

BLACKROCK MUNICIPAL INCOME TRUST
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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10339

Name of Fund: BlackRock Municipal Income Trust (BFK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 04/30/2013

Date of reporting period: 10/31/2012

Item 1 – Report to Stockholders

October 31, 2012

Semi-Annual Report (Unaudited)

BlackRock Investment Quality Municipal Trust Inc. (BKN)

BlackRock Long-Term Municipal Advantage Trust (BTA)

BlackRock Municipal 2020 Term Trust (BKK)

BlackRock Municipal Income Trust (BFK)

BlackRock Pennsylvania Strategic Municipal Trust (BPS)

BlackRock Strategic Municipal Trust (BSD)

Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

In the final months of 2011, financial markets were highly volatile but were in a mode of gradual improvement. Global central bank actions and better-than-expected economic data tempered investors' anxiety after markets had been upended in the previous quarter by sovereign debt turmoil in the United States and Europe. Improving sentiment carried over into early 2012 as investors felt some relief from the world's financial woes. Volatility was low and risk assets (including stocks, commodities and high yield bonds) moved boldly higher through the first two months of 2012, while climbing Treasury yields pressured higher-quality fixed income assets.

Markets reversed course in the spring when Europe's debt problems boiled over once again. High levels of volatility returned as political instability threatened Greece's membership in the eurozone and debt problems in Spain grew increasingly severe. Sovereign debt yields in peripheral European countries continued to rise while finance leaders deliberated over the fiscal integration of the currency bloc. Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, emerged as a particular concern. In the United States, disappointing jobs reports dealt a crushing blow to investor sentiment. Risk assets sold off in the second quarter as investors retreated to safe haven assets.

Despite ongoing concerns about the health of the global economy and the debt crisis in Europe, most asset classes enjoyed a robust summer rally powered mainly by expectations for policy stimulus from central banks in Europe and the United States. Global economic data continued to be mixed, but the spate of downside surprises seen in the second quarter had receded and, outside of some areas of Europe, the risk of recession largely subsided. Additionally, in response to mounting debt pressures, the European Central Bank allayed fears by affirming its conviction to preserve the euro bloc. Early in September, the European Central Bank announced its plan to purchase sovereign debt in the eurozone's most troubled nations. Later that month, the US Federal Reserve announced its long-awaited — and surprisingly aggressive — stimulus program, committing to purchase \$40 billion of agency mortgage-backed securities per month until the US economy exhibits enough strength to sustain real growth and the labor market shows solid improvement. These central bank actions boosted investor confidence and risk assets rallied globally.

European stocks continued their advance in the final month of the reporting period as progress toward fiscal integration created a more positive atmosphere for investors. However, as corporate earnings season got underway in the United States, lackluster results pointed to the fragility of global growth and pushed US equity markets down for the month of October. The period ended with increasing concern about how and when US politicians would resolve the nation's looming fiscal crisis, known as the "fiscal cliff."

All asset classes performed well for the 12-month period ended October 31, 2012, with the strongest returns coming from US stocks and high yield bonds. For the six-month period ended October 31, 2012, equities underperformed fixed income investments, where high yield was the leading sector. US and international stocks finished the six-month period with modest gains, while emerging market stocks lagged other asset classes amid ongoing uncertainty. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Although the financial world remains highly uncertain, we believe there are new avenues of opportunity — new ways to invest and new markets to consider. We believe it's our responsibility to help investors adapt to today's new world of investing and build the portfolios these times require. We encourage you to visit www.blackrock.com/newworld for more information.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

“Although the financial world remains highly uncertain, we believe there are new avenues of opportunity.”

