollway Authority, Refunding RB, System,<br>First Tier:  |              |              |

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|   |        |             |
|---|--------|-------------|
| (AGM), 6.00%, 1/01/43   | 5,555  | 5,720,872   |
| Series A (AGC), 5.75%, 1/01/40  | 7,000  | 7,034,720   |
| Series A (NPFGC), 5.13%, 1/01/28  | 14,150 | 13,999,586  |
| Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37 | 1,770  | 1,825,649   |
|   |        | 94,990,854  |
| <b>Utah 1.5%</b>  |        |             |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41   | 7,795  | 7,298,225   |
| <b>Virginia 1.0%</b>  |        |             |
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35   | 4,300  | 4,707,253   |
| <b>Total Municipal Bonds 139.3%</b>   |        | 680,868,870 |

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (a)  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Alabama 1.3%</b>  |              |              |
| Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31                                      | \$ 6,500     | \$ 6,491,420 |
| <b>California 3.0%</b>   |              |              |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32                       | 7,960        | 7,643,908    |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34                                 | 2,400        | 2,289,840    |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30                  | 5,000        | 4,963,100    |
|  |              | 14,896,848   |
| <b>District of Columbia 0.8%</b>   |              |              |
| District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35                                  | 3,381        | 3,669,441    |
| <b>Florida 5.1%</b>  |              |              |
| City of Jacksonville Florida, RB, Better Jacksonville (NPFGC), 5.00%, 10/01/27                               | 10,000       | 10,067,100   |
| Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38                             | 10,657       | 9,968,923    |
| Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40 | 4,785        | 5,054,013    |
|  |              | 25,090,036   |
| <b>Illinois 1.5%</b>   |              |              |
| Chicago Transit Authority, Refunding RB, Federal Transit Administration Section 5309 (AGM), 5.00%, 6/01/28   | 7,737        | 7,308,580    |
| <b>Indiana 1.9%</b>  |              |              |



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|  |        |             |
|--|--------|-------------|
| Indiana Health & Educational Facilities Financing Authority, Refunding RB, St. Francis, Series E (AGM), 5.25%, 5/15/41 | 9,850  | 9,294,854   |
| <b>Kentucky 0.1%</b>   |        |             |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27                      | 404    | 419,384     |
| <b>Nevada 2.8%</b>   |        |             |
| Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38   | 8,000  | 8,577,280   |
| Series B, 5.50%, 7/01/29   | 5,008  | 5,264,380   |
|  |        | 13,841,660  |
| <b>New Jersey 3.2%</b>   |        |             |
| New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29                        | 7,532  | 7,522,854   |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32             | 8,000  | 8,013,120   |
|  |        | 15,535,974  |
| <b>New York 3.8%</b>   |        |             |
| New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40                                       | 4,994  | 5,140,618   |
| New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38  | 13,500 | 13,605,300  |
|  |        | 18,745,918  |
| <b>Texas 2.6%</b>  |        |             |
| City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31  | 12,027 | 12,557,427  |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 26.1%</b>  |        | 127,851,542 |
| <b>Total Long-Term Investments (Cost \$819,977,712) 165.4%</b>   |        | 808,720,412 |

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

| Short-Term Securities  | Shares     | Value          |
|--|------------|----------------|
| FFI Institutional Tax-Exempt Fund, 0.13% (b)(c)                | 13,487,527 | \$ 13,487,527  |
| <b>Total Short-Term Securities</b><br>(Cost \$13,487,527) 2.8% |            | 13,487,527     |
| <b>Total Investments (Cost \$833,465,239*) 168.2%</b>          |            | 822,207,939    |
| <b>Other Assets Less Liabilities 2.0%</b>                      |            | 9,719,958      |
| <b>Liability for Trust Certificates, Including</b>             |            |                |
| <b>Interest Expense and Fees Payable (14.0)%</b>               |            | (68,464,588)   |
| <b>Preferred Shares, at Redemption Value (56.2)%</b>           |            | (274,663,843)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>           |            | \$ 488,799,466 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 765,322,314  |
| Gross unrealized appreciation | \$ 10,370,873   |
| Gross unrealized depreciation | (21,885,307)    |
| Net unrealized depreciation   | \$ (11,514,434) |

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

| Affiliate                            | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income    |
|--------------------------------------|--------------------------------------|-----------------|--|-----------|
| FFI Institutional<br>Tax-Exempt Fund | 32,301,054                           | (18,813,527)    | 13,487,527                             | \$ 18,710 |

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

Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts | Issue                      | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------------------|------------------------|------------|----------------|-------------------------|
| 363       | 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011  | \$ 43,020,482  | \$ (193,533)            |

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

| Valuation Inputs                   | Level 1              | Level 2               | Level 3 | Total                 |
|------------------------------------|----------------------|-----------------------|---------|-----------------------|
| <b>Assets:</b>                     |                      |                       |         |                       |
| Investments in Securities:         |                      |                       |         |                       |
| Long-Term Investments <sup>1</sup> |                      | \$ 808,720,412        |         | \$ 808,720,412        |
| Short-Term Securities              | \$ 13,487,527        |                       |         | 13,487,527            |
| <b>Total</b>                       | <b>\$ 13,487,527</b> | <b>\$ 808,720,412</b> |         | <b>\$ 822,207,939</b> |

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

**Derivative Financial Instruments<sup>2</sup>**

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

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**Liabilities:**

|                         |              |              |
|-------------------------|--------------|--------------|
| Interest rate contracts | \$ (193,533) | \$ (193,533) |
|-------------------------|--------------|--------------|

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

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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Schedule of Investments February 28, 2011 (Unaudited)

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

| Municipal Bonds   | Par<br>(000) | Value             |
|---|--------------|-------------------|
| <b>Alabama 3.7%</b>   |              |                   |
| Alabama State Docks Department, Refunding RB,<br>6.00%, 10/01/40  | \$ 7,610     | \$ 7,495,546      |
| Camden IDB Alabama, RB, Weyerhaeuser Co.<br>Project, Series A, 6.13%, 12/01/13 (a)                                    | 2,550        | 2,904,118         |
| Prattville IDB Alabama, RB, International Paper Co.<br>Project, Series A, AMT, 4.75%, 12/01/30                        | 4,000        | 3,433,720         |
| Selma IDB Alabama, Refunding RB, International<br>Paper Co. Project, Series B, 5.50%, 5/01/20                         | 5,000        | 5,016,900         |
| Selma IDB, RB, Gulf Opportunity Zone, International<br>Paper, 5.80%, 5/01/34  | 1,850        | 1,831,223         |
|   |              | <u>20,681,507</u> |
| <b>Arizona 3.2%</b>   |              |                   |
| Maricopa County IDA Arizona, RB, Arizona Charter<br>Schools Project, Series A, 6.75%, 7/01/29                         | 4,100        | 2,707,025         |
| Maricopa County Pollution Control Corp., Refunding RB,<br>Southern California Edison Co., Series A, 5.00%,<br>6/01/35 | 3,300        | 3,174,171         |
| Phoenix Civic Improvement Corp., RB, Junior Lien,<br>Series A, 5.00%, 7/01/40   | 2,000        | 1,796,220         |
| Pima County IDA, RB, Arizona Charter Schools Project,<br>Series E, 7.25%, 7/01/31                                     | 2,005        | 1,968,188         |
| Pima County IDA, Refunding RB:<br>Arizona Charter Schools Project, Series I, 6.10%,<br>7/01/13 (a)(b)                 | 110          | 122,353           |
| Arizona Charter Schools Project, Series I, 6.30%,<br>7/01/13 (a)(b)   | 230          | 256,887           |
| Arizona Charter Schools Project, Series O, 5.00%,<br>7/01/26  | 1,455        | 1,157,031         |
| Arizona Charter Schools, Series I, 6.10%,<br>7/01/24 (b)  | 380          | 347,841           |
| Arizona Charter Schools, Series I, 6.30%,<br>7/01/31 (b)  | 755          | 662,973           |
| Charter Schools II, Series A, 6.75%, 7/01/21  | 920          | 910,809           |
| Salt Verde Financial Corp., RB, Senior, 5.00%,<br>12/01/37  | 5,000        | 4,197,850         |
| State of Arizona, COP, Department of Administration,<br>Series A (AGM), 5.25%, 10/01/28                               | 650          | 658,034           |
|   |              | <u>17,959,382</u> |
| <b>California 11.7%</b>   |              |                   |
| California HFA, RB, Home Mortgage, Series K, AMT,<br>5.50%, 2/01/42   | 3,350        | 3,401,121         |

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|  |        |           |
|--|--------|-----------|
| California Health Facilities Financing Authority,<br>Refunding RB:   |        |           |
| Catholic Healthcare West, Series A, 6.00%,<br>7/01/34  | 1,055  | 1,065,919 |
| St. Joseph Health System, Series A, 5.75%,<br>7/01/39  | 5,000  | 5,002,850 |
| Sutter Health, Series B, 6.00%, 8/15/42  | 5,600  | 5,545,120 |
| California State Public Works Board, RB:   |        |           |
| Department of Corrections, Series C, 5.50%,<br>6/01/22   | 5,000  | 5,092,750 |
| Department of Corrections, Series C, 5.50%,<br>6/01/23   | 6,000  | 6,078,840 |
| Department of Mental Health, Coalinga, Series A,<br>5.13%, 6/01/29   | 10,435 | 9,669,384 |
| California Statewide Communities Development<br>Authority, RB, Health Facility, Memorial Health<br>Services, Series A, 6.00%, 10/01/23 | 5,240  | 5,424,605 |

| Municipal Bonds   | Par<br>(000) | Value         |
|---|--------------|---------------|
| <b>California (concluded)</b>   |              |               |
| Golden State Tobacco Securitization Corp. California,<br>RB, Asset-Backed, Series A-3, 7.88%, 6/01/13 (a) | \$ 10,725    | \$ 12,347,586 |
| Los Angeles Department of Airports, RB, Series A,<br>5.25%, 5/15/39                                       | 1,200        | 1,168,896     |
| State of California, GO, Various Purpose, 6.50%,<br>4/01/33   | 9,700        | 10,523,724    |
|   |              | 65,320,795    |

|   |       |           |
|---|-------|-----------|
| <b>Colorado 1.1%</b>  |       |           |
| Colorado Health Facilities Authority, RB, Catholic Health<br>Initiatives, Series D, 6.25%, 10/01/33           | 2,500 | 2,618,100 |
| Colorado Health Facilities Authority, Refunding RB,<br>Evangelical Lutheran, Series A, 5.25%, 6/01/34         | 3,000 | 2,751,150 |
| Colorado Housing & Finance Authority, Refunding RB,<br>S/F Program, Senior Series A-2, AMT:<br>6.60%, 5/01/28 | 355   | 358,266   |
| 7.50%, 4/01/31  | 130   | 135,607   |
| Regional Transportation District, COP, Series A, 5.38%,<br>6/01/31  | 385   | 387,056   |
|   |       | 6,250,179 |

|   |       |           |
|---|-------|-----------|
| <b>Connecticut 0.4%</b>   |       |           |
| Mohegan Tribe of Indians of Connecticut, RB, Public<br>Improvement, Priority Distribution, 6.25%, 1/01/31 | 2,810 | 2,151,364 |

|   |       |           |
|---|-------|-----------|
| <b>Delaware 0.3%</b>  |       |           |
| County of Sussex Delaware, RB, NRG Energy, Inc.,<br>Indian River Project, 6.00%, 10/01/40 | 1,500 | 1,460,445 |

|  |     |         |
|--|-----|---------|
| <b>District of Columbia 0.2%</b>   |     |         |
| Metropolitan Washington Airports Authority, RB,<br>First Senior Lien, Series A:<br>5.00%, 10/01/39 | 415 | 390,366 |
| 5.25%, 10/01/44  | 650 | 613,821 |

1,004,187

**Florida 6.0%**County of Miami-Dade Florida, GO Building Better  
Communities Program:

|                            |       |           |
|----------------------------|-------|-----------|
| Series B, 6.38%, 7/01/28   | 4,630 | 5,101,936 |
| Series B-1, 5.63%, 7/01/38 | 5,000 | 5,085,200 |

County of Miami-Dade Florida, Refunding RB, Miami

International Airport:

|                             |        |           |
|-----------------------------|--------|-----------|
| AMT (AGC), 5.00%, 10/01/40  | 10,000 | 8,622,600 |
| Series A-1, 5.38%, 10/01/41 | 10,290 | 9,528,334 |

Hillsborough County IDA, RB, H. Lee Moffitt Cancer

|  |       |           |
|--|-------|-----------|
| Center Project, Series A, 5.25%, 7/01/37 | 5,500 | 4,916,945 |
|--|-------|-----------|

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33,255,015
**Georgia 2.1%**

DeKalb County Hospital Authority Georgia, RB, DeKalb

|   |       |           |
|---|-------|-----------|
| Medical Center Inc. Project, 6.13%, 9/01/40 | 3,570 | 3,307,426 |
|---|-------|-----------|

DeKalb Private Hospital Authority, Refunding RB,

|  |       |           |
|--|-------|-----------|
| Children's Healthcare, 5.25%, 11/15/39 | 3,335 | 3,187,259 |
|--|-------|-----------|

Municipal Electric Authority of Georgia, RB, Series W:

|                |       |           |
|----------------|-------|-----------|
| 6.60%, 1/01/18 | 4,540 | 5,208,742 |
|----------------|-------|-----------|

|                    |     |         |
|--------------------|-----|---------|
| 6.60%, 1/01/18 (c) | 250 | 279,253 |
|--------------------|-----|---------|

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11,982,680

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Hawaii 0.9%</b>  |              |              |
| Hawaii State Harbor, RB, Series A, 5.50%, 7/01/35   | \$ 5,000     | \$ 4,843,250 |
| <b>Idaho 0.0%</b>   |              |              |
| Idaho Housing & Finance Association, Refunding RB,<br>S/F Mortgage, Senior Series E-2, AMT, 6.90%,<br>1/01/27                   | 50           | 50,063       |
| <b>Illinois 11.6%</b>   |              |              |
| City of Chicago Illinois, ARB, General, Third Lien,<br>Series B-2, AMT (NPFGC), 6.00%, 1/01/27                                  | 17,080       | 17,242,260   |
| Illinois Finance Authority, RB:<br>Advocate Health Care Network, Series D, 6.50%,<br>11/01/38                                   | 9,700        | 10,231,463   |
| Community Rehabilitation Providers Facilities,<br>Series A, 6.50%, 7/01/22  | 2,140        | 2,073,168    |
| Illinois Finance Authority, Refunding RB, Series A:<br>Northwestern Memorial Hospital, 6.00%, 8/15/39                           | 9,000        | 9,288,720    |
| OSF Healthcare System, 6.00%, 5/15/39   | 5,200        | 4,833,608    |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%,<br>6/01/28  | 2,145        | 2,095,257    |
| Regional Transportation Authority, RB:<br>Series A (AMBAC), 7.20%, 11/01/20   | 3,290        | 3,888,780    |
| Series C (NPFGC), 7.75%, 6/01/20  | 4,000        | 4,805,840    |
| Village of Hodgkins Illinois, RB, MBM Project, AMT,<br>6.00%, 11/01/23  | 10,000       | 10,000,100   |
|   |              | 64,459,196   |
| <b>Indiana 4.8%</b>   |              |              |
| Indiana Health & Educational Facilities Financing<br>Authority, RB, Clarian Health Obligation, Series A,<br>5.25%, 2/15/40      | 8,980        | 7,752,613    |
| Indiana Transportation Finance Authority, RB, Series A,<br>6.80%, 12/01/16  | 7,280        | 8,205,361    |
| Indianapolis Local Public Improvement Bond Bank,<br>Refunding RB, Series D, 6.75%, 2/01/14                                      | 10,210       | 10,973,912   |
|   |              | 26,931,886   |
| <b>Kansas 0.3%</b>  |              |              |
| Sedgwick & Shawnee Counties Kansas, RB,<br>Mortgage-Backed Securities Program, Series A-4,<br>AMT (Ginnie Mae), 5.95%, 12/01/33 | 1,885        | 1,955,725    |
| <b>Kentucky 1.2%</b>  |              |              |



