

BLACKROCK MUNICIPAL INCOME QUALITY TRUST  
Form N-CSRS  
May 01, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21178

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2014

Date of reporting period: 02/28/2014

Item 1 Report to Stockholders

**SEMI-ANNUAL REPORT (UNAUDITED)**

**BlackRock Municipal Bond Investment Trust (BIE)**

**BlackRock Municipal Bond Trust (BBK)**

**BlackRock Municipal Income Investment Quality Trust (BAF)**

**BlackRock Municipal Income Quality Trust (BYM)**

**BlackRock Municipal Income Trust II (BLE)**

**BlackRock MuniHoldings Investment Quality Fund (MFL)**

**BlackRock MuniVest Fund, Inc. (MVF)**

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

## Table of Contents

	Page
<u>Dear Shareholder</u>	3
<b><u>Semi-Annual Report:</u></b>	
<u>Municipal Market Overview</u>	4
<u>The Benefits and Risks of Leveraging</u>	5
<u>Derivative Financial Instruments</u>	5
<u>Trust Summaries</u>	6
<u>Financial Statements:</u>	
<u>Schedules of Investments</u>	20
<u>Statements of Assets and Liabilities</u>	57
<u>Statements of Operations</u>	58
<u>Statements of Changes in Net Assets</u>	59
<u>Statements of Cash Flows</u>	63
<u>Financial Highlights</u>	64
<u>Notes to Financial Statements</u>	71
<u>Officers and Trustees</u>	80
<u>Additional Information</u>	81

## Dear Shareholder

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

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

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

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

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

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

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of February 28, 2014

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

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

THIS PAGE NOT PART OF YOUR FUND REPORT

3

## Municipal Market Overview

For the Reporting Period Ended February 28, 2014

### Municipal Market Conditions

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

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

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

#### S&P Municipal Bond Index

Total Returns as of February 28, 2014

6 months : 6.08%

12 months : (0.27)%

### A Closer Look at Yields

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

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

### Financial Conditions of Municipal Issuers Continue to Improve

Following an extended period of nation-wide austerity and de-leveraging as states sought to balance their budgets, 15 consecutive quarters of positive revenue growth coupled with the elimination of more than 750,000 jobs in recent years have put state and local governments in a better financial position. Many local municipalities, however, continue to face increased health care and pension costs passed down from the state level. BlackRock maintains the view that municipal bond defaults will be minimal and remain in the periphery, and that the overall market is fundamentally sound. We continue to recognize that careful credit research, appropriate structure and security selection remain imperative amid uncertainty in this tepid economic environment.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.





## The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trust's shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

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

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

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

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, the Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

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

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

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying

asset,

possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders and/or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Trust Summary as of February 28, 2014

## BlackRock Municipal Bond Investment Trust

**Trust Overview**

BlackRock Municipal Bond Investment Trust's (BIE) (the Trust) investment objective is to provide current income exempt from regular federal income tax and Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Effective January 1, 2007, the Florida intangible personal property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.84% based on market price and 11.95% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

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

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

**Trust Information**

Symbol on New York Stock Exchange ( NYSE )	BIE
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 28, 2014 (\$13.96) <sup>1</sup>	6.53%
Tax Equivalent Yield <sup>2</sup>	11.54%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.076
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.912
Economic Leverage as of February 28, 2014 <sup>4</sup>	40%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

6

SEMI-ANNUAL REPORT

FEBRUARY 28, 2014

## BlackRock Municipal Bond Investment Trust

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

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

## Trust Summary as of February 28, 2014

BlackRock Municipal Bond Trust

**Trust Overview**

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

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 12.12% based on market price and 13.42% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

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

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

**Trust Information**

Symbol on NYSE	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 28, 2014 (\$14.54) <sup>1</sup>	6.48%
Tax Equivalent Yield <sup>2</sup>	11.45%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0785
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9420
Economic Leverage as of February 28, 2014 <sup>4</sup>	38%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

## Calendar Year Ended December 31,

2014	12%
2015	2
2016	3
2017	3
2018	11



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

SEMI-ANNUAL REPORT

FEBRUARY 28, 2014

9

## Trust Summary as of February 28, 2014

## BlackRock Municipal Income Investment Quality Trust

**Trust Overview**

BlackRock Municipal Income Investment Quality Trust's (BAF) (the Trust) investment objective is to provide current income exempt from federal income tax, including the alternative minimum tax and Florida intangible property tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its assets in municipal bonds exempt from federal income taxes, including the alternative minimum tax. The Trust also invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Effective January 1, 2007, the Florida intangible property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.77% based on market price and 12.05% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

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

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

**Trust Information**

Symbol on NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2014 (\$13.64) <sup>1</sup>	6.03%
Tax Equivalent Yield <sup>2</sup>	10.65%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0685
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8220
Economic Leverage as of February 28, 2014 <sup>4</sup>	36%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

## BlackRock Municipal Income Investment Quality Trust

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

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

## Trust Summary as of February 28, 2014

BlackRock Municipal Income Quality Trust

**Trust Overview**

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

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 11.82% based on market price and 12.90% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust's duration exposure (sensitivity to interest rate movements) was the largest contributor to performance as long-term municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) The Trust also benefited from income generated in the form of coupon payments from its portfolio of municipal bond holdings. Exposure to longer-dated bonds had a positive impact as the municipal yield curve flattened during the period (i.e., longer-term rates fell more than shorter-term rates).