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2012

	6-month	12-month
US large cap equities (S&P 500® Index)	2.16 %	15.21 %
US small cap equities (Russell 2000® Index)	0.95	12.08
International equities (MSCI Europe, Australasia, Far East Index)	2.12	4.61
Emerging market equities (MSCI Emerging Markets Index)	(1.25)	2.63
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.06	0.08
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	3.49	7.46
US investment grade bonds (Barclays US Aggregate Bond Index)	2.75	5.25
Tax-exempt municipal bonds (S&P Municipal	3.65	9.57

Bond Index)

US high yield bonds 6.24 13.58

(Barclays US Corporate

High Yield 2% Issuer

Capped Index)

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

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Municipal Market Overview

For the 12-Month Period Ended October 31, 2012

Municipal bonds delivered exceptional performance, with the S&P Municipal Bond Index gaining 9.57% for the 12 months ended October 31, 2012. In the later part of 2011, heightened volatility in equity markets led to increased demand for municipal bonds as investors flocked to more stable asset classes. The municipal market benefited from an exuberant Treasury market amid global uncertainty in addition to muted new issuance. Supply was constrained while demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history and municipal bonds outperformed most fixed income asset classes for the year.

Market conditions remained favorable in 2012 even though supply picked up considerably. As the fiscal situation for municipalities continued to improve, the rate of new issuance came back in line with historical averages. Total new issuance for the first ten months of 2012 was \$313 billion as compared to \$288 billion for the entire year of 2011. It is important to note that refunding activity has accounted for a large portion of supply in 2012 as issuers refinanced their debt at lower interest rates. Refunding issues are easily absorbed by the market because when seasoned bonds are refinanced, issuers re-enter the market via cheaper and predominantly shorter-maturity financing. Investors, in turn, support these new issues with the proceeds from bond maturities or coupon payments.

Increased supply was met with the continuation of strong demand in 2012 as investors remained starved for yield in a low-rate environment. Investors poured into municipal bond mutual funds, particularly those with long-duration and high-yield investment mandates as they tend to provide higher levels of income. Year-to-date through October 2012, flows into municipal funds have totaled \$48.034 billion (according to the Investment Company Institute). Following an extensive period of significant outflows from late 2010 through mid-2011, these robust 2012 inflows are telling of the complete turnaround in confidence. Municipal market supply-and-demand technicals typically strengthen considerably upon the conclusion of tax season as net negative supply takes hold (i.e., more bonds are being called and maturing than being issued) and this theme remained intact for 2012.

In the spring, a resurgence of concerns about Europe's financial crisis and weakening US economic data drove municipal bond yields lower and prices higher. In addition to income and capital preservation, investors were drawn to the asset class for its relatively low volatility. As global sentiment improved over the summer, municipal bonds outperformed the more volatile US Treasury market. In September, unexpectedly muted new issuance drove prices higher. October, traditionally a weaker month for the municipal bond market, saw slight gains as demand continued to outpace supply. Given these positive market factors, the S&P Municipal Bond Index has gained 7.03% year-to-date through October 31, 2012.

Overall, the municipal yield curve moved lower during the period from October 31, 2011 to October 31, 2012. As measured by Thomson Municipal Market Data, yields declined by 93 basis points ("bps") to 2.82% on AAA-rated 30-year municipal bonds and by 67 bps to 1.72% on 10-year bonds, while yields on 5-year issues fell 59 bps to 0.67%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 79 bps, and in the 2- to 10-year range, the spread tightened by 53 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country as states set their budgets, although a small number of states continue to rely on a "kick-the-can" approach to

close their budget gaps, using aggressive revenue projections and accounting gimmicks. It has been nearly two years since the fiscal problems plaguing state and local governments first became highly publicized and the prophecy of widespread defaults across the municipal market has not materialized. Year-to-date through October 2012, total outstanding municipal bonds entering into debt service cash-payment default for the first time had an aggregate par value of \$1.99 billion. This amount represents only 0.65% of total issuance year-to-date and 0.053% of total municipal bonds outstanding. This compares favorably to data for the full year 2011 when first-time defaults totaled 0.84% of issuance and 0.065% of outstanding. (Data provided by Bank of America Merrill Lynch.) BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

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

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Trust Summary as of October 31, 2012 **BlackRock Investment Quality Municipal Trust Inc.**