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|  |       |           |
|--|-------|-----------|
| County of Owen Kentucky, RB, Kentucky American Water Co., Series B, 5.63%, 9/01/39                                       | 1,000 | 970,310   |
| Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.50%, 3/01/45           | 4,000 | 3,796,160 |
| Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40 | 2,000 | 1,875,600 |
|  |       | 6,642,070 |

**Louisiana 0.5%**

|   |       |           |
|---|-------|-----------|
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35 | 2,615 | 2,661,625 |
|---|-------|-----------|

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Maine 1.2%</b>  |              |              |
| Maine Health & Higher Educational Facilities Authority, RB, Series A, 5.00%, 7/01/39 | \$ 5,000     | \$ 4,718,000 |
| Portland New Public Housing Authority Maine, Refunding RB, Senior Living, Series A:  |              |              |
| 5.70%, 8/01/21   | 775          | 765,390      |
| 6.00%, 2/01/34   | 1,190        | 1,086,565    |
|  |              | 6,569,955    |

**Maryland 1.9%**

|   |       |            |
|---|-------|------------|
| Maryland Community Development Administration, RB, AMT, 5.10%, 9/01/37                                  | 1,835 | 1,716,239  |
| Maryland Community Development Administration, Refunding RB, Residential, Series D, AMT, 4.90%, 9/01/42 | 3,250 | 2,889,640  |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB:                                |       |            |
| Charlestown Community, 6.25%, 1/01/41   | 2,000 | 1,934,260  |
| University of Maryland Medical System, 5.00%, 7/01/34   | 2,100 | 1,973,244  |
| University of Maryland Medical System, 5.13%, 7/01/39   | 2,100 | 1,973,118  |
|   |       | 10,486,501 |

**Massachusetts 6.5%**

|   |       |           |
|---|-------|-----------|
| Massachusetts Bay Transportation Authority, Refunding RB, General Transportation System, Series A, 7.00%, 3/01/19 | 3,010 | 3,635,809 |
| Massachusetts HFA, HRB, Series A, AMT, 5.20%, 12/01/37  | 3,000 | 2,737,650 |
| Massachusetts HFA, RB, S/F, Series 130, AMT, 5.00%, 12/01/32  | 2,500 | 2,306,550 |
| Massachusetts HFA, Refunding HRB, Series D, AMT, 4.85%, 6/01/40   | 3,000 | 2,616,900 |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42   | 6,550 | 5,922,641 |

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|  |        |            |
|--|--------|------------|
| Massachusetts Water Resources Authority, RB, Series A,<br>6.50%, 7/15/19 (c)                                 | 16,000 | 19,287,200 |
|  |        | 36,506,750 |
| <b>Michigan 4.0%</b>   |        |            |
| City of Detroit Michigan, RB, Second Lien,<br>Series B (AGM):  |        |            |
| 6.25%, 7/01/36   | 2,500  | 2,653,050  |
| 7.00%, 7/01/36   | 1,250  | 1,397,913  |
| Michigan State Hospital Finance Authority,<br>Refunding RB:  |        |            |
| Henry Ford Health System, Series A, 5.25%,<br>11/15/46   | 7,950  | 6,631,015  |
| McLaren Health Care, 5.75%, 5/15/38  | 7,285  | 7,274,291  |
| Royal Oak Hospital Finance Authority Michigan,<br>Refunding RB, William Beaumont Hospital, 8.25%,<br>9/01/39 | 4,100  | 4,575,026  |
|  |        | 22,531,295 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Mississippi 5.6%</b>   |              |              |
| County of Lowndes Mississippi, Refunding RB,<br>Weyerhaeuser Co. Project:   |              |              |
| Series A, 6.80%, 4/01/22  | \$ 9,160     | \$ 9,484,630 |
| Series B, 6.70%, 4/01/22  | 4,500        | 4,625,505    |
| Mississippi Business Finance Corp., Refunding RB,<br>System Energy Resource Inc. Project:                             |              |              |
| 5.88%, 4/01/22  | 15,000       | 14,719,200   |
| 5.90%, 5/01/22  | 2,250        | 2,211,008    |
|   |              | 31,040,343   |
| <b>Nevada 0.9%</b>  |              |              |
| County of Clark Nevada, RB, Series B, 5.75%, 7/01/42  | 5,000        | 4,999,550    |
| <b>New Hampshire 0.4%</b>   |              |              |
| New Hampshire Health & Education Facilities Authority,<br>Refunding RB, Elliot Hospital, Series B, 5.60%,<br>10/01/22 |              |              |
|   | 2,400        | 2,417,688    |
| <b>New Jersey 5.8%</b>  |              |              |
| Delaware River Port Authority, RB, Series D, 5.00%,<br>1/01/40  |              |              |
|   | 195          | 188,627      |
| New Jersey EDA, RB, Cigarette Tax:  |              |              |
| 5.50%, 6/15/24  | 9,080        | 8,369,944    |
| 5.75%, 6/15/29  | 2,885        | 2,586,893    |
| 5.75%, 6/15/34  | 3,695        | 3,171,345    |
| New Jersey EDA, Refunding RB, School Facilities<br>Construction, Series AA, 5.25%, 12/15/33                           |              |              |
|   | 10,000       | 9,855,400    |
| New Jersey State Housing & Mortgage Finance Agency,<br>RB, Series AA, 6.38%, 10/01/28                                 |              |              |
|   | 1,450        | 1,538,276    |
| Tobacco Settlement Financing Corp. New Jersey, RB,<br>7.00%, 6/01/13 (a)  |              |              |
|   | 5,980        | 6,792,562    |
|   |              | 32,503,047   |
| <b>New York 4.2%</b>  |              |              |
| Metropolitan Transportation Authority, RB, Series 2008C:  |              |              |
| 6.25%, 11/15/23   | 3,245        | 3,652,572    |
| 6.50%, 11/15/28   | 14,925       | 16,624,659   |
| Port Authority of New York & New Jersey, RB, JFK<br>International Air Terminal, 6.00%, 12/01/36                       |              |              |
|   | 3,165        | 3,091,667    |
|   |              | 23,368,898   |
| <b>North Carolina 1.3%</b>  |              |              |

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|   |       |                  |
|---|-------|------------------|
| Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | 4,105 | 3,092,337        |
| North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43   | 5,000 | 4,240,600        |
|   |       | <u>7,332,937</u> |

|   |       |                   |
|---|-------|-------------------|
| <b>Ohio 3.0%</b>  |       |                   |
| County of Butler Ohio, RB, UC Health, 5.50%, 11/01/40   | 4,000 | 3,348,840         |
| County of Franklin Ohio, GO, Various Purpose, 5.00%, 12/01/31                                     | 4,000 | 4,134,000         |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37               | 1,915 | 2,026,913         |
| Ohio Higher Educational Facility Commission, Refunding RB, Kenyon College Project, 5.25%, 7/01/44 | 8,000 | 7,453,520         |
|   |       | <u>16,963,273</u> |

| Municipal Bonds   | Par (000) | Value            |
|---|-----------|------------------|
| <b>Pennsylvania 1.6%</b>  |           |                  |
| Chester County IDA, RB, Aqua Pennsylvania Inc. Project, Series A, AMT (NPFGC), 5.00%, 2/01/40                                       | \$ 530    | \$ 479,777       |
| Lycoming County Authority, Refunding RB, Susquehanna Health System Project, Series A, 5.75%, 7/01/39                                | 3,950     | 3,610,932        |
| Pennsylvania Economic Development Financing Authority, Refunding RB, Aqua Pennsylvania Inc. Project, Series A, AMT, 5.00%, 12/01/34 | 2,780     | 2,565,523        |
| Philadelphia Authority for Industrial Development, RB: Arbor House Inc. Project, Series E, 6.10%, 7/01/33                           | 1,000     | 912,590          |
| Rieder House Project, Series A, 6.10%, 7/01/33  | 1,355     | 1,236,560        |
|   |           | <u>8,805,382</u> |

|  |        |                   |
|--|--------|-------------------|
| <b>Puerto Rico 2.8%</b>  |        |                   |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39                  | 13,000 | 13,456,950        |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.69%, 8/01/41 (d) | 15,000 | 1,999,050         |
|  |        | <u>15,456,000</u> |

|  |       |                  |
|--|-------|------------------|
| <b>South Carolina 1.1%</b>   |       |                  |
| County of Georgetown South Carolina, Refunding RB, International Paper Co. Project, Series A, AMT, 5.55%, 12/01/29 | 1,000 | 957,230          |
| County of Richland South Carolina, Refunding RB, International Paper Co. Project, AMT, 6.10%, 4/01/23              | 5,000 | 5,013,150        |
|  |       | <u>5,970,380</u> |

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| <b>Texas 13.1%</b>  |        |            |
|---|--------|------------|
| Brazos River Authority, Refunding RB, Texas Utility Co., Series, AMT, 7.70%, 4/01/33                            | 3,055  | 947,050    |
| Brazos River Harbor Navigation District, Refunding RB, Dow Chemical Co. Project, Series A7, AMT, 6.63%, 5/15/33 | 11,460 | 11,469,626 |
| City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/34  | 8,335  | 8,404,431  |
| Gulf Coast Waste Disposal Authority, Refunding RB, Series A, AMT, 6.10%, 8/01/24                                | 4,000  | 4,011,640  |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B:  |        |            |
| 7.13%, 12/01/31   | 3,500  | 3,799,670  |
| 7.25%, 12/01/35   | 5,400  | 5,847,930  |
| Houston Industrial Development Corp., RB, Senior, Air Cargo, AMT, 6.38%, 1/01/23                                | 1,785  | 1,634,221  |
| La Vernia Higher Education Finance Corp., RB, KIPP Inc., 6.25%, 8/15/39   | 925    | 908,082    |
| Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40                     | 3,600  | 3,200,328  |
| Matagorda County Navigation District No. 1 Texas, Refunding RB, CenterPoint Energy Project, 5.60%, 3/01/27 (e)  | 9,355  | 9,166,310  |
| North Texas Tollway Authority, Refunding RB, First Tier, Series A, 6.25%, 1/01/39                               | 3,500  | 3,540,670  |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45        | 5,000  | 5,046,550  |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:                                      |        |            |
| LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40                                 | 10,000 | 10,142,200 |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39                         | 4,710  | 4,753,096  |
|   |        | 72,871,804 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Municipal Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>U.S. Virgin Islands 1.4%</b>  |              |              |
| United States Virgin Islands, Refunding RB, Senior Secured, Hovensa Coker Project, AMT, 6.50%, 7/01/21               | \$ 8,000     | \$ 8,000,160 |
| <b>Vermont 0.2%</b>  |              |              |
| Vermont Educational & Health Buildings Financing Agency, RB, Developmental & Mental Health, Series A, 6.38%, 6/15/22 | 1,000        | 928,070      |
| <b>Virginia 3.0%</b>   |              |              |
| Chesterfield County IDA, Refunding RB, Virginia Electric & Power Co., Series A, 5.88%, 6/01/17                       | 1,425        | 1,456,706    |
| City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31   | 3,550        | 3,298,376    |
| City of Portsmouth Virginia, GO, Refunding, Series D, 5.00%, 7/15/34   | 3,105        | 3,155,984    |
| Fairfax County EDA, Refunding RB, Goodwin House Inc.: 5.13%, 10/01/37  | 2,000        | 1,716,860    |
| 5.13%, 10/01/42  | 7,015        | 5,898,984    |
| Virginia HDA, Refunding RB, Sub-Series A3, AMT, 5.05%, 7/01/26   | 1,325        | 1,314,440    |
|  |              | 16,841,350   |
| <b>Washington 4.9%</b>   |              |              |
| Energy Northwest, Refunding RB, Series B, 7.13%, 7/01/16   | 14,320       | 17,830,834   |
| Seattle Housing Authority Washington, HRB, Replacement Housing Projects, 6.13%, 12/01/32                             | 2,230        | 1,992,840    |
| Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36    | 7,000        | 7,331,310    |
|  |              | 27,154,984   |
| <b>West Virginia 0.4%</b>  |              |              |
| West Virginia Hospital Finance Authority, Refunding RB, Charleston, Series A, 5.63%, 9/01/32                         | 2,500        | 2,381,750    |
| <b>Wisconsin 1.6%</b>  |              |              |
| City of Milwaukee Wisconsin, RB, Senior, Air Cargo, AMT, 6.50%, 1/01/25  | 1,485        | 1,366,052    |
| Wisconsin Health & Educational Facilities Authority, MRB, Hudson Memorial Hospital (FHA), 5.70%, 1/15/29             | 4,500        | 4,489,695    |

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|   |       |                  |
|---|-------|------------------|
| Wisconsin Health & Educational Facilities Authority, RB,<br>SynergyHealth Inc., 6.00%, 11/15/32 | 3,040 | 3,056,142        |
|   |       | <u>8,911,889</u> |

**Wyoming 0.8%**

|  |       |           |
|--|-------|-----------|
| County of Sweetwater Wyoming, Refunding RB, Idaho<br>Power Co. Project, 5.25%, 7/15/26 | 4,500 | 4,639,680 |
|--|-------|-----------|

|                                     |  |                    |
|-------------------------------------|--|--------------------|
| <b>Total Municipal Bonds 113.7%</b> |  | <u>634,291,055</u> |
|-------------------------------------|--|--------------------|

