

UNICO AMERICAN CORP  
Form 10-K  
March 30, 2009

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

Annual report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2008

Commission File No. 0-3978

UNICO AMERICAN CORPORATION  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

95-2583928  
(IRS Employer Identification No.)

23251 Mulholland Drive, Woodland Hills, California  
(Address of Principal Executive Offices)

91364  
(Zip Code)

Registrant's telephone number, including area code: (818) 591-9800

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, No Par Value (Title of each class)	NASDAQ Stock Market LLC Name Of Each Exchange On Which Registered
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Securities registered pursuant to section 12(g) of the Act:  
None  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No  X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No  X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy of information statements incorporated by reference as Part III of this Form 10-K or any amendment to this Form 10-K.  X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The aggregate market value of registrant’s voting and non-voting common equity held by non-affiliates as of June 30, 2008, the last business day of Registrant’s most recently completed second fiscal quarter was \$28,473,038.

5,567,627

Number of shares of common stock outstanding as of March 26, 2009

Portions of the definitive proxy statement that Registrant intends to file pursuant to Regulation 14(A) by a date no later than 120 days after December 31, 2008, to be used in connection with the annual meeting of shareholders, are incorporated herein by reference into Part III hereof. If such definitive proxy statement is not filed in the 120-day period, the information called for by Part III will be filed as an amendment to this Form 10-K not later than the end of the 120-day period.

## PART I

## Item 1. Business.

Unico American Corporation is an insurance holding company that underwrites property and casualty insurance through its insurance company subsidiary; provides property, casualty, and health insurance through its agency subsidiaries; and through its other subsidiaries provides insurance premium financing and membership association services. Unico American Corporation is referred to herein as the "Company" or "Unico" and such references include both the corporation and its subsidiaries, all of which are wholly owned. Unico was incorporated under the laws of Nevada in 1969.

Descriptions of the Company's operations in the following paragraphs are categorized between the Company's major segment, its insurance company operation, and all other revenues from insurance operations. The insurance company operation is conducted through Crusader Insurance Company (Crusader), Unico's property and casualty insurance company. Insurance company revenues and other revenues from insurance operations for the years ended December 31, 2008, December 31, 2007, and December 31, 2006, are as follows:

	Year ended December 31					
	2008		2007		2006	
	Total Revenues	Percent of Total Company Revenues	Total Revenues	Percent of Total Company Revenues	Total Revenues	Percent of Total Company Revenues
Insurance company revenues	\$ 40,527,988	86.7%	\$ 44,137,213	87.6%	\$ 48,942,568	89.1%
Other revenues from insurance operations						
Gross commissions and fees:						
Health insurance program						
commission income	2,754,293	5.9%	2,320,161	4.9%	1,634,438	3.0%
Policy fee income	2,239,306	4.8%	2,482,006	4.7%	2,837,810	5.2%
Daily automobile rental insurance program:						
Commission	403,943	0.9%	390,659	0.8%	371,317	0.7%
Claim administration fees	-	-	-	-	4,035	-
Association operations						
membership and fee income	300,214	0.6%	309,712	0.6%	300,527	0.5%
Other commission and fee income	8,315	-	13,095	-	38,030	0.1%
Total gross commission and fee income	5,706,071	12.2%	5,515,633	11.0%	5,186,157	9.5%
Investment income	61,434	0.1%	152,002	0.3%	100,955	0.2%
Finance charges and fees earned	460,422	1.0%	553,997	1.1%	678,740	1.2%
Other income	13,529	-	14,050	-	7,786	-
Total other revenues from insurance operations	6,241,456	13.3%	6,235,682	12.4%	5,973,638	10.9%

Total revenues	\$ 46,769,444	100.0%	\$ 50,372,895	100.0%	\$ 54,916,206	100.0%
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## INSURANCE COMPANY OPERATION

## General

The insurance company operation is conducted through Crusader Insurance Company. Crusader is a multiple line property and casualty insurance company that began transacting business on January 1, 1985. Since 2004, all Crusader business was written in the state of California. During the year ended December 31, 2008, 98% of Crusader's business was commercial multiple peril policies. Commercial multiple peril policies provide a combination of property and liability coverage for businesses. Commercial property coverage insures against loss or damage to buildings, inventory and equipment from natural disasters, including hurricanes, windstorms, hail, water, explosions, severe winter weather, and other events such as theft and vandalism, fires, storms, and financial loss due to business interruption resulting from covered property damage. However, Crusader does not write earthquake coverage. Commercial liability coverages insure against third party liability from accidents occurring on the insured's premises or arising out of its operation. In addition to commercial multiple peril policies, Crusader also writes separate policies to insure commercial property and commercial liability risk on a mono-line basis. As of December 31, 2008, Crusader was licensed as an admitted insurance carrier in the states of Arizona, California, Nevada, Oregon, and Washington.