Trust Overview

BlackRock Investment Quality Municipal Trust Inc.’s (BKN) (the “Trust”) investment objective is to provide high current income exempt from regular federal income tax consistent with the preservation of capital. 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 invests at least 80% of its assets in securities rated investment grade 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 October 31, 2012, the Trust returned 12.07% based on market price and 8.32% based on net asset value (“NAV”). For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 9.55% based on market price and 7.15% based on NAV. All returns reflect reinvestment of dividends. The Trust’s premium 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 neutral-to-long average duration (greater sensitivity to interest rates) contributed positively to performance as interest rates generally declined over the period. A preference for longer-dated maturities enhanced returns as the municipal yield curve flattened (long-term interest rates fell more than short and intermediate rates). The Trust benefited from a tightening of credit spreads during the period, with additional positive performance contributions from its allocations to the health and corporate sectors, which were among the better performing segments of the market. Narrowing spreads also bode well for the Trust’s holdings of lower-coupon bonds, which tend to offer higher yield and duration relative to their stated maturity. However, the Trust’s potential return was limited by its low exposure to tobacco, which was the strongest performing sector, as well as its small weighting in lower-quality issues, which delivered strong returns for the period. US Treasury financial futures contracts used to hedge interest rate risk in the Trust also had a modestly negative impact on performance.

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

Trust Information

Symbol on New York Stock Exchange (“NYSE”)	BKN
Initial Offering Date	February 19, 1993
Yield on Closing Market Price as of October 31, 2012 (\$17.11) ¹	5.61%
Tax Equivalent Yield ²	8.63%
Current Monthly Distribution per Common Share ³	\$0.080
Current Annualized Distribution per Common Share ³	\$0.960
Economic Leverage as of October 31, 2012 ⁴	34%

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

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

Represents Variable Rate Muni Term Preferred Shares (“VMTP Shares”) and tender option bond trusts (“TOBs”) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to 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 12.

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

	10/31/12		4/30/12		Change	High	Low
Market Price	\$17.11	\$15.75	8.63%	\$17.42	\$15.70		
Net Asset Value	\$16.16	\$15.39	5.00%	\$16.16	\$15.39		

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

Sector Allocation

	10/31/12	4/30/12
Health	27%	27%
County/City/Special District/School District	18	18
State	15	15
Education	12	10
Transportation	12	10
Utilities	8	9
Corporate	4	5
Tobacco	3	4
Housing	1	2

Credit Quality Allocation⁵

	10/31/12	4/30/12
AAA/Aaa	4%	1%
AA/Aa	35	36
A	34	34
BBB/Baa	18	20
BB/Ba	2	2
Not Rated ⁶	7	7

⁵Using the higher of Standard & Poor’s (“S&P’s”) or Moody’s Investors Service (“Moody’s”) ratings.

The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2012 and April 30, 2012, the market value of these securities was \$19,046,285 and \$18,973,610, each representing 5%, respectively, of the Trust’s long-term investments.

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Trust Summary as of October 31, 2012 **BlackRock Long-Term Municipal Advantage Trust****Trust Overview**

BlackRock Long-Term Municipal Advantage Trust's (BTA) (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, under normal market conditions, at least 80% of its assets in municipal obligations and derivative instruments with exposure to such municipal obligations, in each case that are exempt from federal income tax (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, primarily in long-term municipal bonds with a maturity of more than ten years at the time of investment and, under normal market conditions, the Trust's municipal bond portfolio will have a dollar-weighted average maturity of greater than 10 years. 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 October 31, 2012, the Trust returned 9.79% based on market price and 8.57% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 9.55% based on market price and 7.15% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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. Contributing positively to performance during the period were the Trust's duration positioning (preference for securities with a higher sensitivity to interest rate movements) and yield curve-flattening bias. The Trust has consistently emphasized longer-dated securities in order to benefit when long-term rates decline faster than short-term rates, a scenario that occurred during the period. In addition, sector concentrations in health and transportation had a notable positive impact on returns. The Trust's holdings generated a high distribution yield, which in the aggregate, had a meaningful impact on returns. Security selection detracted from performance in the tobacco sector; however, the cumulative effect of security selection in the Fund was positive for the period. US Treasury financial futures contracts used to hedge interest rate risk in the Trust also had a modestly negative impact on performance.