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

|   | <b>Par<br/>(000)</b> | <b>Value</b>      |
|---|----------------------|-------------------|
| <b>Arizona 0.6%</b>   |                      |                   |
| Phoenix Civic Improvement Corp., RB, Junior Lien,<br>Series A, 5.00%, 7/01/34                                 | \$ 3,500             | \$ 3,530,660      |
| <b>California 5.4%</b>  |                      |                   |
| Los Angeles Community College District California, GO,<br>Election of 2008, Series A, 6.00%, 8/01/33          | 9,586                | 10,258,102        |
| University of California, RB, Series O, 5.25%, 5/15/39  | 20,000               | 19,766,200        |
|   |                      | <u>30,024,302</u> |
| <b>Connecticut 2.2%</b>   |                      |                   |
| Connecticut State Health & Educational Facility Authority,<br>RB, Yale University, Series Z-3, 5.05%, 7/01/42 | 12,000               | 12,174,720        |
| <b>District of Columbia 1.4%</b>  |                      |                   |
| District of Columbia Water & Sewer Authority, RB,<br>Series A, 5.50%, 10/01/39                                | 7,495                | 7,762,320         |
| <b>Florida 4.0%</b>   |                      |                   |
| County of Miami-Dade Florida, RB, Water & Sewer<br>System (AGM), 5.00%, 10/01/39                              | 14,747               | 13,994,608        |
| Miami-Dade County Expressway Authority, RB, Series A<br>(AGC), 5.00%, 7/01/35                                 | 8,900                | 8,466,570         |
|   |                      | <u>22,461,178</u> |
| <b>Illinois 3.5%</b>  |                      |                   |
| City of Chicago Illinois, Refunding RB, Second Lien<br>(AGM), 5.25%, 11/01/33                                 | 1,330                | 1,315,569         |
| Illinois Finance Authority, RB, University of Chicago,<br>Series B, 6.25%, 7/01/38                            | 10,000               | 10,984,800        |
| Illinois State Toll Highway Authority, RB, Series B,<br>5.50%, 1/01/33  | 6,999                | 7,021,955         |
|   |                      | <u>19,322,324</u> |

**Kentucky 5.6%**

|   |       |           |
|---|-------|-----------|
| Kentucky Economic Development Finance Authority,<br>Refunding RB, St. Elizabeth, Series A, 5.50%, 5/01/39 | 8,003 | 7,866,923 |
| Kentucky Housing Corp., Refunding RB, Series L, AMT,<br>5.25%, 1/01/38                                    | 7,160 | 6,842,239 |

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|   |       |            |
|---|-------|------------|
| Lexington-Fayette Urban County Airport Board,<br>Refunding RB, Series A, 5.00%, 7/01/27                   | 7,001 | 7,188,461  |
| Louisville & Jefferson County Metropolitan Government<br>Parking Authority, RB, Series A, 5.38%, 12/01/39 | 9,195 | 9,120,980  |
|   |       | 31,018,603 |

**Maryland 0.8%**

|  |       |           |
|--|-------|-----------|
| Maryland State Transportation Authority, RB,<br>Transportation Facility Project (AGM), 5.00%,<br>7/01/41 | 4,710 | 4,729,782 |
|--|-------|-----------|

**Nevada 3.0%**

|  |        |            |
|--|--------|------------|
| Clark County Water Reclamation District, GO, Series B,<br>5.75%, 7/01/34 | 15,789 | 16,832,237 |
|--|--------|------------|

**New York 5.0%**

|   |        |            |
|---|--------|------------|
| New York City Municipal Water Finance Authority, RB:<br>Series DD, 5.00%, 6/15/37 | 24,199 | 23,848,513 |
| Series FF-2, 5.50%, 6/15/40   | 4,154  | 4,276,129  |
|   |        | 28,124,642 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

| Municipal Bonds Transferred to<br>Tender Option Bond Trusts (f)  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>North Carolina 3.2%</b>   |              |                   |
| North Carolina Capital Facilities Finance Agency,<br>Refunding RB:   |              |                   |
| Duke University Project, Series A, 5.00%, 10/01/41   | \$ 12,678    | \$ 12,658,032     |
| Wake Forest University, 5.00%, 1/01/38   | 5,000        | 5,006,100         |
|  |              | <u>17,664,132</u> |
| <b>Ohio 3.8%</b>   |              |                   |
| County of Allen Ohio, Refunding RB, Catholic<br>Healthcare, Series A, 5.25%, 6/01/38   |              |                   |
|  | 2,870        | 2,718,665         |
| County of Montgomery Ohio, Refunding RB,<br>Catholic Healthcare, Series A, 5.50%, 5/01/34                                      |              |                   |
|  | 5,470        | 5,494,560         |
| Ohio Higher Educational Facility Commission,<br>Refunding RB, Hospital, Cleveland Clinic Health,<br>Series A, 5.25%, 1/01/33   |              |                   |
|  | 4,400        | 4,255,372         |
| State of Ohio, RB, Cleveland Clinic Health, Series B,<br>5.50%, 1/01/34  |              |                   |
|  | 8,500        | 8,510,030         |
|  |              | <u>20,978,627</u> |
| <b>Oregon 2.2%</b>   |              |                   |
| Oregon State Housing & Community Services<br>Department, HRB, Series A, AMT, 4.95%, 7/01/30                                    |              |                   |
|  | 13,000       | 12,161,609        |
| <b>South Carolina 0.6%</b>   |              |                   |
| South Carolina State Housing Finance & Development<br>Authority, Refunding RB, Series B-1, 5.55%, 7/01/39                      |              |                   |
|  | 3,189        | 3,201,143         |
| <b>Texas 8.3%</b>  |              |                   |
| Harris County Health Facilities Development Corp.,<br>Refunding RB, School Health Care System, Series B,<br>5.75%, 7/01/27 (c) |              |                   |
|  | 20,970       | 24,375,109        |
| Houston Higher Education Finance Corp., RB, Rice<br>University Project, Series A, 5.00%, 5/15/40                               |              |                   |
|  | 10,000       | 10,094,878        |
| Texas Department of Housing & Community Affairs,<br>MRB, Series B, AMT (Ginnie Mae), 5.25%, 9/01/32                            |              |                   |
|  | 6,586        | 6,324,202         |
| Texas State University Systems, Refunding RB (AGM),<br>5.00%, 3/15/30  |              |                   |
|  | 5,667        | 5,704,165         |
|  |              | <u>46,498,354</u> |
| <b>Virginia 1.2%</b>   |              |                   |
| Fairfax County IDA Virginia, Refunding RB, Health Care,<br>Inova Health System, Series A, 5.50%, 5/15/35                       |              |                   |
|  | 2,099        | 2,117,663         |
|  | 5,002        | 4,828,800         |

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Virginia Small Business Financing Authority, Refunding  
RB, Sentara Healthcare, 5.00%, 11/01/40

|  |        |             |
|--|--------|-------------|
|  |        | 6,946,463   |
| <b>Washington 4.5%</b>   |        |             |
| Central Puget Sound Regional Transit Authority, RB,<br>Series A:   |        |             |
| 5.00%, 11/01/36  | 5,500  | 5,502,557   |
| (AGM), 5.00%, 11/01/32   | 14,007 | 14,148,680  |
| Central Puget Sound Regional Transportation Authority,<br>Washington, RB, Series A, 5.00%, 11/01/34                        | 5,500  | 5,502,558   |
|  |        | 25,153,795  |
| <b>Wisconsin 1.0%</b>  |        |             |
| Wisconsin Health & Educational Facilities Authority,<br>Refunding RB, Froedtert & Community Health Inc.,<br>5.25%, 4/01/39 |        |             |
|  | 6,099  | 5,612,357   |
| <b>Total Municipal Bonds Transferred to<br/>Tender Option Bond Trusts 56.3%</b>  |        | 314,197,248 |
| <b>Total Long-Term Investments<br/>(Cost \$950,715,778) 170.0%</b>   |        | 948,488,303 |

| Short-Term Securities  | Shares    | Value          |
|--|-----------|----------------|
| FFI Institutional Tax-Exempt Fund, 0.13% (g)(h)  | 8,773,646 | \$ 8,773,646   |
| <b>Total Short-Term Securities<br/>(Cost \$8,773,646) 1.6%</b>                                   |           | 8,773,646      |
| <b>Total Investments (Cost \$959,489,424*) 171.6%</b>  |           | 957,261,949    |
| <b>Other Assets Less Liabilities 3.2%</b>  |           | 18,021,683     |
| <b>Liability for Trust Certificates, Including<br/>Interest Expense and Fees Payable (31.1)%</b> |           | (173,579,492)  |
| <b>Preferred Shares, at Redemption Value (43.7)%</b>   |           | (243,846,821)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |           | \$ 557,857,319 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 788,694,994 |
| Gross unrealized appreciation | \$ 28,531,800  |
| Gross unrealized depreciation | (33,415,792)   |

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Net unrealized depreciation \$ (4,883,992)

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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) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Security is collateralized by Municipal or US Treasury obligations.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2 (a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate                            | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income    |
|--------------------------------------|--------------------------------------|-----------------|--|-----------|
| FFI Institutional<br>Tax-Exempt Fund | 4,494,923                            | 4,278,723       | 8,773,646                              | \$ 10,410 |

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

Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts | Issue                         | Exchange                  | Expiration   | Notional<br>Value | Unrealized<br>Depreciation |
|-----------|-------------------------------|---------------------------|--------------|-------------------|----------------------------|
| 300       | 10-Year U.S.<br>Treasury Note | Chicago<br>Board of Trade | June<br>2011 | \$ 35,554,118     | \$ (159,945)               |

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock MuniVest Fund, Inc. (MVF)

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Trust's investments and derivatives:

| Valuation Inputs                   | Level 1      | Level 2        | Level 3 | Total          |
|------------------------------------|--------------|----------------|---------|----------------|
| <b>Assets:</b>                     |              |                |         |                |
| Investments in Securities:         |              |                |         |                |
| Long-Term Investments <sup>1</sup> |              | \$ 948,488,303 |         | \$ 948,488,303 |
| Short-Term Securities              | \$ 8,773,646 |                |         | 8,773,646      |
| <b>Total</b>                       | \$ 8,773,646 | \$ 948,488,303 |         | \$ 957,261,949 |

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

| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
|---|--------------|---------|---------|--------------|
| Valuation Inputs                              | Level 1      | Level 2 | Level 3 | Total        |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (159,945) |         |         | \$ (159,945) |

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

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

| February 28, 2011<br>(Unaudited)                                 | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Income Trust<br>II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|--|--|---|---|---|---|--|--|
| <b>Assets</b>  |  |   |   |   |   |  |  |
| Investments at value<br>unaffiliated <sup>1</sup>                | \$ 554,886,892   | \$ 181,241,550  | \$ 223,879,185                                | \$ 76,760,901   | \$ 487,599,955  | \$ 808,720,412   | \$ 948,488,303                               |
| Investments at value<br>affiliated <sup>2</sup>                  | 2,376,259  | 5,323,892   | 1,592,687                                     | 1,965,149   | 4,910,889   | 13,487,527   | 8,773,646                                    |
| Cash pledged as collateral<br>for financial futures<br>contracts | 375,000  | 95,000  | 265,000                                       | 70,000  | 440,000   | 670,000  | 580,000                                      |
| Cash   |  |   |   |   | 35,624  | 262,263  |  |
| Interest receivable  | 5,612,918  | 2,212,304   | 3,174,577                                     | 960,364   | 6,643,726   | 10,899,982   | 13,356,419                                   |
| Investments sold receivable                                      | 140,000  |   | 85,000  | 1,508,452   | 1,089,497   | 1,326,341  | 16,172,419                                   |
| Income receivable<br>affiliated                                  | 196  | 49  | 75  | 16  | 178   | 326  | 354  |
| Prepaid expenses   | 36,755   | 20,906  | 14,539  | 3,799   | 35,962  | 44,702   | 43,001                                       |
| Other assets   | 53,440   | 13,618  | 20,703  | 4,470   | 48,590  | 91,216   | 98,830                                       |
| <b>Total assets</b>  | <b>563,481,460</b>   | <b>188,907,319</b>  | <b>229,031,766</b>                            | <b>81,273,151</b>   | <b>500,804,421</b>                                    | <b>835,502,769</b>   | <b>987,512,972</b>                           |
| <b>Accrued Liabilities</b>                                       |  |   |   |   |   |  |  |
| Bank overdraft   |  |   | 24,983  | 18,000  |   |  | 218  |
| Income dividends payable<br>Common Shares                        | 2,025,708  | 651,300   | 897,776                                       | 262,799   | 1,944,883   | 2,827,800  | 3,704,960                                    |
| Investment advisory fees<br>payable                              | 233,085  | 77,295  | 94,951  | 33,007  | 188,131   | 309,131  | 372,542                                      |
| Officers and Trustees fees<br>payable                            | 55,691   | 15,485  | 22,703  | 5,915   | 50,633  | 93,671   | 100,844                                      |
| Interest expense and fees<br>payable                             | 51,765   | 21,281  | 5,867   | 9,978   | 29,935  | 64,529   | 128,545                                      |
| Margin variation payable   | 21,328   | 5,141   | 14,812  | 3,719   | 60,562  | 284,283  | 32,813                                       |
| Other affiliates payable   | 2,901  | 992   | 1,182   | 409   | 2,550   | 4,314  | 5,010  |
| Investments purchased<br>payable                                 |  | 2,021,413   |   | 1,497,166   | 2,248,144   |  | 7,932,736                                    |
| Other accrued expenses<br>payable                                | 57,699   | 50,625  | 81,988  | 11,926  | 112,492   | 35,073   | 80,217                                       |
| Other liabilities  |  |   |   |   |   | 20,600   |  |
| <b>Total accrued liabilities</b>                                 | <b>2,448,177</b>   | <b>2,843,532</b>  | <b>1,144,262</b>                              | <b>1,842,919</b>  | <b>4,637,330</b>                                      | <b>3,639,401</b>   | <b>12,357,885</b>                            |
| <b>Other Liabilities</b>   |  |   |   |   |   |  |  |
| Trust certificates <sup>3</sup>                                  | 80,914,512   | 25,866,266  | 7,399,148                                     | 16,275,832  | 39,252,437  | 68,400,059   | 173,450,947                                  |

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|                          |            |            |           |            |            |            |             |
|--------------------------|------------|------------|-----------|------------|------------|------------|-------------|
| <b>Total Liabilities</b> | 83,362,689 | 28,709,798 | 8,543,410 | 18,118,751 | 43,889,767 | 72,039,460 | 185,808,832 |
|--------------------------|------------|------------|-----------|------------|------------|------------|-------------|

**Preferred Shares at Redemption Value**

|   |             |            |            |            |             |             |             |
|---|-------------|------------|------------|------------|-------------|-------------|-------------|
| \$25,000 per share liquidation preference, plus unpaid dividends <sup>4,5</sup> | 137,256,220 | 42,278,454 | 79,904,531 | 17,851,005 | 151,309,510 | 274,663,843 | 243,846,821 |
|---|-------------|------------|------------|------------|-------------|-------------|-------------|

|   |                |                |                |               |                |                |                |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| <b>Net Assets Applicable to Common Shareholders</b> | \$ 342,862,551 | \$ 117,919,067 | \$ 140,583,825 | \$ 45,303,395 | \$ 305,605,144 | \$ 488,799,466 | \$ 557,857,319 |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|