The insurance marketplace continues to be intensely competitive as more insurers are competing for the same customers. Many of Crusader's competitors price their insurance at rates that the Company believes are inadequate to support any profit. Nonetheless, Crusader believes that it can grow its sales and profitability by continuing to focus upon three key areas of its operations: (1) product development, (2) improved service to retail brokers, and (3) appointment of captive and independent retail agents. During 2008, Crusader began to introduce many product changes such as to its rates, eligibility guidelines, rules and coverage forms. Improved service to retail brokers is primarily focused upon transacting business through the internet, as well as providing more options to make the brokers' time more efficiently spent with us (i.e., as opposed to spending time with our competitors). In an effort to increase sales, in October 2008 the Company hired a marketing manager, bringing the total number of employees dedicated exclusively to marketing to three. Those representatives are charged with the responsibility of identifying product development opportunities, with promoting the Company and its products to the insurance brokerage community, and with the duty to appoint retail agents so as to introduce the Crusader brand at the consumer's level of distribution (i.e., retail). Crusader appointed twelve retail agents as of December 31, 2008, and plans to have approximately twenty-four by the end of year 2009. Presently, it is expected that each such retail agent should be able to reach an annual sales volume of approximately one to two million dollars of Crusader's products within three to five years of their appointment by the Company.

All of Crusader's business is produced by Unifax Insurance Systems, Inc. (Unifax), its sister corporation. Unifax has substantial experience with these classes of business. The commissions paid by Crusader to Unifax are eliminated as intercompany transactions and are not reflected in the previous table. Crusader is licensed in property and casualty and disability lines of insurance by the California Department of Insurance.

#### Reinsurance

A reinsurance transaction occurs when an insurance company transfers (cedes) a portion of its exposure on policies written by it to a reinsurer that assumes that risk for a premium (ceded premium). Reinsurance does not legally discharge the Company from primary liability under its policies. If the reinsurer fails to meet its obligations, the Company must nonetheless pay its policy obligations.

Crusader's primary excess of loss reinsurance agreements since January 1, 1998, are as follows:

Loss Year(s)	Reinsurer(s)	A.M. Best Rating	Retention	Annual Aggregate Deductible
2005 – 2008	Platinum Underwriters Reinsurance, Inc. & Hannover Ruckversicherungs AG	A A	\$300,000	\$500,000
2004	Platinum Underwriters Reinsurance, Inc. & Hannover Ruckversicherungs AG	A A	\$250,000	\$500,000
2003	Platinum Underwriters Reinsurance, Inc. & Hannover Ruckversicherungs AG	A A A	\$250,000	\$500,000

& QBE Reinsurance  
Corporation

2002	Partner Reinsurance Company of the U.S.	A+	\$250,000	\$675,000
2000 - 2001	Partner Reinsurance Company of the U.S.	A+	\$250,000	\$500,000
1998 - 1999	General Reinsurance Corporation	A++	\$250,000	\$750,000

Prior to January 1, 1998, National Reinsurance Corporation (acquired by General Reinsurance Corporation in 1996) charged a provisional rate on exposures up to \$500,000 that was subject to adjustment and was based on the amount of losses ceded, limited by a maximum percentage that could be charged. That provisionally rated treaty was cancelled on a runoff basis and replaced by a flat rated treaty on January 1, 1998.

In 2008 Crusader retained a participation in its excess of loss reinsurance treaties of 20% in its 1st layer (\$700,000 in excess of \$300,000), 15% in its 2nd layer (\$1,000,000 in excess of \$1,000,000), and 0% in its property and casualty clash treaty. In 2007 Crusader retained a participation in its excess of loss reinsurance treaties of 15% in its 1st layer (\$700,000 in excess of \$300,000), 15% in its 2nd layer (\$1,000,000 in excess of \$1,000,000), and 15% in its property clash treaty. In 2006 and 2005 Crusader retained a participation in its excess of loss reinsurance treaties of 10% in its 1st layer (\$700,000 in excess of \$300,000), 10% in its 2nd layer (\$1,000,000 in excess of \$1,000,000), and 30% in its property and casualty clash treaties. In 2004 Crusader retained a participation in its excess of loss reinsurance treaties of 10% in its 1st layer (\$750,000 in excess of \$250,000), 10% in its 2nd layer (\$1,000,000 in excess of \$1,000,000), and 30% in its property and casualty clash treaties. In 2003 Crusader retained a participation in its excess of loss reinsurance treaties of 5% in its 1st layer (\$750,000 in excess of \$250,000), 10% in its 2nd layer (\$1,000,000 in excess of \$1,000,000), and 30% in its property and casualty clash treaties.

The 2008 and 2007 excess of loss treaties do not provide for a contingent commission. Crusader's 2006 1st layer primary excess of loss treaty provides for a contingent commission equal to 20% of the net profit, if any, accruing to the reinsurer. The first accounting period for the contingent commission covers the period from January 1, 2006, through December 31, 2006. The 2005 excess of loss treaties do not provide for a contingent commission. Crusader's 2004 and 2003 1st layer primary excess of loss treaties provide for a contingent commission to the Company equal to 45% of the net profit, if any, accruing to the reinsurer. The first accounting period for the contingent commission covers the period from January 1, 2003, through December 31, 2004. For each accounting period as described above, the Company will calculate and report to the reinsurers its net profit (excluding incurred but not reported losses), if any, within 90 days after 36 months following the end of the first accounting period, and within 90 days after the end of each 12 month period thereafter until all losses subject to the agreement have been finally settled. Any contingent commission payment received is subject to return based on future development of ceded losses and loss adjustment expenses. In March 2007, the Company received an advance of \$1 million from its reinsurer, and in February 2008, the Company received an additional \$2,419,940 to be applied against future contingent commission earned, if any. Based on the Company's ceded losses and loss adjustment expenses (including ceded incurred but not reported losses) as of December 31, 2008, the Company recorded \$2,500,211 of these payments as an advance from its reinsurer and it is included in "Accrued Expenses and Other Liabilities" in the consolidated balance sheets. Thus, the Company recognized \$919,729 of contingent commission, of which \$666,174 was recognized in the year ended December 31, 2008, and \$253,555 was recognized in the year ended December 31, 2007.