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Trust Information

Symbol on NYSE	BTA
Initial Offering Date	February 28, 2006
Yield on Closing Market Price as of October 31, 2012 (\$13.06) ¹	5.70%
Tax Equivalent Yield ²	8.77%
Current Monthly Distribution per Common Share ³	\$0.062
Current Annualized Distribution per Common Share ³	\$0.744
Economic Leverage as of October 31, 2012 ⁴	35%

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

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

Represents TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/12	4/30/12	Change	High	Low
Market Price.	\$13.06	\$12.27	6.44%	\$13.59	\$12.00
Net Asset Value	\$12.83	\$12.19	5.25%	\$12.83	\$12.19

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

Sector Allocation

	10/31/12		4/30/12	
Health	18%	18%		
Utilities	15	13		
Transportation	15	14		
Education	14	15		
County/City/Special District/School District	14	13		
State	12	12		
Housing	4	6		
Corporate	5	5		
Tobacco	3	4		

Credit Quality Allocation⁵

	10/31/12		4/30/12	
AAA/Aaa	22%	21%		
AA/Aa	45	46		
A	19	17		
BBB/Baa	7	9		
BB/Ba	1	1		
B	1	1		
Not Rated ⁶	5	5		

⁵Using the higher of S&P's or Moody's ratings.

The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2012 and April 30, 2012, the market value of these securities was \$1,253,348 and \$1,193,514, each representing 1%, respectively, of the Trust's long-term investments.

⁶SEMI-ANNUAL REPORT OCTOBER 31, 2012

Trust Summary as of October 31, 2012 **BlackRock Municipal 2020 Term Trust**

Trust Overview

BlackRock Municipal 2020 Term Trust's (BKK) (the "Trust") investment objectives are to provide current income exempt from regular federal income tax and to return \$15 per Common Share (the initial offering price per Common Share) to holders of Common Shares on or about December 31, 2020. The Trust seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets 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 objectives will be achieved.

Performance

For the six-month period ended October 31, 2012, the Trust returned 7.04% based on market price and 4.32% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 9.55% based on market price and 7.15% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, the Trust benefited from rising municipal bond prices, a flatter yield curve and tighter credit spreads. The Trust's exposure to intermediate-maturity bonds and lower-quality investment grade bonds had a significant positive impact on performance. The Trust is managed to a 2020 termination date and therefore generally maintains a shorter maturity profile than its Lipper category competitors. The Trust's shorter maturity profile was a disadvantage relative to its Lipper category competitors as the municipal yield curve moved lower and flattened during the period. The Trust had limited exposure to the long end of the curve, where interest rates fell the most, and therefore did not experience price appreciation of the same magnitude as did its Lipper category competitors with longer maturity profiles.

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Trust Information

Symbol on NYSE	BKK
Initial Offering Date	September 30, 2003
Termination Date (on or about)	December 31, 2020
Yield on Closing Market Price as of October 31, 2012 (\$16.81) ¹	4.44%
Tax Equivalent Yield ²	6.83%
Current Monthly Distribution per Common Share ³	\$0.06225
Current Annualized Distribution per Common Share ³	\$0.74700
Economic Leverage as of October 31, 2012 ⁴	34%

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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.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

Represents Auction Market Preferred Shares (“AMPS”) and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued

⁴liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/12	4/30/12	Change	High	Low
Market Price	\$16.81	\$16.06	4.67%	\$17.14	\$15.94
Net Asset Value	\$16.69	\$16.36	2.02%	\$16.72	\$16.35

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

Sector Allocation

	10/31/12	4/30/12
State	18%	17%
Transportation	15	14
Utilities	14	15
Health	13	10
Corporate	12	13
County/City/Special District/School District	12	13
Tobacco	7	8
Housing	5	4
Education	4	6

Credit Quality Allocation ⁵

	10/31/12	4/30/12
AAA/Aaa	14%	14%
AA/Aa	23	25
A	34	29
BBB/Baa	18	22
BB/Ba	1	1
B	1	1
Not Rated ⁶	9	8

⁵Using the higher of S&P’s or Moody’s ratings.