**Net Assets Applicable to Common Shareholders Consist of**

|   |                |                |                |               |                |                |                |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Paid-in capital <sup>6,7,8</sup>          | \$ 373,408,964 | \$ 124,044,616 | \$ 148,424,387 | \$ 47,263,422 | \$ 330,974,923 | \$ 524,961,561 | \$ 570,081,570 |
| Undistributed net investment income       | 6,876,864      | 2,397,003      | 3,374,921      | 925,447       | 6,609,704      | 9,759,032      | 14,985,856     |
| Accumulated net realized loss             | (13,753,737)   | (6,239,524)    | (1,957,842)    | (2,855,368)   | (16,897,337)   | (34,470,294)   | (24,822,687)   |
| Net unrealized appreciation/ depreciation | (23,669,540)   | (2,283,028)    | (9,257,641)    | (30,106)      | (15,082,146)   | (11,450,833)   | (2,387,420)    |

|   |                |                |                |               |                |                |                |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| <b>Net Assets Applicable to Common Shareholders</b> | \$ 342,862,551 | \$ 117,919,067 | \$ 140,583,825 | \$ 45,303,395 | \$ 305,605,144 | \$ 488,799,466 | \$ 557,857,319 |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|

|                                  |          |          |          |          |          |          |         |
|----------------------------------|----------|----------|----------|----------|----------|----------|---------|
| Net asset value per Common Share | \$ 13.03 | \$ 13.49 | \$ 13.47 | \$ 13.58 | \$ 13.12 | \$ 12.96 | \$ 8.88 |
|----------------------------------|----------|----------|----------|----------|----------|----------|---------|

|   |                |                |                |               |                |                |                |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| <sup>1</sup> Investments at cost unaffiliated | \$ 578,452,468 | \$ 183,499,520 | \$ 233,041,707 | \$ 76,772,880 | \$ 502,560,543 | \$ 819,977,712 | \$ 950,715,778 |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|

|   |              |              |              |              |              |               |              |
|---|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| <sup>2</sup> Investments at cost affiliated | \$ 2,376,259 | \$ 5,323,892 | \$ 1,592,687 | \$ 1,965,149 | \$ 4,910,889 | \$ 13,487,527 | \$ 8,773,646 |
|---|--------------|--------------|--------------|--------------|--------------|---------------|--------------|

<sup>3</sup> Represents short-term floating rate certificates issued by TOBs.

|   |       |       |       |     |       |  |  |
|---|-------|-------|-------|-----|-------|--|--|
| <sup>4</sup> Preferred Shares outstanding:<br>Par value \$0.001 per share | 5,490 | 1,691 | 3,196 | 714 | 6,052 |  |  |
|---|-------|-------|-------|-----|-------|--|--|

|                            |  |  |  |  |  |        |       |
|----------------------------|--|--|--|--|--|--------|-------|
| Par value \$0.10 per share |  |  |  |  |  | 10,986 | 9,753 |
|----------------------------|--|--|--|--|--|--------|-------|

|  |           |           |           |           |           |           |            |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <sup>5</sup> Preferred Shares authorized | unlimited | unlimited | unlimited | unlimited | unlimited | 1 million | 10 million |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------|

|  |            |           |            |           |            |            |            |
|--|------------|-----------|------------|-----------|------------|------------|------------|
| <sup>6</sup> Common Shares outstanding | 26,307,892 | 8,742,277 | 10,439,257 | 3,335,018 | 23,292,010 | 37,704,227 | 62,795,938 |
|--|------------|-----------|------------|-----------|------------|------------|------------|

|   |          |          |          |          |          |         |         |
|---|----------|----------|----------|----------|----------|---------|---------|
| <sup>7</sup> Par value per Common Share | \$ 0.001 | \$ 0.001 | \$ 0.001 | \$ 0.001 | \$ 0.001 | \$ 0.10 | \$ 0.10 |
|---|----------|----------|----------|----------|----------|---------|---------|

|                                       |           |           |           |           |           |           |             |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| <sup>8</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<br>February 28, 2011<br>(Unaudited)  | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>Municipal<br>Income Trust<br>II<br>(BLE) | BlackRock<br>MuniHoldings<br>Investment<br>Quality Fund<br>(MFL) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|---|--|---|---|---|---|--|--|
| <b>Investment Income</b>                              |  |   |   |   |   |  |  |
| Interest  | \$ 14,574,014  | \$ 4,753,335  | \$ 6,767,017                                  | \$ 2,118,083  | \$ 14,247,308   | \$ 21,151,083  | \$ 26,876,185                                |
| Income affiliated                                     | 9,068  | 3,110   | 2,812   | 627   | 7,143   | 22,693   | 14,622                                       |
| Total income  | 14,583,082   | 4,756,445   | 6,769,829                                     | 2,118,710   | 14,254,451  | 21,173,776   | 26,890,807                                   |
| <b>Expenses</b>                                       |  |   |   |   |   |  |  |
| Investment advisory                                   | 1,572,885  | 524,666   | 757,702                                       | 264,007   | 1,390,812   | 2,339,378  | 2,502,583                                    |
| Professional  | 104,804  | 42,869  | 38,613  | 28,360  | 55,136  | 120,343  | 115,835                                      |
| Commissions for Preferred<br>Shares                   | 64,869   | 18,139  | 44,571  | 9,243   | 110,315   | 193,589  | 172,723                                      |
| Accounting services                                   | 27,177   | 16,462  | 20,041  | 7,611   | 30,971  | 50,454   | 51,546                                       |
| Printing  | 25,550   | 9,007   | 10,870  | 4,144   | 23,471  | 17,574   | 20,236                                       |
| Officer and Trustees                                  | 19,971   | 6,879   | 9,027   | 2,781   | 19,710  | 29,549   | 33,456                                       |
| Transfer agent  | 14,545   | 9,095   | 12,216  | 8,931   | 17,973  | 34,889   | 42,863                                       |
| Custodian   | 12,998   | 6,280   | 8,619   | 3,859   | 14,228  | 20,174   | 20,075                                       |
| Registration  | 4,180  | 4,428   | 4,598   | 4,528   | 4,898   | 6,150  | 12,558                                       |
| Miscellaneous   | 35,025   | 22,887  | 27,878  | 19,768  | 39,023  | 52,836   | 61,082                                       |
| Total expenses excluding<br>interest expense and fees | 1,882,004  | 660,712   | 934,135                                       | 353,232   | 1,706,537   | 2,864,936  | 3,032,957                                    |
| Interest expense and fees <sup>1</sup>                | 312,670  | 98,316  | 28,038  | 66,992  | 149,012   | 295,659  | 730,123                                      |
| Total expenses  | 2,194,674  | 759,028   | 962,173                                       | 420,224   | 1,855,549   | 3,160,595  | 3,763,080                                    |
| Less fees waived by<br>advisor                        | (51,917)   | (17,658)  | (117,202)                                     | (40,765)  | (127,861)   | (209,835)  | (3,482)                                      |
| Total expenses after fees<br>waived                   | 2,142,757  | 741,370   | 844,971                                       | 379,459   | 1,727,688   | 2,950,760  | 3,759,598                                    |
| Net investment income                                 | 12,440,325   | 4,015,075   | 5,924,858                                     | 1,739,251   | 12,526,763  | 18,223,016   | 23,131,209                                   |
| <b>Realized and Unrealized Gain (Loss)</b>            |  |   |   |   |   |  |  |
| Net realized gain (loss)<br>from investments          | 806,236  | (483,619)   | 921,267                                       | (723,343)   | (324,970)   | (5,699,708)  | (5,594,442)                                  |

Net change in unrealized  
appreciation/ depreciation  
on:

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|                                    |              |              |              |             |              |              |              |
|------------------------------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Investments                        | (42,867,264) | (13,442,902) | (20,192,608) | (5,803,820) | (35,308,638) | (59,741,280) | (65,495,984) |
| Financial futures contracts        | (103,964)    | (25,058)     | (95,119)     | (18,127)    | (121,558)    | (193,533)    | (159,945)    |
|                                    | (42,971,228) | (13,467,960) | (20,287,727) | (5,821,947) | (35,430,196) | (59,934,813) | (65,655,929) |
| Total realized and unrealized loss | (42,164,992) | (13,951,579) | (19,366,460) | (6,545,290) | (35,755,166) | (65,634,521) | (71,250,371) |

**Dividends and Distributions to Preferred Shareholders From**

|   |           |          |           |          |           |           |           |
|---|-----------|----------|-----------|----------|-----------|-----------|-----------|
| Net investment income                                       | (287,188) | (88,724) | (165,936) | (37,328) | (315,988) | (574,148) | (566,805) |
| Net realized gain   |           |          | (671)     |          |           |           | (333)     |
| Total dividends and distributions to Preferred Shareholders | (287,188) | (88,724) | (166,607) | (37,328) | (315,988) | (574,148) | (567,138) |

**Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Operations**

|  |
|--|
| \$ (30,011,855) \$ (10,025,228) \$ (13,608,209) \$ (4,843,367) \$ (23,544,391) \$ (47,985,653) \$ (48,686,300) |
|--|

<sup>1</sup> Related to TOBs.

See Notes to Financial Statements.

## Statements of Changes in Net Assets

|   | BlackRock Municipal<br>Income Quality Trust (BYM)          |                                  | BlackRock Municipal Income<br>Investment Quality Trust (BAF) |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited)   | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 12,440,325  | \$ 25,205,226                    | \$ 4,015,075   | \$ 8,227,690                     |
| Net realized gain (loss)  | 806,236  | 616,249                          | (483,619)  | (3,125,131)                      |
| Net change in unrealized appreciation/depreciation  | (42,971,228)   | 25,550,335                       | (13,467,960)   | 11,392,593                       |
| Dividends to Preferred Shareholders from net investment income                                    | (287,188)  | (558,436)                        | (88,724)   | (172,818)                        |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | (30,011,855)   | 50,813,374                       | (10,025,228)   | 16,322,334                       |
| <b>Dividends to Common Shareholders From</b>  |  |                                  |  |                                  |
| Net investment income   | (12,149,035)   | (22,281,818)                     | (3,881,307)  | (7,442,276)                      |
| <b>Capital Share Transactions</b>   |  |                                  |  |                                  |
| Reinvestment of common dividends  | 460,621  | 697,165                          | 53,170   | 67,819                           |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |                                  |  |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | (41,700,269)   | 29,228,721                       | (13,853,365)   | 8,947,877                        |
| Beginning of period   | 384,562,820  | 355,334,099                      | 131,772,432  | 122,824,555                      |
| End of period   | \$ 342,862,551   | \$ 384,562,820                   | \$ 117,919,067   | \$ 131,772,432                   |
| Undistributed net investment income   | \$ 6,876,864   | \$ 6,872,762                     | \$ 2,397,003   | \$ 2,351,959                     |
|   | BlackRock Municipal<br>Bond Trust (BBK)                    |                                  | BlackRock Municipal Bond<br>Investment Trust (BIE)           |                                  |

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| Increase (Decrease) in Net Assets Applicable to Common Shareholders:                              | Six Months Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
|---|---|----------------------------------|---|----------------------------------|
| <b>Operations</b>   |   |                                  |   |                                  |
| Net investment income   | \$ 5,924,858  | \$ 11,874,327                    | \$ 1,739,251  | \$ 3,388,502                     |
| Net realized gain (loss)  | 921,267   | 3,649,094                        | (723,343)   | 28,656                           |
| Net change in unrealized appreciation/depreciation  | (20,287,727)  | 16,824,854                       | (5,821,947)   | 4,203,415                        |
| Dividends and distributions to Preferred Shareholders from:                                       |   |                                  |   |                                  |
| Net investment income   | (165,936)   | (326,106)                        | (37,328)  | (73,259)                         |
| Net realized gain   | (671)   |                                  |   |                                  |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | (13,608,209)  | 32,022,169                       | (4,843,367)   | 7,547,314                        |
| <b>Dividends and Distributions to Common Shareholders From</b>                                    |   |                                  |   |                                  |
| Net investment income   | (5,380,708)   | (10,597,613)                     | (1,576,729)   | (3,052,054)                      |
| Net realized gain   | (21,662)  |                                  |   |                                  |
| Decrease in net assets resulting from dividends and distributions to Common Shareholders          | (5,402,370)   | (10,597,613)                     | (1,576,729)   | (3,052,054)                      |
| <b>Capital Share Transactions</b>   |   |                                  |   |                                  |
| Reinvestment of common dividends and distributions  | 378,311   | 761,779                          | 15,929  | 9,559                            |
| <b>Net Assets Applicable to Common Shareholders</b>   |   |                                  |   |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | (18,632,268)  | 22,186,335                       | (6,404,167)   | 4,504,819                        |
| Beginning of period   | 159,216,093   | 137,029,758                      | 51,707,562  | 47,202,743                       |
| End of period   | \$ 140,583,825  | \$ 159,216,093                   | \$ 45,303,395   | \$ 51,707,562                    |
| Undistributed net investment income   | \$ 3,374,921  | \$ 2,996,707                     | \$ 925,447  | \$ 800,253                       |

See Notes to Financial Statements.

## Statements of Changes in Net Assets (concluded)

|   | BlackRock Municipal<br>Income Trust II (BLE)               |                                  | BlackRock MuniHoldings<br>Investment Quality Fund (MFL)    |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 12,526,763  | \$ 25,062,944                    | \$ 18,223,016  | \$ 36,114,076                    |
| Net realized gain (loss)  | (324,970)  | (1,380,128)                      | (5,699,708)  | 5,303,256                        |
| Net change in unrealized appreciation/depreciation  | (35,430,196)   | 42,483,321                       | (59,934,813)   | 33,786,326                       |
| Dividends to Preferred Shareholders from net investment income                                    | (315,988)  | (619,323)                        | (574,148)  | (1,120,623)                      |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | (23,544,391)   | 65,546,814                       | (47,985,653)   | 74,083,035                       |
| <b>Dividends to Common Shareholders From</b>  |  |                                  |  |                                  |
| Net investment income   | (11,559,042)   | (22,569,858)                     | (16,963,914)   | (31,867,551)                     |
| <b>Capital Share Transactions</b>   |  |                                  |  |                                  |
| Reinvestment of common dividends  | 439,539  | 1,222,581                        | 382,500  | 138,384                          |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |                                  |  |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | (34,663,894)   | 44,199,537                       | (64,567,067)   | 42,353,868                       |
| Beginning of period   | 340,269,038  | 296,069,501                      | 553,366,533  | 511,012,665                      |
| End of period   | \$ 305,605,144   | \$ 340,269,038                   | \$ 488,799,466   | \$ 553,366,533                   |
| Undistributed net investment income   | \$ 6,609,704   | \$ 5,957,971                     | \$ 9,759,032   | \$ 9,074,078                     |

BlackRock MuniVest  
Fund, Inc. (MVF)

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|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
|---|--|----------------------------------|
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>                       |  |                                  |
| <b>Operations</b>   |  |                                  |
| Net investment income   | \$ 23,131,209  | \$ 45,513,965                    |
| Net realized gain (loss)  | (5,594,442)  | 6,158,635                        |
| Net change in unrealized appreciation/depreciation  | (65,655,929)   | 54,194,616                       |
| Dividends and distributions to Preferred Shareholders from:                                       |  |                                  |
| Net investment income   | (566,805)  | (1,128,079)                      |
| Net realized gain   | (333)  |                                  |
| Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations | (48,686,300)   | 104,739,137                      |
| <b>Dividends and Distributions to Common Shareholders From</b>                                    |  |                                  |
| Net investment income   | (21,804,053)   | (40,403,913)                     |
| Net realized gain   | (11,094)   |                                  |
| Decrease in net assets resulting from dividends and distributions to Common Shareholders          | (21,815,147)   | (40,403,913)                     |
| <b>Capital Share Transactions</b>   |  |                                  |
| Reinvestment of common dividends and distributions  | 3,163,534  | 4,970,652                        |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |                                  |
| Total increase (decrease) in net assets applicable to Common Shareholders                         | (67,337,913)   | 69,305,876                       |
| Beginning of period   | 625,195,232  | 555,889,356                      |
| End of period   | \$ 557,857,319   | \$ 625,195,232                   |
| Undistributed net investment income   | \$ 14,985,856  | \$ 14,225,505                    |

See Notes to Financial Statements.