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

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

**Trust Information**

Symbol on NYSE	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2014 (\$13.59) <sup>1</sup>	6.80%
Tax Equivalent Yield <sup>2</sup>	12.01%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.077
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.924
Economic Leverage as of February 28, 2014 <sup>4</sup>	38%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

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

## Trust Summary as of February 28, 2014

## BlackRock Municipal Income Trust II

**Trust Overview**

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

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.08% based on market price and 12.85% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust's duration positioning (sensitivity to interest rate movements) drove positive performance as long-term municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) Exposure to longer-dated bonds had a positive impact as the municipal yield curve flattened (i.e., longer-term rates fell more than shorter-term rates). The Trust also benefited from maintaining concentrations in low investment grade bonds as well as non-investment grade and non-rated securities as credit spreads tightened during the period.

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

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

**Trust Information**

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

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.



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

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

## BlackRock Municipal Income Trust II

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

## Calendar Year Ended December 31,

2014	6%
2015	5
2016	5
2017	4
2018	6

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

## Trust Summary as of February 28, 2014

## BlackRock MuniHoldings Investment Quality Fund

**Trust Overview**

BlackRock MuniHoldings Investment Quality Fund's (MFL) (the Trust) investment objective is to provide shareholders with current income exempt from federal income tax and to provide shareholders with the opportunity to own shares the value of which is exempt from Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Effective January 1, 2007, the Florida intangible personal property tax was repealed.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 9.53% based on market price and 12.95% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust benefited from its holdings in the State of California. The continued improvement in the state's economy was the catalyst for the price appreciation in these bonds. Additionally, as the municipal yield curve flattened during the period (i.e., rates on longer-dated bonds fell more than rates on shorter-dated securities), the Trust's longer-dated holdings in health, transportation and education experienced the strongest price appreciation. (Bond prices rise when rates fall.)

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

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

**Trust Information**

Symbol on NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of February 28, 2014 (\$13.34) <sup>1</sup>	6.43%
Tax Equivalent Yield <sup>2</sup>	11.36%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0715
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.8580
Economic Leverage as of February 28, 2014 <sup>4</sup>	40%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

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

## BlackRock MuniHoldings Investment Quality Fund

## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

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

## Trust Summary as of February 28, 2014

BlackRock MuniVest Fund, Inc.

**Trust Overview**

BlackRock MuniVest Fund, Inc.'s (MVF) (the Trust) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust primarily invests in long term municipal obligations rated investment grade at the time of investment and in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest up to 20% of its total assets in securities rated below investment grade or deemed equivalent at the time of purchase. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Performance**

For the six month period ended February 28, 2014, the Trust returned 10.67% based on market price and 11.07% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 11.26% based on market price and 11.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

The Trust's duration exposure (sensitivity to interest rate movements) was the largest contributor to performance as municipal interest rates fell significantly during the period. (Bond prices rise as rates fall.) Additionally, the Trust's credit exposure had a positive impact on results as spreads tightened during the period. Especially beneficial was the Trust's exposure to tobacco as it was the best performing sector for the period. Exposure to zero-coupon bonds also boosted returns as this sector benefited significantly from the decline in interest rates and spread tightening during the period.

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

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

**Trust Information**

Symbol on NYSE MKT	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of February 28, 2014 (\$9.50) <sup>1</sup>	7.14%
Tax Equivalent Yield <sup>2</sup>	12.61%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0565
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.6780
Economic Leverage as of February 28, 2014 <sup>4</sup>	39%