The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2012 and April 30, 2012, the market value of these securities was \$7,274,783, representing 1%, and \$14,828,808, representing 3%, respectively, of the Trust’s long-term investments.

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Trust Summary as of October 31, 2012 **BlackRock Municipal Income Trust****Trust Overview**

BlackRock Municipal Income Trust's (BFK) (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 October 31, 2012, the Trust returned 13.70% based on market price and 8.80% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 9.55% based on market price and 7.15% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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. Contributing positively to performance during the period were the Trust's duration positioning (preference for securities with a higher sensitivity to interest rate movements) and yield curve-flattening bias. The Trust has consistently emphasized longer-dated securities in order to benefit when long-term rates decline faster than short-term rates, a scenario that occurred during the period. In addition, sector concentrations in health and transportation had a notable positive impact on returns. The Trust's holdings generated a high distribution yield, which in the aggregate, had a meaningful impact on returns. Security selection detracted from performance in the state tax-backed and health sectors; however, the cumulative effect of security selection in the Fund was positive for the period. US Treasury financial futures contracts used to hedge interest rate risk in the Trust also had a modestly negative impact on performance.

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Trust Information

Symbol on NYSE	BFK
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of October 31, 2012 (\$16.34) ¹	5.88%
Tax Equivalent Yield ²	9.05%
Current Monthly Distribution per Common Share ³	\$0.0801
Current Annualized Distribution per Common Share ³	\$0.9612
Economic Leverage as of October 31, 2012 ⁴	39%

¹Yield 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.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

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

	10/31/12	4/30/12	Change	High	Low
Market Price	\$16.34	\$14.83	10.18%	\$16.68	\$14.82
Net Asset Value	\$15.32	\$14.53	5.44%	\$15.32	\$14.53

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

Sector Allocation

	10/31/12	4/30/12
Transportation	20%	20%
Health	19	19
Utilities	15	14
State	14	14
Corporate	9	9
County/City/Special District/School District	9	9
Education	8	8
Tobacco	4	5
Housing	2	2

Credit Quality Allocation ⁵

	10/31/12	4/30/12
AAA/Aaa	10%	11%
AA/Aa	35	35
A	28	26
BBB/Baa	15	16
BB/Ba	1	1
B	3	3
Not Rated ⁶	8	8

⁵Using the higher of S&P's or Moody's ratings.

The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2012 and April 30, 2012, the market value of these securities was \$24,545,262, representing 2%, and \$30,018,520, representing 4%, respectively, of the Trust's long-term investments.

⁸SEMI-ANNUAL REPORT OCTOBER 31, 2012

Trust Summary as of October 31, 2012 **BlackRock Pennsylvania Strategic Municipal Trust**

Trust Overview

BlackRock Pennsylvania Strategic Municipal Trust's (BPS) (the "Trust") investment objectives are to provide current income that is exempt from regular federal and Pennsylvania income taxes and to invest in municipal bonds that over time will perform better than the broader Pennsylvania municipal bond market. The Trust seeks to achieve its investment objectives by investing, under normal market conditions, primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Pennsylvania income taxes. 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 objectives will be achieved.

Performance

For the six-month period ended October 31, 2012, the Trust returned 5.66% based on market price and 6.24% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of 9.26% based on market price and 5.87% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the period, the Trust benefited from rising municipal bond prices, a flatter yield curve and tighter credit spreads. The Trust's exposure to intermediate- and longer-maturity bonds and lower-quality investment grade bonds had a significant positive impact on performance. US Treasury financial futures contracts used to hedge interest rate risk in the Trust also had a modestly negative impact on performance.