## Statements of Cash Flows

| Six Months Ended February 28, 2011 (Unaudited)  | BlackRock<br>Municipal<br>Income<br>Quality Trust<br>(BYM) | BlackRock<br>Municipal Income<br>Investment<br>Quality Trust<br>(BAF) | BlackRock<br>Municipal<br>Bond<br>Investment<br>Trust<br>(BIE) | BlackRock<br>MuniVest<br>Fund, Inc.<br>(MVF) |
|---|--|---|--|--|
| <b>Cash Provided by Operating Activities</b>  |  |   |  |  |
| Net decrease in net assets resulting from operations, excluding dividends to Preferred Shareholders                         | \$ (29,724,667)  | \$ (9,936,504)  | \$ (4,806,039)   | \$ (48,119,162)                              |
| Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities: |  |   |  |  |
| (Increase) decrease in interest receivable  | (84,666)   | 196,975   | (70,574)   | 382,216                                      |
| Increase in other assets  | (3,451)  | (1,006)   | (292)  | (4,992)                                      |
| Decrease in income receivable - affiliated  | 1  | 4   |  | 13   |
| Increase in cash pledged as collateral for financial futures contracts  | (375,000)  | (95,000)  | (70,000)   | (580,000)                                    |
| Decrease in investment advisory fees payable  | (20,431)   | (9,125)   | (6,040)  | (62,382)                                     |
| Increase (decrease) in interest expense and fees payable  | 1,344  | (7,360)   | 1,377  | 13,301                                       |
| Increase in other affiliates payable  | 1,063  | 367   | 154  | 1,876  |
| Decrease in other accrued expenses payable  | (65,770)   | (24,610)  | (14,746)   | (56,790)                                     |
| Increase in margin variation payable  | 21,328   | 5,141   | 3,719  | 32,813                                       |
| Increase in Officer's and Trustees' fees payable  | 3,317  | 1,164   | 480  | 3,598  |
| Net realized and unrealized gain on investments   | 42,064,479   | 13,927,527  | 6,527,643  | 71,095,417                                   |
| Amortization of premium and accretion of discount on investments  | (1,799,085)  | 158,645   | 45,997   | 564,421                                      |
| Proceeds from sales of long-term investments  | 57,978,023   | 35,150,650  | 10,427,013   | 77,124,711                                   |
| Purchases of long-term investments  | (63,144,343)   | (25,019,307)  | (10,191,415)   | (71,431,277)                                 |
| Net proceeds from sales (purchases) of short-term securities  | 7,040,478  | (4,112,628)   | (266,895)  | (4,278,723)                                  |
| Cash provided by operating activities   | 11,892,620   | 10,234,933  | 1,580,382  | 24,685,040                                   |
| <b>Cash Used for Financing Activities</b>   |  |   |  |  |
| Cash receipts from trust certificates   |  |   |  | 2,656,376                                    |
| Cash payments on trust certificates   |  | (6,329,998)   |  | (8,325,275)                                  |
| Cash dividends paid to Common Shareholders  | (11,607,067)   | (3,819,134)   | (1,560,718)  | (18,444,550)                                 |
| Cash dividends paid to Preferred Shareholders   | (285,553)  | (85,801)  | (37,664)   | (571,516)                                    |
| Increase (decrease) in custodian bank payable   |  |   | 18,000   | (75)   |
| Cash used for financing activities  | (11,892,620)   | (10,234,933)  | (1,580,382)  | (24,685,040)                                 |
| <b>Cash</b>   |  |   |  |  |
| Net change in cash  |  |   |  |  |

|                             |       |  |  |  |
|-----------------------------|-------|--|--|--|
| Cash at beginning of period | <hr/> |  |  |  |
| Cash at end of period       | <hr/> |  |  |  |

**Cash Flow Information**

|   |    |         |    |         |    |        |    |         |
|---|----|---------|----|---------|----|--------|----|---------|
| Cash paid during the period for interest and fees | \$ | 311,326 | \$ | 105,676 | \$ | 65,615 | \$ | 716,822 |
|---|----|---------|----|---------|----|--------|----|---------|

**Noncash Financing Activities**

|  |    |         |    |        |    |        |    |           |
|--|----|---------|----|--------|----|--------|----|-----------|
| Capital shares issued in reinvestment of dividends paid to Common Shareholders | \$ | 460,621 | \$ | 53,170 | \$ | 15,929 | \$ | 3,163,534 |
|--|----|---------|----|--------|----|--------|----|-----------|

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

See Notes to Financial Statements.



## Financial Highlights

## BlackRock Municipal Income Quality Trust (BYM)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |                   |                   |          |          |
|---|--|-----------------------|-------------------|-------------------|----------|----------|
|   |  | 2010                  | 2009              | 2008              | 2007     | 2006     |
| <b>Per Share Operating Performance</b>                                |  |                       |                   |                   |          |          |
| Net asset value, beginning of period                                  | \$ 14.64   | \$ 13.55              | \$ 14.04          | \$ 14.82          | \$ 15.54 | \$ 15.61 |
| Net investment income   | 0.47 <sub>1</sub>  | 0.96 <sub>1</sub>     | 0.91 <sub>1</sub> | 1.04 <sub>1</sub> | 1.03     | 1.03     |
| Net realized and unrealized gain (loss)                               | (1.61)   | 1.00                  | (0.55)            | (0.83)            | (0.67)   | (0.09)   |
| Dividends and distributions to Preferred Shareholders from:           |  |                       |                   |                   |          |          |
| Net investment income   | (0.01)   | (0.02)                | (0.10)            | (0.26)            | (0.28)   | (0.26)   |
| Net realized gain   |  |                       |                   |                   | (0.02)   |          |
| Net increase (decrease) from investment operations                    | (1.15)   | 1.94                  | 0.26              | (0.05)            | 0.06     | 0.68     |
| Dividends and distributions to Common Shareholders from:              |  |                       |                   |                   |          |          |
| Net investment income   | (0.46)   | (0.85)                | (0.75)            | (0.73)            | (0.73)   | (0.75)   |
| Net realized gain   |  |                       |                   |                   | (0.05)   |          |
| Total dividends and distributions to Common Shareholders              | (0.46)   | (0.85)                | (0.75)            | (0.73)            | (0.78)   | (0.75)   |
| Net asset value, end of period  | \$ 13.03   | \$ 14.64              | \$ 13.55          | \$ 14.04          | \$ 14.82 | \$ 15.54 |
| Market price, end of period   | \$ 13.34   | \$ 15.26              | \$ 13.69          | \$ 13.19          | \$ 14.35 | \$ 14.65 |
| <b>Total Investment Return<sup>2</sup></b>                            |  |                       |                   |                   |          |          |
| Based on net asset value  | (7.89)% <sup>3</sup>                                       | 14.74%                | 2.83%             | (0.16)%           | 0.48%    | 4.92%    |
| Based on market price   | (9.53)% <sup>3</sup>                                       | 18.42%                | 10.58%            | (3.13)%           | 3.20%    | 0.07%    |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b> |  |                       |                   |                   |          |          |
| Total expenses <sup>4</sup>   | 1.23% <sup>5</sup>   | 1.15%                 | 1.38%             | 1.24%             | 1.12%    | 1.18%    |
|   | 1.21% <sup>5</sup>   | 1.06%                 | 1.20%             | 0.98%             | 0.80%    | 0.84%    |

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Total expenses after fees waived and before fees paid indirectly<sup>4</sup>

|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly <sup>4</sup>   | 1.21% <sup>5</sup> | 1.06% | 1.20% | 0.98% | 0.80% | 0.84% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>4,6</sup> | 1.03% <sup>5</sup> | 0.92% | 0.93% | 0.86% | 0.80% | 0.84% |
| Net investment income <sup>4</sup>  | 7.00% <sup>5</sup> | 6.85% | 7.23% | 7.08% | 6.67% | 6.75% |
| Dividends to Preferred Shareholders   | 0.16% <sup>5</sup> | 0.15% | 0.76% | 1.80% | 1.79% | 1.69% |
| Net investment income to Common Shareholders  | 6.84% <sup>5</sup> | 6.70% | 6.47% | 5.28% | 4.88% | 5.06% |

### Supplemental Data

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                    | \$ 342,863 | \$ 384,563 | \$ 355,334 | \$ 368,133 | \$ 388,275 | \$ 407,338 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 137,250 | \$ 137,250 | \$ 137,250 | \$ 149,925 | \$ 228,975 | \$ 228,975 |
| Portfolio turnover   | 10%        | 13%        | 18%        | 39%        | 17%        | 60%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 87,453  | \$ 95,049  | \$ 89,725  | \$ 86,398  | \$ 67,402  | \$ 69,485  |

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

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

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Income Investment Quality Trust (BAF)

|   | Six Months<br>Ended<br>February<br>28,<br>2011<br>(Unaudited) | Year Ended August 31, |                   |                   |          |          |
|---|---|-----------------------|-------------------|-------------------|----------|----------|
|   |   | 2010                  | 2009              | 2008              | 2007     | 2006     |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |          |          |
| Net asset value, beginning of period  | \$ 15.08  | \$ 14.06              | \$ 14.23          | \$ 14.68          | \$ 15.24 | \$ 15.26 |
| Net investment income   | 0.46 <sub>1</sub>   | 0.94 <sub>1</sub>     | 0.91 <sub>1</sub> | 0.99 <sub>1</sub> | 1.01     | 1.02     |
| Net realized and unrealized gain (loss)                                       | (1.60)  | 0.95                  | (0.27)            | (0.46)            | (0.56)   | (0.07)   |
| Dividends to Preferred Shareholders from net investment income                | (0.01)  | (0.02)                | (0.09)            | (0.28)            | (0.31)   | (0.26)   |
| Net increase (decrease) from investment operations                            | (1.15)  | 1.87                  | 0.55              | 0.25              | 0.14     | 0.69     |
| Dividends to Common Shareholders from net investment income                   | (0.44)  | (0.85)                | (0.72)            | (0.70)            | (0.70)   | (0.71)   |
| Net asset value, end of period  | \$ 13.49  | \$ 15.08              | \$ 14.06          | \$ 14.23          | \$ 14.68 | \$ 15.24 |
| Market price, end of period   | \$ 13.10  | \$ 15.64              | \$ 13.01          | \$ 12.42          | \$ 13.55 | \$ 13.88 |
| <b>Total Investment Return<sup>2</sup></b>                                    |   |                       |                   |                   |          |          |
| Based on net asset value  | (7.61)% <sup>3</sup>  | 13.93%                | 5.36%             | 2.22%             | 1.17%    | 5.16%    |
| Based on market price   | (13.50)% <sup>3</sup>   | 27.70%                | 11.70%            | (3.35)%           | 2.54%    | (4.48)%  |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>         |   |                       |                   |                   |          |          |
| Total expenses <sup>4</sup>   | 1.24% <sup>5</sup>  | 1.23%                 | 1.60%             | 1.33%             | 1.19%    | 1.23%    |
| Total expenses after fees waived and before fees paid indirectly <sup>4</sup> | 1.21% <sup>5</sup>  | 1.14%                 | 1.40%             | 1.05%             | 0.87%    | 0.92%    |
| Total expenses after fees waived and paid indirectly <sup>4</sup>             | 1.21% <sup>5</sup>  | 1.14%                 | 1.40%             | 1.05%             | 0.86%    | 0.90%    |

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|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>4,6</sup> | 1.05% <sup>5</sup> | 0.97% | 0.98% | 0.91% | 0.86% | 0.90% |
| Net investment income <sup>4</sup>  | 6.57% <sup>5</sup> | 6.54% | 7.04% | 6.71% | 6.70% | 6.79% |
| Dividends to Preferred Shareholders   | 0.14% <sup>5</sup> | 0.14% | 0.66% | 1.92% | 2.05% | 1.74% |
| Net investment income to Common Shareholders  | 6.43% <sup>5</sup> | 6.40% | 6.38% | 4.79% | 4.65% | 5.05% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                    | \$ 117,919 | \$ 131,772 | \$ 122,825 | \$ 124,305 | \$ 128,215 | \$ 133,106 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 42,275  | \$ 42,275  | \$ 42,275  | \$ 44,375  | \$ 76,000  | \$ 76,000  |
| Portfolio turnover   | 14%        | 26%        | 45%        | 29%        | 13%        | 9%         |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 94,735  | \$ 102,926 | \$ 97,637  | \$ 95,044  | \$ 67,187  | \$ 68,792  |