Crusader also has catastrophe reinsurance from various highly rated California authorized and unauthorized reinsurance companies. These reinsurance agreements help protect Crusader against liabilities in excess of certain retentions, including major or catastrophic losses that may occur from any one or more of the property and/or casualty risks which Crusader insures. The Company has no reinsurance recoverable balances in dispute.

The Company evaluates each of its ceded reinsurance contracts at their inception to determine if there is a sufficient risk transfer to allow the contract to be accounted for as reinsurance under current accounting literature. As of December 31, 2008, all such ceded contracts are accounted for as risk transfer reinsurance.

The aggregate amount of earned premium ceded to the reinsurers was \$8,771,069 for the year ended December 31, 2008, \$11,532,308 for the year ended December 31, 2007, and \$13,758,424 for the year ended December 31, 2006.

On most of the premium that Crusader cedes to the reinsurer, the reinsurer pays a commission to Crusader that includes a reimbursement of the cost of acquiring the portion of the premium that is ceded. Crusader does not currently assume any reinsurance. The Company intends to continue obtaining reinsurance although the availability and cost may vary from time to time. The unpaid losses ceded to the reinsurer are recorded as an asset on the balance sheet.

Unpaid Losses and Loss Adjustment Expenses

Crusader maintains reserves for losses and loss adjustment expenses with respect to both reported and unreported losses. When a claim for loss is reported to the Company, a reserve is established for the expected cost to settle the claim, including estimates of any related legal expense and other costs associated with resolving the claim. These reserves are called “case based” reserves. In addition, the Company also sets up reserves at the end of each reporting period for losses that have occurred but have not yet been reported to the Company. These incurred but not reported losses are referred to as “IBNR” reserves.

Crusader establishes reserves for reported losses based on historical experience, upon case-by-case evaluation of facts surrounding each known loss, and the related policy provisions. The amount of reserves for unreported losses is estimated by analysis of historical and statistical information. The ultimate liability of Crusader may be greater or less than estimated reserves. Reserves are monitored and adjusted when appropriate and are reflected in the statement of operations in the period of adjustment. Reserves for losses and loss adjustment expenses are estimated to cover the future amounts needed to pay claims and related expenses with respect to insured events that have occurred.

The process of establishing loss and loss adjustment expense reserves involves significant judgment. The following table shows the development of the unpaid losses and loss adjustment expenses for fiscal years 1998 through 2008. The top line of the table shows the estimated liability for unpaid losses and loss adjustment expenses recorded at the balance sheet date for each of the indicated years. This liability represents the estimated amount of losses and loss adjustment expenses for losses arising in the current and prior years that are unpaid at the balance sheet date. The table shows the reestimated amount of the previously recorded liability based on experience as of the end of each succeeding year. The estimate is increased or decreased, as more information becomes known. The Company believes that its loss and loss adjustment expense reserves are properly stated. When subsequent loss and loss adjustment expense development justifies changes in reserving practices, the Company responds accordingly.

The following table reflects redundancies and deficiencies in Crusader's net loss and loss adjustment expense reserves. As of December 31, 2008, all periods stated in the table prior to 2002 reflected a cumulative deficiency. The 2002 through 2007 periods reflect a cumulative redundancy. See discussion of losses and loss adjustment expenses in Item 7 - "Management's Discussion and Analysis - Results of Operations - Insurance Company Operation."

When evaluating the information in the following table, it should be noted that each amount includes the effects of all changes in amounts of prior periods; therefore, the cumulative redundancy or deficiency represents the aggregate change in the estimates over all prior years. Conditions and trends that have affected development of liability in the past may not necessarily occur in the future. Accordingly, it may not be appropriate to extrapolate future deficiencies or redundancies based on this table.