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

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

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

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



## Market Price and Net Asset Value Per Share Summary

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

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

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

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

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

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

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

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

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



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

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

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

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

## Portfolio Abbreviations

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

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

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<b>New York (concluded)</b>		
Metropolitan Transportation Authority, RB, Series A, 5.25%, 11/15/38	\$ 500	\$ 534,595
New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49	500	536,460
		1,747,549
<b>Ohio 3.3%</b>		
County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38	840	885,209
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 2/15/30	250	278,522
5.25%, 2/15/31	500	553,835
		1,717,566
<b>Pennsylvania 7.6%</b>		
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39	300	336,615
Pennsylvania Turnpike Commission, RB:		
Sub-Series A, 5.63%, 12/01/31	750	820,110
Sub-Series A, 6.00%, 12/01/41	1,500	1,634,685
Sub-Series C (AGC), 6.25%, 6/01/38	500	566,155
Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37	530	567,248
		3,924,813
<b>South Carolina 1.4%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	635	702,354
<b>Texas 9.1%</b>		
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41	890	940,961
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	395	438,663
Conroe Texas ISD, GO, School Building, Series A, 5.75%, 2/15/35	470	529,145
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,020	1,188,066
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	500	549,930
North Texas Tollway Authority, Refunding RB, 1st Tier, Series K-1 (AGC), 5.75%, 1/01/38	250	279,085
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	180	199,094
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	500	555,600
		4,680,544
<b>Virginia 0.8%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	145	155,882
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (c)	200	251,248
		407,130
<b>Wisconsin 1.8%</b>		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Series C, 5.25%, 4/01/39	890	929,089
<b>Total Municipal Bonds 103.8%</b>		<b>53,572,869</b>

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

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

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

### Notes to Schedule of investments

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (c) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (d) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire from October 1, 2016 to November 15, 2019 is \$4,097,449.

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

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

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

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

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

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

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

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

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

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

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

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

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

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Investments:

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

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

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

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

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

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

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

See Notes to Financial Statements.

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

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

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

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

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

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Tennessee 1.9%</b>		
Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/40	\$ 1,950	\$ 2,039,661
County of Memphis-Shelby Tennessee Sports Authority, Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28	275	296,763
Johnson City Health & Educational Facilities Board, RB, Mountain States Health, Series A, 5.00%, 8/15/42	800	798,776
		3,135,200
<b>Texas 17.6%</b>		
County of Harris Texas Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B (i):		
7.13%, 12/01/18	500	641,005
7.25%, 12/01/18	1,750	2,253,632
County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 0.00%, 11/15/41 (c)	11,690	2,061,765
County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29	1,500	1,687,860
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A (c):		
0.00%, 9/15/36	4,900	1,660,071
0.00%, 9/15/38	10,760	3,271,363
County of Midland Texas Fresh Water Supply District No. 1, Refunding RB, City of Midland Project, 3.38%, 9/15/32	1,575	1,432,258
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	760	840,621
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	2,000	2,258,600
Texas State Turnpike Authority, RB, CAB (AMBAC), 0.00%, 8/15/35 (c)	45,000	12,434,850
		28,542,025
<b>Vermont 2.0%</b>		
Vermont Educational & Health Buildings Financing Agency, RB, Fletcher Allen Health Hospital, Series A, 4.75%, 12/01/36	800	797,736
Vermont Educational & Health Buildings Financing Agency, Refunding RB, Fletcher Allen Health Hospital, Series B (AGM), 5.00%, 12/01/34	2,400	2,463,648
		3,261,384
<b>Virginia 1.2%</b>		
County of Prince William Virginia IDA, Refunding RB, Novant Health Obligation Group, Series B, 4.00%, 11/01/46	1,200	1,055,988
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 6.00%, 1/01/37	880	935,651
		1,991,639
<b>Washington 0.9%</b>		
Washington Health Care Facilities Authority, RB, MultiCare Health System, Series B (AGC), 6.00%, 8/15/39	1,400	1,526,140
<b>West Virginia 1.3%</b>		
City of Wheeling West Virginia Waterworks & Sewerage System, RB, 5.00%, 6/01/38	2,000	2,087,220
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Wyoming 0.8%</b>		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 7/15/26	1,200	1,301,556
<b>Total Municipal Bonds 139.4%</b>		226,545,485

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

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

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

## Notes to Schedule of investments

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

Counterparty	Value	Unrealized Appreciation
Stephens, Inc.	\$ 1,387,851	\$ 33,711

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

(c) Zero-coupon bond.

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

(e) Non-income producing security.

(f) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(g) Represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

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

(i) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

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- (j) Represent bonds transferred to a TOB. In exchange for which the Trust acquired residual interest certificates. These bonds serve as collateral in a financing transaction. See Note 3 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (k) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire from February 15, 2019 to June 15, 2019 is \$2,411,773.
- (l) Investments in issuers considered to be an affiliate of the Trust during the six months ended February 28, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

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

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

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

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

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

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

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

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

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

See Notes to Financial Statements.



## Schedule of Investments (concluded)

BlackRock Municipal Bond Trust (BBK)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

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

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

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

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

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

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

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

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

See Notes to Financial Statements.

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

## BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

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

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Sales Tax Receipts, 5.25%, 12/01/40	3,000	3,143,760
City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28	3,000	3,145,830
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	1,480	1,500,986
County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.50%, 12/01/38	1,250	1,355,975
5.25%, 12/01/43	3,000	3,132,510
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	1,885	2,083,905
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	915	1,056,185