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

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

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Bond Trust (BBK)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |                   |                   |          |          |
|---|--|-----------------------|-------------------|-------------------|----------|----------|
|   |  | 2010                  | 2009              | 2008              | 2007     | 2006     |
| <b>Per Share Operating Performance</b>                                |  |                       |                   |                   |          |          |
| Net asset value, beginning of period                                  | \$ 15.29   | \$ 13.23              | \$ 13.96          | \$ 15.57          | \$ 16.35 | \$ 16.36 |
| Net investment income   | 0.57 <sub>1</sub>  | 1.14 <sub>1</sub>     | 1.14 <sub>1</sub> | 1.23 <sub>1</sub> | 1.20     | 1.21     |
| Net realized and unrealized gain (loss)                               | (1.85)   | 1.97                  | (0.83)            | (1.48)            | (0.63)   | 0.18     |
| Dividends and distributions to Preferred Shareholders from:           |  |                       |                   |                   |          |          |
| Net investment income   | (0.02)   | (0.03)                | (0.13)            | (0.28)            | (0.32)   | (0.25)   |
| Net realized gain   | <sub>2</sub>   |                       |                   | (0.03)            |          | (0.02)   |
| Net increase (decrease) from investment operations                    | (1.30)   | 3.08                  | 0.18              | (0.56)            | 0.25     | 1.12     |
| Dividends and distributions to Common Shareholders from:              |  |                       |                   |                   |          |          |
| Net investment income   | (0.52)   | (1.02)                | (0.91)            | (0.95)            | (1.03)   | (1.04)   |
| Net realized gain   | <sub>2</sub>   |                       |                   | (0.10)            |          | (0.09)   |
| Total dividends and distributions to Common Shareholders              | (0.52)   | (1.02)                | (0.91)            | (1.05)            | (1.03)   | (1.13)   |
| Net asset value, end of period  | \$ 13.47   | \$ 15.29              | \$ 13.23          | \$ 13.96          | \$ 15.57 | \$ 16.35 |
| Market price, end of period   | \$ 13.61   | \$ 15.79              | \$ 13.80          | \$ 13.89          | \$ 16.50 | \$ 17.89 |
| <b>Total Investment Return<sup>3</sup></b>                            |  |                       |                   |                   |          |          |
| Based on net asset value  | (8.61)% <sup>4</sup>                                       | 24.13%                | 2.52%             | (3.77)%           | 1.09%    | 7.18%    |
| Based on market price   | (10.59)% <sup>4</sup>                                      | 22.90%                | 7.48%             | (9.65)%           | (2.09)%  | 11.55%   |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b> |  |                       |                   |                   |          |          |
| Total expenses <sup>5</sup>   | 1.27% <sup>6</sup>   | 1.29%                 | 1.51%             | 1.39%             | 1.28%    | 1.37%    |

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|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and before fees paid indirectly <sup>5</sup>                               | 1.15% <sup>6</sup> | 1.08% | 1.19% | 1.01% | 0.84% | 0.88% |
| Total expenses after fees waived and paid indirectly <sup>5</sup>   | 1.15% <sup>6</sup> | 1.08% | 1.19% | 1.01% | 0.83% | 0.86% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>5,7</sup> | 1.11% <sup>6</sup> | 1.05% | 1.10% | 0.98% | 0.83% | 0.86% |
| Net investment income <sup>5</sup>  | 8.09% <sup>6</sup> | 8.08% | 9.67% | 8.25% | 7.36% | 7.58% |
| Dividends to Preferred Shareholders   | 0.23% <sup>6</sup> | 0.22% | 1.11% | 1.87% | 1.94% | 1.57% |
| Net investment income to Common Shareholders  | 7.86% <sup>6</sup> | 7.86% | 8.56% | 6.38% | 5.42% | 6.01% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                          | \$ 140,584 | \$ 159,216 | \$ 137,030 | \$ 144,116 | \$ 159,900 | \$ 166,895 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)       | \$ 79,900  | \$ 79,900  | \$ 79,900  | \$ 80,500  | \$ 90,500  | \$ 90,500  |
| Portfolio turnover   | 15%        | 51%        | 46%        | 27%        | 14%        | 85%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period (000) | \$ 68,989  | \$ 74,819  | \$ 67,877  | \$ 69,766  | \$ 69,176  | \$ 71,114  |

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

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.



## Financial Highlights

## BlackRock Municipal Bond Investment Trust (BIE)

|   | Six Months<br>Ended<br>February<br>28,<br>2011<br>(Unaudited) | Year Ended August 31, |                   |                   |          |          |
|---|---|-----------------------|-------------------|-------------------|----------|----------|
|   |   | 2010                  | 2009              | 2008              | 2007     | 2006     |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |          |          |
| Net asset value, beginning of period  | \$ 15.51  | \$ 14.16              | \$ 14.86          | \$ 15.45          | \$ 16.22 | \$ 16.31 |
| Net investment income   | 0.52 <sub>1</sub>   | 1.02 <sub>1</sub>     | 1.03 <sub>1</sub> | 1.16 <sub>1</sub> | 1.15     | 1.17     |
| Net realized and unrealized gain (loss)   | (1.97)  | 1.27                  | (0.76)            | (0.51)            | (0.67)   | (0.06)   |
| Dividends to Preferred Shareholders from net investment income  | (0.01)  | (0.02)                | (0.13)            | (0.30)            | (0.32)   | (0.27)   |
| Net increase (decrease) from investment operations  | (1.46)  | 2.27                  | 0.14              | 0.35              | 0.16     | 0.84     |
| Dividends to Common Shareholders from net investment income   | (0.47)  | (0.92)                | (0.84)            | (0.94)            | (0.93)   | (0.93)   |
| Net asset value, end of period  | \$ 13.58  | \$ 15.51              | \$ 14.16          | \$ 14.86          | \$ 15.45 | \$ 16.22 |
| Market price, end of period   | \$ 13.00  | \$ 15.60              | \$ 13.20          | \$ 14.28          | \$ 15.82 | \$ 16.70 |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |          |          |
| Based on net asset value  | (9.43)% <sup>3</sup>  | 16.80%                | 2.43%             | 2.34%             | 0.95%    | 5.40%    |
| Based on market price   | (13.80)% <sup>3</sup>   | 26.02%                | (0.64)%           | (3.95)%           | 0.40%    | 10.97%   |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                       |   |                       |                   |                   |          |          |
| Total expenses <sup>4</sup>   | 1.77% <sup>5</sup>  | 1.57%                 | 1.71%             | 1.54%             | 1.43%    | 1.47%    |
| Total expenses after fees waived and before fees paid indirectly <sup>4</sup>                               | 1.60% <sup>5</sup>  | 1.35%                 | 1.36%             | 1.13%             | 0.98%    | 1.00%    |
| Total expenses after fees waived and paid indirectly <sup>4</sup>   | 1.60% <sup>5</sup>  | 1.35%                 | 1.36%             | 1.13%             | 0.96%    | 0.98%    |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>4,6</sup> | 1.32% <sup>5</sup>  | 1.15%                 | 1.25%             | 1.09%             | 0.96%    | 0.98%    |



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|  |                    |       |       |       |       |       |
|--|--------------------|-------|-------|-------|-------|-------|
| Net investment income <sup>4</sup>           | 7.34% <sup>5</sup> | 6.92% | 7.98% | 7.52% | 7.22% | 7.28% |
| Dividends to Preferred Shareholders          | 0.16% <sup>5</sup> | 0.15% | 1.01% | 1.99% | 2.01% | 1.70% |
| Net investment income to Common Shareholders | 7.18% <sup>5</sup> | 6.77% | 6.97% | 5.53% | 5.21% | 5.58% |

**Supplemental Data**

|  |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Net assets applicable to Common Shareholders, end of period (000)                          | \$ 45,303 | \$ 51,708 | \$ 47,203 | \$ 49,532 | \$ 51,384 | \$ 53,798 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)       | \$ 17,850 | \$ 17,850 | \$ 17,850 | \$ 26,175 | \$ 29,775 | \$ 29,775 |
| Portfolio turnover   | 11%       | 47%       | 71%       | 30%       | 23%       | 6%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period (000) | \$ 88,452 | \$ 97,421 | \$ 91,112 | \$ 72,318 | \$ 68,149 | \$ 70,173 |

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

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

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Income Trust II (BLE)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |                   |                   |          |          |
|---|--|-----------------------|-------------------|-------------------|----------|----------|
|   |  | 2010                  | 2009              | 2008              | 2007     | 2006     |
| <b>Per Share Operating Performance</b>  |  |                       |                   |                   |          |          |
| Net asset value, beginning of period  | \$ 14.63   | \$ 12.78              | \$ 13.60          | \$ 15.08          | \$ 15.82 | \$ 15.75 |
| Net investment income   | 0.54 <sub>1</sub>  | 1.08 <sub>1</sub>     | 1.09 <sub>1</sub> | 1.17 <sub>1</sub> | 1.17     | 1.18     |
| Net realized and unrealized gain (loss)                                       | (1.54)   | 1.77                  | (0.95)            | (1.50)            | (0.66)   | 0.18     |
| Dividends to Preferred Shareholders from net investment income                | (0.01)   | (0.03)                | (0.12)            | (0.30)            | (0.32)   | (0.28)   |
| Net increase (decrease) from investment operations                            | (1.01)   | 2.82                  | 0.02              | (0.63)            | 0.19     | 1.08     |
| Dividends to Common Shareholders from net investment income                   | (0.50)   | (0.97)                | (0.84)            | (0.85)            | (0.93)   | (1.01)   |
| Net asset value, end of period  | \$ 13.12   | \$ 14.63              | \$ 12.78          | \$ 13.60          | \$ 15.08 | \$ 15.82 |
| Market price, end of period   | \$ 13.02   | \$ 15.22              | \$ 13.45          | \$ 13.27          | \$ 15.05 | \$ 17.22 |
| <b>Total Investment Return<sup>2</sup></b>                                    |  |                       |                   |                   |          |          |
| Based on net asset value  | (6.98)% <sup>3</sup>                                       | 22.83%                | 1.54%             | (4.15)%           | 1.02%    | 7.04%    |
| Based on market price   | (11.27)% <sup>3</sup>                                      | 21.42%                | 9.52%             | (6.29)%           | (7.38)%  | 16.66%   |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>         |  |                       |                   |                   |          |          |
| Total expenses <sup>4</sup>   | 1.17% <sup>5</sup>   | 1.16%                 | 1.36%             | 1.24%             | 1.12%    | 1.18%    |
| Total expenses after fees waived and before fees paid indirectly <sup>4</sup> | 1.09% <sup>5</sup>   | 1.08%                 | 1.19%             | 1.07%             | 0.90%    | 0.94%    |
| Total expenses after fees waived and paid indirectly <sup>4</sup>             | 1.09% <sup>5</sup>   | 1.08%                 | 1.19%             | 1.07%             | 0.89%    | 0.94%    |

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|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>4,6</sup> | 1.00% <sup>5</sup> | 0.99% | 1.05% | 1.00% | 0.89% | 0.94% |
| Net investment income <sup>4</sup>  | 7.91% <sup>5</sup> | 7.89% | 9.69% | 8.09% | 7.43% | 7.66% |
| Dividends to Preferred Shareholders   | 0.20% <sup>5</sup> | 0.20% | 1.07% | 2.04% | 2.01% | 1.78% |
| Net investment income to Common Shareholders  | 7.71% <sup>5</sup> | 7.69% | 8.62% | 6.05% | 5.42% | 5.88% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                    | \$ 305,605 | \$ 340,269 | \$ 296,070 | \$ 314,889 | \$ 347,563 | \$ 362,608 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 151,300 | \$ 151,300 | \$ 151,300 | \$ 166,050 | \$ 205,550 | \$ 205,550 |
| Portfolio turnover   | 10%        | 29%        | 19%        | 21%        | 12%        | 68%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 75,498  | \$ 81,226  | \$ 73,923  | \$ 72,419  | \$ 67,279  | \$ 69,110  |

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

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

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock MuniHoldings Investment Quality Fund (MFL)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |          |          |          |          |
|---|--|-----------------------|----------|----------|----------|----------|
|   |  | 2010                  | 2009     | 2008     | 2007     | 2006     |
| <b>Per Share Operating Performance</b>  |  |                       |          |          |          |          |
| Net asset value, beginning of period  | \$ 14.69   | \$ 13.57              | \$ 13.50 | \$ 14.09 | \$ 14.75 | \$ 15.32 |
| Net investment income <sup>1</sup>  | 0.48   | 0.96                  | 0.94     | 1.01     | 1.07     | 1.04     |
| Net realized and unrealized gain (loss)                                       | (1.74)   | 1.04                  | (0.03)   | (0.61)   | (0.66)   | (0.47)   |
| Dividends to Preferred Shareholders from net investment income                | (0.02)   | (0.03)                | (0.13)   | (0.32)   | (0.35)   | (0.30)   |
| Net increase (decrease) from investment operations                            | (1.28)   | 1.97                  | 0.78     | 0.08     | 0.06     | 0.27     |
| Dividends to Common Shareholders from net investment income                   | (0.45)   | (0.85)                | (0.71)   | (0.67)   | (0.72)   | (0.84)   |
| Net asset value, end of period  | \$ 12.96   | \$ 14.69              | \$ 13.57 | \$ 13.50 | \$ 14.09 | \$ 14.75 |
| Market price, end of period   | \$ 12.68   | \$ 14.65              | \$ 12.63 | \$ 11.61 | \$ 12.86 | \$ 14.37 |
| <b>Total Investment Return<sup>2</sup></b>                                    |  |                       |          |          |          |          |
| Based on net asset value  | (8.76)% <sup>3</sup>                                       | 15.22%                | 7.36%    | 1.16%    | 0.59%    | 2.10%    |
| Based on market price   | (10.49)% <sup>3</sup>                                      | 23.46%                | 16.19%   | (4.68)%  | (5.76)%  | (3.24)%  |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>         |  |                       |          |          |          |          |
| Total expenses <sup>4</sup>   | 1.24% <sup>5</sup>   | 1.17%                 | 1.32%    | 1.54%    | 1.54%    | 1.46%    |
| Total expenses after fees waived and before fees paid indirectly <sup>4</sup> | 1.16% <sup>5</sup>   | 1.09%                 | 1.20%    | 1.42%    | 1.46%    | 1.38%    |
| Total expenses after fees waived and paid indirectly <sup>4</sup>             | 1.16% <sup>5</sup>   | 1.09%                 | 1.20%    | 1.42%    | 1.46%    | 1.38%    |

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|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and excluding interest expense and fees <sup>4,6</sup> | 1.04% <sup>5</sup> | 1.01% | 1.07% | 1.13% | 1.12% | 1.12% |
| Net investment income <sup>4</sup>  | 7.16% <sup>5</sup> | 6.85% | 7.48% | 7.23% | 7.30% | 7.08% |
| Dividends to Preferred Shareholders   | 0.22% <sup>5</sup> | 0.21% | 1.05% | 2.31% | 2.40% | 2.00% |
| Net investment income to Common Shareholders  | 6.94% <sup>5</sup> | 6.64% | 6.43% | 4.92% | 4.90% | 5.08% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                    | \$ 488,799 | \$ 553,367 | \$ 511,013 | \$ 508,698 | \$ 530,903 | \$ 555,494 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | \$ 274,650 | \$ 274,650 | \$ 274,650 | \$ 296,125 | \$ 363,250 | \$ 363,250 |
| Portfolio turnover   | 13%        | 38%        | 40%        | 25%        | 22%        | 43%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | \$ 69,494  | \$ 75,371  | \$ 71,516  | \$ 67,958  | \$ 61,555  | \$ 63,240  |