CRUSADER INSURANCE COMPANY							
ANALYSIS OF LOSS AND LOSS ADJUSTMENT EXPENSES							
	Year Ended December 31						
	1998	1999	2000	2001	2002	2003	2004
Reserve for Unpaid Losses and Loss Adjustment Expenses	\$ 40,374,232	\$ 37,628,165	\$ 34,546,026	\$ 49,786,215	\$ 53,596,945	\$ 58,883,861	\$ 60,000,000
Paid Cumulative as of							
1 Year Later	15,393,167	18,745,224	20,841,417	23,010,615	21,326,688	18,546,279	15,393,167
2 Years Later	28,570,117	34,905,359	37,976,277	39,463,106	35,883,729	28,289,327	28,570,117
3 Years Later	38,923,545	46,072,688	49,053,708	46,256,431	40,808,763	35,508,898	38,923,545
4 Years Later	45,425,709	53,153,491	52,821,183	49,157,040	44,116,477	39,577,949	45,425,709
5 Years Later	50,526,164	56,021,297	54,919,573	51,678,787	46,382,760	41,417,614	50,526,164
6 Years Later	52,588,830	57,247,843	56,715,300	53,604,855	47,272,911		52,588,830
7 Years Later	53,482,116	58,801,974	58,428,481	53,834,453			53,482,116
8 Years Later	54,659,842	60,000,165	58,528,260				54,659,842
9 Years Later	55,763,935	60,075,050					55,763,935
10 Years Later	55,842,233						55,842,233
Reserves Reestimated as of							
1 Year Later	39,132,945	41,898,796	53,872,376	57,577,066	56,348,531	58,048,427	39,132,945
2 Years Later	43,164,627	56,423,375	59,746,880	60,629,814	57,237,770	54,623,000	43,164,627
3 Years Later	52,349,735	59,486,543	62,172,320	60,974,567	55,430,550	50,602,947	52,349,735
4 Years Later	54,291,547	61,791,428	62,369,460	59,745,610	53,154,847	49,959,618	54,291,547
5 Years Later	56,619,057	62,174,813	61,894,587	58,289,479	53,047,154	47,848,145	56,619,057
6 Years Later	57,151,258	61,983,908	61,192,597	58,677,307	51,628,155		57,151,258
7 Years Later	56,935,245	61,875,465	61,975,092	57,039,089			56,935,245
8 Years Later	56,906,786	62,659,129	60,565,031				56,906,786
9 Years Later	57,572,353	61,392,495					57,572,353
10 Years Later	56,668,561						56,668,561
Cumulative Redundancy (Deficiency)	\$ (16,294,329)	\$ (23,764,330)	\$ (26,019,005)	\$ (7,252,874)	\$ 1,968,790	\$ 11,035,716	\$ 11,035,716

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Gross Liability for Unpaid  
Losses and Loss

Adjustment Expenses	\$ 41,513,945	\$ 41,592,489	\$ 45,217,369	\$ 60,534,295	\$ 74,905,284	\$ 78,139,090	\$ 8
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Ceded Liability for Unpaid  
Losses and Loss

Adjustment Expenses	(1,139,713)	(3,964,324)	(10,671,343)	(10,748,080)	(21,308,339)	(19,255,229)	(2
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Net Liability for Unpaid  
Losses and Loss

Adjustment Expenses	\$ 40,374,232	\$ 37,628,165	\$ 34,546,026	\$ 49,786,215	\$ 53,596,945	\$ 58,883,861	\$ 6
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Gross Liability

Reestimated	\$ 81,932,784	\$ 89,440,233	\$ 92,269,584	\$ 87,966,882	\$ 74,860,735	\$ 69,189,276	\$ 6
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Ceded Liability

Reestimated	(25,264,223)	(28,047,738)	(31,704,553)	(30,927,793)	(23,232,580)	(21,341,131)	(1
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Net Liability Reestimated	\$ 56,668,561	\$ 61,392,495	\$ 60,565,031	\$ 57,039,089	\$ 51,628,155	\$ 47,848,145	\$ 4
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Gross Reserve

Redundancy (Deficiency)	\$ (40,418,839)	\$ (47,847,744)	\$ (47,052,215)	\$ (27,432,587)	\$ 44,549	\$ 8,949,814	\$ 2
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## Net Premium Written to Policyholders' Surplus Ratio

The following table shows, for the periods indicated, Crusader's statutory ratios of net premiums written to statutory policyholders' surplus. Since each property and casualty insurance company has different capital needs, an "acceptable" ratio of net premium written to policyholders' surplus for one company may be inapplicable to another. While there is no statutory requirement applicable to Crusader that establishes a permissible net premium to surplus ratio, guidelines established by the National Association of Insurance Commissioners (NAIC) provide that such ratio should generally be no greater than 3 to 1.

Statutory:	Twelve months ended December 31				
	2008	2007	2006	2005	2004
Net premiums written	\$ 31,175,204	\$ 33,412,745	\$ 38,166,864	\$ 46,030,707	\$ 51,089,573
Policyholders' surplus	\$ 64,736,230	\$ 57,862,334	\$ 50,023,768	\$ 36,586,441	\$ 29,436,343
Ratio	0.5 to 1	0.6 to 1	0.8 to 1	1.3 to 1	1.7 to 1

Crusader's results are reported in accordance with U.S. generally accepted accounting principles (GAAP). These results differ from its financial results reported in accordance with Statutory Accounting Principles (SAP) as prescribed or permitted by insurance regulatory authorities. Crusader is required to file financial statements with insurance regulatory authorities prepared on a SAP basis.