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

Trust Information

Symbol on NYSE MKT	BPS
Initial Offering Date	August 25, 1999
Yield on Closing Market Price as of October 31, 2012 (\$15.69) ¹	5.43%
Tax Equivalent Yield ²	8.35%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852
Economic Leverage as of October 31, 2012 ⁴	41%

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

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

⁴ Represents Variable Rate Demand Preferred Shares ("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

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sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	10/31/12	4/30/12	Change	High	Low
Market Price.	\$15.69	\$15.27	2.75%	\$16.33	\$14.84
Net Asset Value	\$15.57	\$15.07	3.32%	\$15.61	\$15.06

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

Sector Allocation

	10/31/12	4/30/12
Health	29%	33%
State	17	12
Education	16	15
Transportation	14	11
Housing	10	12
County/City/Special District/School District	7	10
Utilities	5	4
Corporate	2	3

Credit Quality Allocation ⁵

	10/31/12	4/30/12
AA/Aa	65%	67%
A	25	19
BBB/Baa	8	9
BB/Ba	—	1
Not Rated ⁶	2	4

⁵Using the higher of S&P's or Moody's ratings.

The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2012 and April 30, 2012, the market value of these securities was \$557,358, representing 1%, and \$1,616,703, representing 4%, respectively, of the Trust's long-term investments.

SEMI-ANNUAL REPORT OCTOBER 31, 2012 ⁹

Trust Summary as of October 31, 2012 **BlackRock Strategic Municipal Trust****Trust Overview**

BlackRock Strategic Municipal Trust's (BSD) (the "Trust") investment objectives are to provide current income that is exempt from regular federal income tax and to invest in municipal bonds that over time will perform better than the broader municipal bond market. The Trust seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in investments exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests at least 80% of its assets in investment grade quality securities at the time of investment and, under normal market conditions, primarily invests in municipal bonds with long-term maturities in order to maintain a weighted average maturity of 15 years or more. 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 objectives will be achieved.

Performance

For the six-month period ended October 31, 2012, the Trust returned 14.62% based on market price and 8.44% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 9.55% based on market price and 7.15% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. Contributing positively to performance during the period were the Trust's duration positioning (preference for securities with a higher sensitivity to interest rate movements) and yield curve-flattening bias. The Trust has consistently emphasized longer-dated securities in order to benefit when long-term rates decline faster than short-term rates, a scenario that occurred during the period. In addition, sector concentrations in health and transportation had a notable positive impact on returns. The Trust's holdings generated a high distribution yield, which in the aggregate, had a meaningful impact on returns. Security selection detracted from performance in the health and tobacco sectors; however, the cumulative effect of security selection in the Fund was positive for the period. US Treasury financial futures contracts used to hedge interest rate risk in the Trust also had a modestly negative impact on performance.

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Trust Information

Symbol on NYSE	BSD
Initial Offering Date	August 25, 1999
Yield on Closing Market Price as of October 31, 2012 (\$16.00) ¹	5.55%
Tax Equivalent Yield ²	8.54%
Current Monthly Distribution per Common Share ³	\$0.074
Current Annualized Distribution per Common Share ³	\$0.888
Economic Leverage as of October 31, 2012 ⁴	38%

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

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²Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

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 12.

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

	10/31/12	4/30/12	Change	High	Low
Market Price.	\$16.00	\$14.38	11.27%	\$16.26	\$14.21
Net Asset Value	\$15.19	\$14.43	5.27%	\$15.19	\$14.43

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

Sector Allocation

	10/31/12	4/30/12
Health	24%	23%
Transportation	21	20
State	17	15
Utilities	12	11
Education	9	11
Corporate	8	9
County/City/Special District/School District	6	8
Housing	3	3

Credit Quality Allocation ⁵

	10/31/12	4/30/12
AAA/Aaa	13%	13%
AA/Aa	38	37
A	23	22
BBB/Baa	16	16
BB/Ba	2	2
B	2	3
Not Rated ⁶	6	7

⁵Using the higher of S&P's or Moody's ratings.