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

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

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniVest Fund, Inc. (MVF)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |         |         |         |          |
|---|--|-----------------------|---------|---------|---------|----------|
|   |  | 2010                  | 2009    | 2008    | 2007    | 2006     |
| <b>Per Share Operating Performance</b>                      |  |                       |         |         |         |          |
| Net asset value, beginning of period                        | \$ 10.01   | \$ 8.98               | \$ 8.91 | \$ 9.39 | \$ 9.93 | \$ 10.23 |
| Net investment income <sup>1</sup>                          | 0.37   | 0.73                  | 0.70    | 0.67    | 0.73    | 0.70     |
| Net realized and unrealized gain (loss)                     | (1.14)   | 0.97                  | (0.03)  | (0.45)  | (0.55)  | (0.23)   |
| Dividends and distributions to Preferred Shareholders from: |  |                       |         |         |         |          |
| Net investment income                                       | (0.01)   | (0.02)                | (0.06)  | (0.18)  | (0.20)  | (0.17)   |
| Net realized gain   | <sup>2</sup>   |                       |         |         |         |          |
| Net increase (decrease) from investment operations          | (0.78)   | 1.68                  | 0.61    | 0.04    | (0.02)  | 0.30     |
| Dividends and distributions to Common Shareholders from:    |  |                       |         |         |         |          |
| Net investment income                                       | (0.35)   | (0.65)                | (0.54)  | (0.52)  | (0.52)  | (0.60)   |
| Net realized gain   | <sup>2</sup>   |                       |         |         |         |          |
| Total dividends and distributions to Common Shareholders    | (0.35)   | (0.65)                | (0.54)  | (0.52)  | (0.52)  | (0.60)   |
| Net asset value, end of period                              | \$ 8.88  | \$ 10.01              | \$ 8.98 | \$ 8.91 | \$ 9.39 | \$ 9.93  |
| Market price, end of period                                 | \$ 9.04  | \$ 10.38              | \$ 8.91 | \$ 8.33 | \$ 9.35 | \$ 9.66  |

**Total Investment Return<sup>3</sup>**

|                          |                      |        |        |         |         |       |
|--------------------------|----------------------|--------|--------|---------|---------|-------|
| Based on net asset value | (7.91)% <sup>4</sup> | 19.31% | 8.18%  | 0.51%   | (0.30)% | 3.27% |
| Based on market price    | (9.59)% <sup>4</sup> | 24.69% | 14.81% | (5.63)% | 2.05%   | 1.26% |

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

|                             |                    |       |       |       |       |       |
|-----------------------------|--------------------|-------|-------|-------|-------|-------|
| Total expenses <sup>5</sup> | 1.30% <sup>6</sup> | 1.22% | 1.53% | 1.58% | 1.66% | 1.60% |
|-----------------------------|--------------------|-------|-------|-------|-------|-------|

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|   |                    |       |       |       |       |       |
|---|--------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and before fees paid indirectly <sup>5</sup>                               | 1.29% <sup>6</sup> | 1.22% | 1.50% | 1.58% | 1.66% | 1.60% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>5,7</sup> | 1.04% <sup>6</sup> | 1.03% | 1.14% | 1.10% | 1.02% | 1.04% |
| Net investment income <sup>5</sup>  | 7.96% <sup>6</sup> | 7.71% | 8.74% | 7.34% | 7.33% | 7.11% |
| Dividends to Preferred Shareholders   | 0.19% <sup>6</sup> | 0.19% | 0.78% | 1.94% | 1.98% | 1.72% |
| Net investment income to Common Shareholders  | 7.77% <sup>6</sup> | 7.52% | 7.96% | 5.40% | 5.35% | 5.39% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)                          | \$ 557,857 | \$ 625,195 | \$ 555,889 | \$ 551,027 | \$ 579,079 | \$ 609,612 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)       | \$ 243,825 | \$ 243,825 | \$ 243,825 | \$ 275,700 | \$ 334,000 | \$ 334,000 |
| Portfolio turnover   | 8%         | 25%        | 31%        | 41%        | 39%        | 56%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period (000) | \$ 82,201  | \$ 89,106  | \$ 81,999  | \$ 74,993  | \$ 68,380  | \$ 70,654  |

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

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Notes to Financial Statements (Unaudited)

**1. Organization and Significant Accounting Policies:**

BlackRock Municipal Income Quality Trust ( BYM ), BlackRock Municipal Income Investment Quality Trust ( BAF ), BlackRock Municipal Bond Trust ( BBK ), BlackRock Municipal Bond Investment Trust ( BIE ) (BBK and BIE collectively the Bond Trusts ) 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. BYM, BAF, BBK, BIE, BLE, MFL and MVF are referred to herein collectively as the Trusts and individually as a Trust. BYM, BBK 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 Trusts financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Each Trust s Board of Directors/Trustees are collectively referred to throughout this report as the Board of Trustees or the Board. The Trusts determine and make available for publication the net asset values of their Common Shares on a daily basis.

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

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

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

**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, if any.

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



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the six months ended February 28, 2011, no TOBs that the Trusts participated in were terminated without the consent of the Trusts.

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

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense and fees in the Statements of Operations. The short-term floating rate certificates have interest rates that generally

## Notes to Financial Statements (continued)

reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At February 28, 2011, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for trust certificates and the range of interest rates on the liability for trust certificates were as follows:

|     | Underlying<br>Municipal<br>Bonds<br>Transferred to<br>TOBs | Liability<br>for Trust<br>Certificates | Range of<br>Interest<br>Rates |       |
|-----|--|--|-------------------------------|-------|
| BYM | \$ 147,543,940   | \$ 80,914,512                          | 0.26%                         | 0.36% |
| BAF | \$ 45,011,635  | \$ 25,866,266                          | 0.26%                         | 0.36% |
| BBK | \$ 14,055,519  | \$ 7,399,148                           | 0.22%                         | 0.56% |
| BIE | \$ 29,691,735  | \$ 16,275,832                          | 0.26%                         | 0.33% |
| BLE | \$ 67,593,413  | \$ 39,252,437                          | 0.22%                         | 0.43% |
| MFL | \$ 127,851,542   | \$ 68,400,059                          | 0.26%                         | 0.41% |
| MVF | \$ 314,197,248   | \$ 173,450,947                         | 0.22%                         | 0.40% |

For the six months ended February 28, 2011, the Trusts' average trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

|     | Average<br>Trust Certificates<br>Outstanding | Daily Weighted<br>Average<br>Interest Rate |
|-----|--|--|
| BYM | \$ 80,914,512                                | 0.78%                                      |
| BAF | \$ 26,915,437                                | 0.74%                                      |
| BBK | \$ 7,399,148                                 | 0.76%                                      |
| BIE | \$ 16,275,832                                | 0.83%                                      |
| BLE | \$ 39,252,437                                | 0.77%                                      |
| MFL | \$ 70,025,603                                | 0.85%                                      |
| MVF | \$ 179,790,502                               | 0.82%                                      |

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

**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.

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

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

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 6.

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

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust's US federal tax return remains open for each of the four years ended August 31, 2010. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

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

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

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. The Trusts have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

## Notes to Financial Statements (continued)

**2. Derivative Financial Instruments:**

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

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

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

**Derivative Instruments Categorized by Risk Exposure:****Fair Values of Derivative Instruments as of February 28, 2011**

|   |   | Liability Derivatives |           |           |           |            |            |            |
|---|---|-----------------------|-----------|-----------|-----------|------------|------------|------------|
|   |   | BYM                   | BAF       | BBK       | BIE       | BLE        | MFL        | MVF        |
| Statements of Assets and Liabilities Location |   | Value                 |           |           |           |            |            |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation* | \$ 103,964            | \$ 25,058 | \$ 95,119 | \$ 18,127 | \$ 121,558 | \$ 193,533 | \$ 159,945 |

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

**The Effect of Derivative Instruments in the Statements of Operations  
Six Months Ended February 28, 2011**

|                             |  | Net Change in Unrealized Appreciation/Depreciation on |             |             |             |              |              |              |
|-----------------------------|--|---|-------------|-------------|-------------|--------------|--------------|--------------|
|                             |  | BYM   | BAF         | BBK         | BIE         | BLE          | MFL          | MVF          |
| Interest rate contracts:    |  |   |             |             |             |              |              |              |
| Financial futures contracts |  | \$ (103,964)  | \$ (25,058) | \$ (95,119) | \$ (18,127) | \$ (121,558) | \$ (193,533) | \$ (159,945) |

For the six months ended February 28, 2011, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BYM           | BAF          | BBK          | BIE          | BLE           | MFL           | MVF           |
|--|---------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Financial futures contracts:             |               |              |              |              |               |               |               |
| Average number of contracts sold         | 98            | 24           | 40           | 17           | 114           | 182           | 150           |
| Average notional value of contracts sold | \$ 11,555,088 | \$ 2,785,073 | \$ 4,706,019 | \$ 2,014,733 | \$ 13,510,565 | \$ 21,510,241 | \$ 17,777,059 |

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

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

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

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

## Notes to Financial Statements (continued)

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

The Manager voluntarily agreed to waive a portion of the investment advisory fee with respect to BYM and BAF, as a percentage of average weekly net assets, at an annual rate of 0.05% through October 2010. With respect to the Bond Trusts, the waiver, as a percentage of average weekly net assets is 0.10% through April 2011 and 0.05% through April 2012. With respect to BLE, the waiver, as a percentage of average weekly assets, is 0.05% through July 2012. With respect to MFL, the Manager voluntarily agreed to waive its investment advisory fees on the proceeds of Preferred Shares and TOBs that exceed 35% of net assets applicable to Common Shareholders. For the six months ended February 28, 2011, the Manager waived the following amounts, which are included in fees waived by advisor in the Statements of Operations:

|     |    |         |
|-----|----|---------|
| BYM | \$ | 48,091  |
| BAF | \$ | 16,941  |
| BBK | \$ | 99,292  |
| BIE | \$ | 34,604  |
| BLE | \$ | 126,438 |
| MFL | \$ | 204,079 |

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 through each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended February 28, 2011, the amounts waived were as follows:

|     |    |        |
|-----|----|--------|
| BYM | \$ | 3,826  |
| BAF | \$ | 717    |
| BBK | \$ | 17,910 |
| BIE | \$ | 6,161  |
| BLE | \$ | 1,423  |
| MFL | \$ | 5,756  |
| MVF | \$ | 3,482  |

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

For the period September 1, 2010 through December 31, 2010, each Trust reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

|     |    |       |
|-----|----|-------|
| BYM | \$ | 1,735 |
| BAF | \$ | 634   |
| BBK | \$ | 784   |
| BIE | \$ | 276   |
| BLE | \$ | 1,694 |
| MFL | \$ | 2,759 |

|     |          |
|-----|----------|
| MVF | \$ 3,220 |
|-----|----------|

Effective January 1, 2011, the Trusts no longer reimburse the Manager for accounting services.

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

#### 4. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended February 28, 2011, were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BYM | \$ 62,158,800  | \$ 56,705,637  |
| BAF | \$ 26,267,503  | \$ 34,358,552  |
| BBK | \$ 35,870,412  | \$ 33,916,728  |
| BIE | \$ 9,248,545   | \$ 10,612,512  |
| BLE | \$ 52,969,946  | \$ 51,053,331  |
| MFL | \$ 124,514,969 | \$ 108,424,312 |
| MVF | \$ 77,364,013  | \$ 91,257,130  |

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

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

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

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

**Notes to Financial Statements (continued)**

which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Trusts' Statements of Assets and Liabilities, less any collateral held by the Trusts.

As of February 28, 2011, BYM invested a significant portion of its assets in securities in the Transportation, Utilities and County/City/Special District/School District sectors. BAF invested a significant portion of its assets in securities in the County/City/Special District/School District and Utilities sectors. BBK, BIE, BLE and MVF each invested a significant portion of its assets in securities in the Health sector and MFL invested a significant portion of its assets in securities in the Utilities and Transportation sectors. Changes in economic conditions affecting the County/City/Special District/School District, Health, Transportation and Utilities sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

**6. Capital Share Transactions:**

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

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

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

**Common Shares**

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

|     | Six Months<br>Ended<br>February 28,<br>2011 | Year Ended<br>August 31,<br>2010 |
|-----|---|----------------------------------|
| BYM | 32,748                                      | 49,706                           |
| BAF | 3,544                                       | 4,686                            |
| BBK | 26,347                                      | 54,302                           |
| BIE | 1,042                                       | 639                              |
| BLE | 31,281                                      | 90,383                           |
| MFL | 26,817                                      | 9,752                            |
| MVF | 333,487                                     | 526,507                          |

**Preferred Shares**

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

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



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requirements or for such other reasons as the Board may determine.

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.

The Trusts had the following series of Preferred Shares outstanding, effective yields and reset frequency as of February 28, 2011:

|     | Series | Preferred Shares | Effective Yield | Reset Frequency Days |
|-----|--------|------------------|-----------------|----------------------|
| BYM | M-7    | 1,830            | 0.43%           | 7                    |
|     | R-7    | 1,830            | 0.40%           | 7                    |
|     | F-7    | 1,830            | 0.40%           | 7                    |
| BAF | M-7    | 1,691            | 0.43%           | 7                    |
| BBK | T-7    | 1,598            | 0.43%           | 7                    |
|     | R-7    | 1,598            | 0.40%           | 7                    |
| BIE | W-7    | 714              | 0.41%           | 7                    |
| BLE | M-7    | 1,513            | 0.43%           | 7                    |
|     | T-7    | 1,513            | 0.43%           | 7                    |
|     | W-7    | 1,513            | 0.41%           | 7                    |
|     | R-7    | 1,513            | 0.40%           | 7                    |
| MFL | A      | 1,584            | 0.43%           | 7                    |
|     | B      | 2,642            | 0.40%           | 7                    |
|     | C      | 2,601            | 0.43%           | 7                    |
|     | D      | 1,633            | 0.41%           | 7                    |
|     | E      | 2,526            | 0.40%           | 7                    |
| MVF | A      | 1,460            | 0.23%           | 28                   |
|     | B      | 1,460            | 0.25%           | 28                   |
|     | C      | 1,460            | 0.25%           | 28                   |
|     | D      | 1,460            | 0.25%           | 28                   |
|     | E      | 2,190            | 0.25%           | 7                    |
|     | F      | 1,723            | 1.49%           | 7                    |

## Notes to Financial Statements (continued)

Dividends on seven-day and 28-day Preferred Shares are cumulative at a rate which is reset every seven or 28 days, respectively, based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, each Trust is required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of Preferred Shares (except MVF) is the higher of 110% of the AA commercial paper rate or 110% of 90% of the Kenny S&P 30-Day High Grade Index rate divided by 1.00 minus the marginal tax rate. The maximum applicable rate on the Preferred Shares for MVF for Series A, B, C, D and E is 110% of the interest equivalent of the 60-day commercial paper rate and for Series F is the higher of 110% plus or times (i) the Telerate/BBA LIBOR or (ii) 90% of the Kenny S&P 30-Day High Grade Index rate divided by 1.00 minus the marginal tax rate. The low, high and average dividend rates on the Preferred Shares for each Trust for the six months ended February 28, 2011 were as follows:

|     | Series | Low   | High  | Average |
|-----|--------|-------|-------|---------|
| BYM | M-7    | 0.37% | 0.50% | 0.42%   |
|     | R-7    | 0.37% | 0.50% | 0.42%   |
|     | F-7    | 0.37% | 0.50% | 0.42%   |
| BAF | M-7    | 0.37% | 0.50% | 0.42%   |
| BBK | T-7    | 0.37% | 0.50% | 0.42%   |
|     | R-7    | 0.37% | 0.50% | 0.42%   |
| BIE | W-7    | 0.37% | 0.50% | 0.42%   |
| BLE | M-7    | 0.37% | 0.50% | 0.42%   |
|     | T-7    | 0.37% | 0.50% | 0.42%   |
|     | W-7    | 0.37% | 0.50% | 0.42%   |
|     | R-7    | 0.37% | 0.50% | 0.42%   |
| MFL | A      | 0.37% | 0.50% | 0.42%   |
|     | B      | 0.37% | 0.50% | 0.42%   |
|     | C      | 0.37% | 0.50% | 0.42%   |
|     | D      | 0.37% | 0.50% | 0.42%   |
|     | E      | 0.37% | 0.50% | 0.42%   |
| MVF | A      | 0.22% | 0.28% | 0.25%   |
|     | B      | 0.24% | 0.28% | 0.25%   |
|     | C      | 0.23% | 0.31% | 0.26%   |
|     | D      | 0.23% | 0.29% | 0.25%   |
|     | E      | 0.23% | 0.28% | 0.25%   |
|     | F      | 1.43% | 1.56% | 1.48%   |

Since February 13, 2008, the Preferred Shares of the Trusts failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.22% to 1.56% for the six months ended February 28, 2011. A failed auction is not an event of default for the Trusts but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Trust's auction rate preferred shares than buyers. A successful auction for the Trusts' Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, Preferred Shareholders may not have the ability to sell the Preferred Shares at their liquidation preference.