SAP differs in certain respects from GAAP. The more significant of these differences that apply to Crusader are:

- Under GAAP, policy acquisition costs such as commissions, premium taxes and other variable costs incurred in connection with writing new and renewal business are capitalized and amortized on a pro rata basis over the period in which the related premiums are earned, rather than expensed as incurred as required by SAP.
  - Certain assets included in balance sheets under GAAP are designated as "non-admitted assets" and are charged directly against statutory surplus under SAP. Non-admitted assets include primarily premium receivables that are outstanding over 90 days, federal deferred tax assets in excess of statutory limitations, furniture, equipment, leasehold improvements, and prepaid expenses.
- Under GAAP, amounts related to ceded reinsurance are shown gross as prepaid reinsurance premiums and reinsurance recoverable, rather than netted against unearned premium reserves and loss and loss adjustment expense reserves, respectively, as required by SAP.
- Under GAAP, fixed maturity securities that are classified as available-for-sale are reported at estimated fair values, rather than at amortized cost or the lower of amortized cost or market, depending on the specific type of security as required by SAP.
- The differing treatment of income and expense items results in a corresponding difference in federal income tax expense. Under GAAP reporting, changes in deferred income taxes are reflected as an item of income tax benefit or expense. As required by SAP, federal income taxes are recorded when payable and deferred taxes, subject to limitations, are recognized but only to the extent that they do not exceed 10% of statutory surplus. Changes in deferred taxes are recorded directly to statutory surplus.

## Regulation

The insurance company operation is subject to regulation by the California Department of Insurance (the insurance department) and by the department of insurance of other states in which Crusader is licensed. The insurance department has broad regulatory, supervisory, and administrative powers. These powers relate primarily to the standards of solvency which must be met and maintained; the licensing of insurers and their agents; the nature and limitation of insurers' investments; the prior approval of rates, rules and forms; the issuance of securities by insurers;

periodic financial and market conduct examinations of the affairs of insurers; the annual and other reports required to be filed on the financial condition and results of operations of such insurers or for other purposes; and the establishment of reserves required to be maintained for unearned premiums, losses, and other purposes. The regulations and supervision by the insurance department are designed principally for the benefit of policyholders and not for the insurance company shareholders. The insurance department's Market Conduct Division is responsible for conducting periodic examinations of companies to ensure compliance with California Insurance Code and California Code of Regulations with respect to rating, underwriting and claims handling practices. The most recent Market Conduct Examination of Crusader covered rating and underwriting practices in California during the period from December 15, 2005, through April 10, 2006. No significant issues were reported as a result of that examination. The insurance department also conducts periodic financial examinations of Crusader. The insurance department completed a financial examination of Crusader's December 31, 2004, statutory financial statements. No significant issues were reported as a result of that examination.

In December 1993, the NAIC adopted a Risk-Based Capital (RBC) Model Law for property and casualty companies. The RBC Model Law is intended to provide standards for calculating a variable regulatory capital requirement related to a company's current operations and its risk exposures (asset risk, underwriting risk, credit risk and off-balance sheet risk). These standards are intended to serve as a diagnostic solvency tool for regulators that establishes uniform capital levels and specific authority levels for regulatory intervention when an insurer falls below minimum capital levels. The RBC Model Law specifies four distinct action levels at which a regulator can intervene with increasing degrees of authority over a domestic insurer if its RBC is equal to or less than 200% of its computed authorized control level RBC. A company's RBC is required to be disclosed in its statutory annual statement. The RBC is not intended to be used as a rating or ranking tool nor is it to be used in premium rate making or approval. Crusader's adjusted capital at December 31, 2008, was 849% of authorized control level risk-based capital.

The following table sets forth the different levels of risk-based capital that may trigger regulatory involvement and the corresponding actions that may result.

LEVEL	TRIGGER	CORRECTIVE ACTION
Company Action Level	Adjusted Capital less than 200% of Authorized Control Level	The insurer must submit a comprehensive plan to the insurance commissioner
Regulatory Action Level	Adjusted Capital less than 150% of Authorized Control Level	In addition to above, insurer is subject to examination, analysis, and specific corrective action.
Authorized Control Level	Adjusted Capital less than 100% of Authorized Control Level	In addition to both of the above, insurance commissioner may place insurer under regulatory control.
Mandatory Control Level	Adjusted Capital less than 70% of Authorized Control Level	Insurer must be placed under regulatory control.

Insurance Regulatory Information System (IRIS) was developed by a committee of state insurance regulators primarily to assist state insurance departments in executing their statutory mandate to oversee the financial condition of insurance companies. IRIS helps those companies that merit highest priority in the allocation of the regulators' resources on the basis of 13 financial ratios that are calculated annually. The analytical phase is a review of annual statements and the financial ratios. The ratios and trends are valuable in pointing to companies likely to experience financial difficulties but are not themselves indicative of adverse financial condition. The ratio and benchmark comparisons are mechanically produced and are not intended to replace the state insurance departments' own in-depth financial analysis or on-site examinations.

An unusual range of ratio results has been established from studies of the ratios of companies that have become insolvent or have experienced financial difficulties. In the analytical phase, companies that receive four or more financial ratio values outside the usual range are analyzed in order to identify those companies that appear to require immediate regulatory action. Subsequently, a more comprehensive review of the ratio results and an insurer's annual statement is performed to confirm that an insurer's situation calls for increased or close regulatory attention. In 2008, the Company was not outside the usual values on any of the thirteen IRIS ratio tests.

#### California Insurance Guarantee Association

The California Insurance Guarantee Association (CIGA) was created to provide for payment of claims for which insolvent insurers of most casualty lines are liable but which cannot be paid out of such insurers' assets. The Company

is subject to assessment by CIGA for its pro-rata share of such claims based on premiums written in the particular line in the year preceding the assessment by insurers writing that line of insurance in California. Such assessments are based upon estimates of losses to be incurred in liquidating an insolvent insurer. Under the current California Insurance Code, in a particular year, the Company cannot be assessed an amount greater than 2% of its premiums written in the preceding year. Assessments are recouped through a mandated surcharge to policyholders the year after the assessment. No assessment was made by CIGA for the 2008, 2007, or the 2006 calendar years.

## Holding Company Act

Crusader is subject to regulation by the insurance department pursuant to the provisions of the California Insurance Holding Company System Regulatory Act (the "Holding Company Act"). Pursuant to the Holding Company Act, the insurance department may examine the affairs of Crusader at any time. Certain transactions defined to be of an "extraordinary" type may not be effected without the prior approval of the insurance department. Such transactions include, but are not limited to, sales, purchases, exchanges, loans and extensions of credit, and investments made within the immediately preceding 12 months involving the lesser of 3% of admitted assets or 25% of policyholders' surplus as of the preceding December 31. An extraordinary transaction also includes a dividend which, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of 10% of the insurance company's policyholders' surplus as of the preceding December 31 or the insurance company's net income for the preceding calendar year. An insurance company is also required to notify the insurance department of any dividend after declaration, but prior to payment.

The Holding Company Act also provides that the acquisition or change of "control" of a California domiciled insurance company or of any person who controls such an insurance company cannot be consummated without the prior approval of the Insurance Commissioner. In general, a presumption of "control" arises from the ownership of voting securities and securities that are convertible into voting securities, which in the aggregate constitute 10% or more of the voting securities of a California insurance company or a person who controls a California insurance company, such as Crusader. A person seeking to acquire "control," directly or indirectly, of the Company must generally file with the Insurance Commissioner an application for change of control containing certain information required by statute and published regulations and provide a copy of the application to the Company. The Holding Company Act also effectively restricts the Company from consummating certain reorganization or mergers without prior regulatory approval. The Company is in compliance with the Holding Company Act.

## Rating

Insurance companies are rated to provide both industry participants and insurance consumers with meaningful information on specific insurance companies. Higher ratings generally indicate financial stability and a strong ability to pay claims. These ratings are based upon factors relevant to policyholders and are not directed toward protection of investors. Such ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security and may be revised or withdrawn at any time. Ratings focus primarily on the following factors: capital resources, financial strength, demonstrated management expertise in the insurance business, credit analysis, systems development, market segment position and growth opportunities, marketing, sales conduct practices, investment operations, minimum policyholders' surplus requirements and capital sufficiency to meet projected growth, as well as access to such traditional capital as may be necessary to continue to meet standards for capital adequacy.

The claims-paying abilities of insurers are rated to provide both insurance consumers and industry participants with comparative information on specific insurance companies. Claims-paying ratings are important for the marketing of certain insurance products. A higher rating generally indicates greater financial strength and a stronger ability to pay claims.

Effective January 27, 2009, A.M. Best Company has upgraded Crusader's financial strength rating to A- (Excellent) from B++ (Good) and revised Crusader's rating outlook to stable from positive. In addition, Crusader's Issuer Credit Rating was upgraded to a- (Excellent) from bbb+ (Good).

## Terrorism Risk Insurance Act of 2002

On November 26, 2002, the Terrorism Risk Insurance Act of 2002 (The Act) was signed by President Bush. On December 22, 2005, the United States' government extended The Act, which was set to expire on December 31, 2005,

for two more years. On December 26, 2007, the United States government extended The Act through December 31, 2014. The Act establishes a program within the Department of the Treasury in which the Federal Government will share the risk of loss from acts of terrorism with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, certifies an act to be an act of terrorism. No act shall be certified as an act of terrorism unless the terrorist act results in aggregate losses in excess of \$5 million.

Under The Act, the federal government will pay 85% of covered terrorism losses exceeding the statutorily established deductible. All property and casualty insurance companies are required to participate in the program to the extent that they must make available property and casualty insurance coverage for terrorism that does not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism.

The Company does not write policies on properties considered a target of terrorist activities such as airports, large hotels, large office structures, amusement parks, landmark defined structures, or other large scale public facilities. In addition, there is not a high concentration of policies in any one area where increased exposure to terrorist threats exist. Consequently, the Company believes its exposure relating to acts of terrorism is low. In 2008, Crusader received \$155,631 in terrorism coverage premium from approximately 9% of its policyholders. Crusader's 2008 terrorism deductible was \$9,732,395. Crusader's 2009 terrorism deductible is \$8,544,153.

## OTHER INSURANCE OPERATIONS

### General Agency Operations

Unifax primarily sells and services commercial multiple peril business insurance policies for Crusader in California.

Bedford Insurance Services, Inc., (Bedford) sells and services daily automobile rental policies in most states for a non-affiliated insurer.