The Trusts may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

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

Preferred Shares issued and outstanding remained constant during the six months ended February 28, 2011 and the year ended August 31, 2010.

**7. Capital Loss Carryforwards:**

As of August 31, 2010, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| <b>Expires August 31,</b> | <b>BYM</b>           | <b>BAF</b>          | <b>BBK</b>          | <b>BIE</b>          | <b>BLE</b>           | <b>MFL</b>           | <b>MVF</b>          |
|---------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|
| 2012                      |                      |                     |                     |                     | \$ 5,097,889         | \$ 1,836,991         |                     |
| 2013                      |                      | \$ 178,996          |                     |                     |                      | 7,986,138            |                     |
| 2015                      | \$ 1,544,099         |                     |                     | \$ 30,026           |                      |                      |                     |
| 2016                      | 3,217,765            | 250,838             | \$ 772,344          |                     | 1,648,836            |                      |                     |
| 2017                      | 6,430,212            |                     | 2,225,455           |                     | 3,397,830            | 6,481,433            | \$ 7,618,622        |
| 2018                      | 2,209,430            | 1,516,661           |                     | 1,329,063           | 4,366,226            | 11,734,707           |                     |
| <b>Total</b>              | <b>\$ 13,401,506</b> | <b>\$ 1,946,495</b> | <b>\$ 2,997,799</b> | <b>\$ 1,359,089</b> | <b>\$ 14,510,781</b> | <b>\$ 28,039,269</b> | <b>\$ 7,618,622</b> |

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

## Notes to Financial Statements (concluded)

**8. Subsequent Events:**

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

Each Trust paid a net investment income dividend on April 1, 2011 to Common Shareholders of record on March 15, 2011 as follows:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BYM | \$ 0.0770                                |
| BAF | \$ 0.0745                                |
| BBK | \$ 0.0885                                |
| BIE | \$ 0.0810                                |
| BLE | \$ 0.8350                                |
| MFL | \$ 0.0765                                |
| MVF | \$ 0.0590                                |

The dividends declared on Preferred Shares for the period March 1, 2011 to March 31, 2011 were as follows:

|     | <b>Series</b> | <b>Dividends<br/>Declared</b> |
|-----|---------------|-------------------------------|
| BYM | M-7           | \$ 15,136                     |
|     | R-7           | \$ 15,141                     |
|     | F-7           | \$ 15,141                     |
| BAF | M-7           | \$ 13,987                     |
| BBK | T-7           | \$ 13,217                     |
|     | R-7           | \$ 13,221                     |
| BIE | W-7           | \$ 5,914                      |
| BLE | M-7           | \$ 12,956                     |
|     | T-7           | \$ 12,073                     |
|     | W-7           | \$ 12,533                     |
|     | R-7           | \$ 12,518                     |
| MFL | A             | \$ 13,102                     |
|     | B             | \$ 21,857                     |
|     | C             | \$ 21,514                     |
|     | D             | \$ 13,525                     |
|     | E             | \$ 20,899                     |
| MVF | A             | \$ 6,886                      |
|     | B             | \$ 7,246                      |
|     | C             | \$ 7,845                      |

|   |           |
|---|-----------|
| D | \$ 7,704  |
| E | \$ 10,846 |
| F | \$ 53,164 |

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## Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee  
Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Trustee  
Richard S. Davis, President<sup>1</sup> and Trustee  
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  
Anne F. Ackerley, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer  
Ira Shapiro, Secretary

<sup>1</sup> President for MFL.

<sup>2</sup> President for all Trusts except MFL.

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisors**

BlackRock Investment Management, LLC<sup>3</sup>  
Plainsboro, NJ 08536

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 02111

### **Transfer Agents**

#### **Common Shares:**

BNY Mellon Shareowner Services<sup>3</sup>  
Jersey City, NJ 07310

Computershare Trust Company, N.A.<sup>4</sup>  
Providence, RI 02940

### **Auction Agent**

#### **Preferred Shares:**

The Bank of New York Mellon  
New York, NY 10286

**Accounting Agent**

State Street Bank and Trust Company  
Princeton, NJ 08540

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Princeton, NJ 08540

**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 BYM, BAF, BBK, BIE and BLE.

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Effective February 11, 2011, John M. Perlowski became President (except for MFL) and Chief Executive Officer of the Trusts.

Effective November 10, 2010, Ira Shapiro became Secretary of the Trusts.

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Additional Information

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Proxy Results

The Annual Meeting of Shareholders was held on September 2, 2010 for shareholders of record on July 6, 2010, to elect trustee/director nominees for each Trust/Fund. Due to a lack of quorum of Preferred Shares, action on the proposal regarding the Preferred Shares nominees election for MFL and MVF was subsequently adjourned to October 5, 2010; and action on the proposal regarding Preferred Shares nominees election for MFL was additionally adjourned to November 2, 2010. There were no broker non-votes with regard to any of the Trusts/Funds.

Approved the Class III Trustees as follows:

|     | Richard E. Cavanagh |                |         | Kathleen F. Feldstein |                |         | Henry Gabbay |                |         |
|-----|---------------------|----------------|---------|-----------------------|----------------|---------|--------------|----------------|---------|
|     | Votes For           | Votes Withheld | Abstain | Votes For             | Votes Withheld | Abstain | Votes For    | Votes Withheld | Abstain |
| BYM | 22,753,383          | 440,001        | 0       | 22,608,872            | 584,512        | 0       | 22,728,667   | 464,717        | 0       |
| BAF | 7,681,253           | 102,632        | 0       | 7,668,953             | 114,932        | 0       | 7,681,253    | 102,632        | 0       |
| BBK | 9,312,298           | 333,968        | 0       | 9,274,549             | 371,717        | 0       | 9,292,784    | 353,482        | 0       |
| BIE | 2,872,562           | 67,434         | 0       | 2,872,793             | 67,203         | 0       | 2,872,562    | 67,434         | 0       |
| BLE | 19,640,429          | 652,517        | 0       | 19,626,543            | 666,403        | 0       | 19,647,436   | 645,510        | 0       |

|     | Jerrold B. Harris |                |         |
|-----|-------------------|----------------|---------|
|     | Votes For         | Votes Withheld | Abstain |
| BYM | 22,691,012        | 502,372        | 0       |
| BAF | 7,681,210         | 102,675        | 0       |
| BBK | 9,332,764         | 313,502        | 0       |
| BIE | 2,872,562         | 67,434         | 0       |
| BLE | 19,644,062        | 648,884        | 0       |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Richard S. Davis, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

Approved the Directors as follows:

|  | Richard E. Cavanagh |                |         | Richard S. Davis |                |         | Frank J. Fabozzi |                |         |
|--|---------------------|----------------|---------|------------------|----------------|---------|------------------|----------------|---------|
|  | Votes For           | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain |



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|                  |            |           |   |            |           |   |       |     |     |
|------------------|------------|-----------|---|------------|-----------|---|-------|-----|-----|
| MFL <sup>1</sup> | 31,560,448 | 674,782   | 0 | 31,534,312 | 700,918   | 0 | 2,809 | 3   | 0   |
| MVF              | 53,974,547 | 2,802,813 | 0 | 53,965,422 | 2,811,938 | 0 | 2,861 | 304 | 728 |

|     | Kathleen F. Feldstein |                |         | James T. Flynn |                |         | Henry Gabbay |                |         |
|-----|-----------------------|----------------|---------|----------------|----------------|---------|--------------|----------------|---------|
|     | Votes For             | Votes Withheld | Abstain | Votes For      | Votes Withheld | Abstain | Votes For    | Votes Withheld | Abstain |
| MFL | 31,508,571            | 726,659        | 0       | 31,533,324     | 701,906        | 0       | 31,540,378   | 694,852        | 0       |
| MVF | 54,054,546            | 2,722,814      | 0       | 53,978,687     | 2,798,673      | 0       | 53,954,342   | 2,823,018      | 0       |

|                  | Jerrold B. Harris |                |         | R. Glenn Hubbard |                |         | W. Carl Kester |                |         |
|------------------|-------------------|----------------|---------|------------------|----------------|---------|----------------|----------------|---------|
|                  | Votes For         | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain | Votes For      | Votes Withheld | Abstain |
| MFL <sup>1</sup> | 31,521,029        | 714,201        | 0       | 31,463,801       | 771,429        | 0       | 2,809          | 3              | 0       |
| MVF              | 53,955,639        | 2,821,721      | 0       | 53,947,919       | 2,829,441      | 0       | 2,861          | 304            | 728     |

|     | Karen P. Robards |                |         |
|-----|------------------|----------------|---------|
|     | Votes For        | Votes Withheld | Abstain |
| MFL | 31,526,790       | 708,440        | 0       |
| MVF | 54,149,279       | 2,628,081      | 0       |

<sup>1</sup> Due to the lack of a quorum of Preferred Shares, MFL was unable to act on the election of the two directors reserved for election solely by the Preferred Shareholders for the Fund. Accordingly, Frank J. Fabozzi and W. Carl Kester will remain in office and continue to serve as directors for the Fund.

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Additional Information (continued)

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**Dividend Policy**

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The Trusts' dividend policy is to distribute all or a portion of their net investment income to their 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.

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**General Information**

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

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

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

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

Other than the revisions discussed in the Board Approvals on page 65, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charter or by-laws that would delay or prevent a change of controls 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' portfolio.

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

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FEBRUARY 28, 2011

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Additional Information (continued)

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**General Information (concluded)**

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**Electronic Delivery**

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

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

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

**Householding**

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded 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) 441-7762.

**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 the operation of the Public Reference Room 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) 441-7762.

**Availability of Proxy Voting Policies and Procedures**

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

**Availability of Proxy Voting Record**

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

**Availability of Trust Updates**

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts.



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Additional Information (continued)

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**Board Approvals**

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On September 1, 2010, the Board of BYM, BAF and MFL (the Insured Funds ) approved changes to certain investment policies of the Insured Funds.

Historically, under normal market conditions, each Insured Fund has been required to invest at least 80% of its assets in municipal bonds either (i) insured under an insurance policy purchased by the Insured Fund or (ii) insured under an insurance policy obtained by the issuer of the municipal bond or any other party. In September 2008, the Insured Funds adopted an amended investment policy of purchasing only municipal bonds insured by insurance providers with claims-paying abilities rated investment grade at the time of investment (the Insurance Investment Policy ).

Following the onset of the credit and liquidity crises, the claims-paying ability rating of most of the municipal bond insurance providers has been lowered by the rating agencies. These downgrades have called into question the long-term viability of the municipal bond insurance market, which has the potential to severely limit the ability of the Manager to manage the Insured Funds under the Insurance Investment Policy.

As a result, on September 1, 2010, the Manager recommended, and the Boards of the Insured Funds approved, the removal of the Insurance Investment Policy. As a result of this investment policy change, the Insured Funds will not be required to dispose of assets currently held within the Insured Funds. The Insured Funds will maintain, and have no current intention to amend, their investment policy of, under normal market conditions, generally investing in municipal obligations rated investment grade at the time of investment.

As each Insured Fund increases the amount of its assets that are invested in municipal obligations that are not insured, each Insured Fund s shareholders will be exposed to the risk of the failure of such securities issuers to pay interest and repay principal and will not have the benefit of protection provided under municipal bond insurance policies. As a result, shareholders will be more dependent on the analytical ability of the Manager to evaluate the credit quality of issuers of municipal obligations in which each Insured Fund invests. The Boards of the Insured Funds believe that the amended investment policy is in the best interests of each Insured Fund and its shareholders because it believes that the potential benefits from increased flexibility outweigh the potential increase in risk from the lack of insurance policies provided by weakened insurance providers. Of course, the new investment policy cannot assure that each Insured Fund will achieve its investment objective.

As disclosed in each Insured Fund s prospectus, each Insured Fund is required to provide shareholders 60 days notice of a change to the Insurance Investment Policy. Accordingly, a notice describing the changes discussed above was mailed to shareholders of record as of September 1, 2010. The new investment policy took effect on November 9, 2010. The Manager has been gradually repositioning each Insured Fund s portfolio over time, and during such period, each Insured Fund may continue to hold a substantial portion of its assets in insured municipal bonds. At this time, the repositioning of each Insured Fund s portfolio is still taking place, and the Insured Funds will continue to be subject to risks associated with investing a substantial portion of their assets in insured municipal bonds until the repositioning is complete. No action is required by shareholders of the Insured Funds in connection with this change.

In connection with this change in non-fundamental policy, each of the Insured Funds underwent a name change to reflect its new portfolio characteristics.

Each Insured Fund continues to trade on the New York Stock Exchange under its current ticker symbol.

The approved changes did not alter any Insured Fund s investment objective.

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Additional Information (concluded)

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**BlackRock Privacy Principles**

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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.

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

#CEF-NTL-7-2/11

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

BlackRock MuniHoldings Investment Quality Fund

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings Investment Quality Fund

Date: May 4, 2011

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 MuniHoldings Investment Quality Fund

Date: May 4, 2011

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniHoldings Investment Quality Fund

Date: May 4, 2011

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