As general agents, these subsidiaries market, rate, underwrite, inspect and issue policies, bill and collect insurance premiums, and maintain accounting and statistical data. Unifax is the exclusive general agent for Crusader. Unifax and Bedford are non-exclusive general agents for non-affiliated insurance companies. The Company's marketing is conducted through advertising to independent insurance agents and brokers. For its services, the general agent receives a commission (based on the premium written) from the insurance company and, in some cases, a policy fee from the customer. These subsidiaries all hold licenses issued by the California Department of Insurance and other states where applicable.

### Insurance Premium Finance Operation

The Company's subsidiary, American Acceptance Corporation (AAC) is a licensed insurance premium finance company that provides insurance purchasers with the ability to pay their insurance premiums on an installment basis. The premium finance company pays the insurance premium to the insurance company in return for a premium finance note from the insured. These notes are paid off by the insured in nine monthly installments and are secured by the unearned premiums held by the insurance company. AAC provides premium financing solely for Crusader policies that are produced by Unifax in California.

### Association Operation

The Company's subsidiary, Insurance Club, Inc., dba AAQHC, An Administrator (AAQHC) (formally American Association of Quality Health Care), is a membership association and a third party administrator. AAQHC provides various consumer benefits to its members, including participation in group medical and dental insurance policies that it negotiates. AAQHC also provides services as a third party administrator and is licensed by the California Department of Insurance. For these services, AAQHC receives membership and fee income from its members.

### Health Insurance Operations

The Company's subsidiary, American Insurance Brokers, Inc. (AIB), markets health insurance in California through non-affiliated insurance companies for individuals and groups. The services provided consist of marketing, billing and collection, accounting, and customer service. For these services AIB receives commissions from insurance companies. Most of the business is produced through independent insurance agents and brokers. AIB holds licenses issued by the California Department of Insurance.

## INVESTMENTS

The investments of the Company are made by the Company's Chief Financial Officer under the supervision of an investment committee appointed by the Company's Board of Directors. The Company's investment guidelines on equity securities limit investments in equity securities to a maximum of \$2,000,000 in aggregate. The Company's investment guidelines on fixed maturities limit those investments to high-grade obligations with a maximum term of eight years. The maximum investment authorized in any one issuer is \$2,000,000 and the maximum in any one U.S. government agency or U.S. government sponsored enterprise is \$3,000,000. This dollar limitation excludes bond premiums paid in excess of par value and U.S. government or U.S. government guaranteed issues. Investments in municipal securities are primarily pre-refunded and secured by U.S. treasury securities. The short-term investments are either U.S. government obligations, FDIC insured, or are in an institution with a Moody's rating of P2 and/or a Standard & Poor's rating of A1. All of the Company's fixed maturity investment securities are rated and readily marketable and could be liquidated without any material adverse financial impact.

## COMPETITION

### General

The property and casualty insurance industry is highly competitive in the areas of price, coverage, and service. It is highly cyclical, characterized by periods of high premium rates and shortages of underwriting capacity followed by periods of severe price competition and excess capacity.

The profitability of insurers is affected by many factors including rate and coverage competition, the frequency of claims and their average cost, natural disasters, state regulations, interest rates, crime rates, general business conditions, and court decisions redefining and expanding the extent of coverage and granting higher compensation awards. One of the challenging and unique features of the property and casualty business is the fact that, since premiums are collected before losses are paid, its products are normally priced before its costs are known.

### Insurance Company and General Agency Operations (Property and Casualty)

The Company's property and casualty insurance business continues to experience a competitive marketplace. There are many substantial competitors who have larger resources, operate in more states, and insure coverages in more lines and in higher limits than the Company. In addition, Crusader competes not only with other insurance companies but also with other general agencies. Many of those general agencies offer more products than the Company. The principal method of competition among competitors is based on price. While the Company attempts to meet such competition with competitive prices, its emphasis is on service, promotion, and distribution. Additional information regarding competition in the insurance marketplace is discussed in the Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations."

### Insurance Premium Financing Operation

The insurance premium financing operation currently finances policies written only through its sister company, Unifax. Consequently, AAC's growth is primarily dependent on the growth of Crusader and Unifax business. In addition, the competitive pricing, the quality of its service, and the ease and convenience of financing with AAC have made its profitability possible.

### Health Insurance Operations

Competition in the health insurance business is intense. In 2008 and 2007 approximately 82% and 80% of the Company's health insurance business was from the CIGNA HealthCare medical and dental plan programs,

respectively. CIGNA's plans consist of small group medical and dental policies and individual dental policies. In May 2006, CIGNA HealthCare began offering new small group medical insurance policies in the state of California. Currently, all new CIGNA small group medical insurance policies are written through AIB and all CIGNA small group medical insurance policyholders are members of AAQHC. In November 2008, AIB entered into a General Agent Contract with Blue Shield of California who will pay AIB override commissions for all business submitted to them. In June 2009, CIGNA plans to substantially reduce the medical plans offered to Small Group Employers in the state of California from sixteen current plans to four. All new employer groups and existing employer groups, on their anniversary date, will have the option to choose from the four available plans. AIB will be assisting its CIGNA policyholders in obtaining new coverage in one of the four CIGNA plans or with other contracted carriers. This reduction in CIGNA medical plans offered to Small Group Employers in the state of California may result in a decrease in AIB commission income and AAQHC fee income. AAQHC will continue to underwrite and administer all remaining CIGNA business, including dental plans for Individuals and Small Group Employers.

## EMPLOYEES

On March 6, 2009, the Company employed 105 persons at its facility located in Woodland Hills, California. The Company has no collective bargaining agreements and believes its relations with its employees are excellent.

### Item 1A. Risk Factors.

The Company is subject to numerous risks and uncertainties, the outcome of which may impact future results of operations and financial condition. These risks are as follows:

Changes and general economic conditions may have an adverse effect on the Company's revenues and profitability.

The Company's revenues and profitability may be impacted by national and local economic conditions, particularly in the state of California. Unfavorable changes in economic conditions such as recessions, increased levels of unemployment and inflation may reduce the Company's revenue through policy cancellations, modifications or non-renewals. The recent turmoil in the economy and the disruption in the financial markets may impair the ability of customers to pay premiums as they become due, reduce the amount of coverage that customers may seek and may limit the amount of premiums the Company may charge for insurance. The Company is not able to predict the duration and severity of the current disruption in the financial markets and adverse economic conditions, both nationally and in the state of California.

Loss and loss adjustment expense reserves are based on estimates and may not be sufficient to cover future losses.

Loss and loss adjustment expense reserves represent an estimate of amounts needed to pay and administer claims with respect to insured events that have occurred, including events that have incurred which have not yet been reported to the Company. There is a high level of uncertainty inherent in the evaluation of the required losses and loss adjustment expense reserves for the Company. The long-tailed nature of liability claims and the volatility of jury awards exacerbate that uncertainty. The Company sets loss and loss adjustment expense reserves at each balance sheet date at management's best estimate of the ultimate payments that it anticipates will be made to settle all losses incurred and related loss adjustment expenses incurred as of that date for both reported and unreported losses. The ultimate cost of claims is dependent upon future events, the outcomes of which are affected by many factors. Company claim reserving procedures and settlement philosophy, current and perceived social and economic inflation, current and future court rulings and jury attitudes, improvements in medical technology, and many other economic, scientific, legal, political, and social factors all can have significant effects on the ultimate costs of claims. Changes in Company operations and management philosophy also may cause actual developments to vary from the past. Since the emergence and disposition of claims are subject to uncertainties, the net amounts that will ultimately be paid to settle claims may vary significantly from the estimated amounts provided for in the accompanying consolidated financial statements. Any adjustments to reserves are reflected in the operating results of the periods in which they are made.

The Company's success depends on its ability to accurately underwrite risks and to charge adequate premiums to policyholders.

The Company's financial condition, liquidity and results of operations depend in large part on the Company's ability to underwrite and set premiums accurately for the risks it faces. Premium rate adequacy is necessary to generate sufficient premium to offset losses, loss adjustment expenses, underwriting expenses, and to earn a profit. In order to price its products accurately, the Company must collect and properly analyze a substantial volume of data; develop, test and apply appropriate rating formulas; closely monitor and timely recognize changes in trends; and project both severity and frequency of losses with reasonable accuracy. The Company's ability to undertake these efforts successfully is subject to a number of risks and uncertainties, including, without limitation:



- Availability of sufficient reliable data.
- Incorrect or incomplete analysis of available data.
- Uncertainties inherent in estimates and assumptions.
- Selection and application of appropriate rating formulae or other pricing methodologies.
- Adoption of successful pricing strategies.
- Prediction of policyholder retention (e.g., policy life expectancy).
- Unanticipated court decisions, legislation or regulatory action.
- Ongoing changes in the Company's claim settlement practices.
- Unexpected inflation.
- Social changes, particularly those affecting litigious inclinations.

Such risks may result in the Company's pricing being based on outdated, inadequate, or inaccurate data, or inappropriate analyses, assumptions, or methodologies, and may cause the Company to estimate incorrectly future changes in the frequency or severity of claims. As a result, the Company could under price risks, which would negatively affect the Company's margins, or it could overprice risks, which could reduce the Company's volume and competitiveness. In either event, the Company's operating results, financial condition, and cash flow could be materially adversely affected.

Inability to obtain reinsurance or to collect on ceded reinsurance could adversely affect the Company's ability to write new policies.

The availability, amount and cost of reinsurance depend on market conditions and may vary significantly. Any decrease in the amount of the Company's reinsurance will increase the risk of loss and could materially adversely affect its business and financial condition. Ceded reinsurance does not discharge the Company's direct obligations under the policies it writes. The Company remains liable to its policyholders even if the Company is unable to make recoveries that it believes it's entitled to under the reinsurance contracts. Losses may not be recovered from the reinsurers until claims are paid.

The insurance business is subject to extensive regulation and legislative changes, which may impact the manner in which the company operates its business.

The insurance business is subject to extensive regulation by the California Department of Insurance. The California Department of Insurance has broad regulatory powers implemented to protect policyholders, not stockholders or other investors. These powers include, among other things, the ability to:

- Place limitations on the Company's investments and dividends.
- Place limitations on the Company's ability to transact business with its affiliates.
- Establish standards of solvency including minimum reserves and capital surplus requirements.
- Prescribe the form and content of, and to examine, the Company's financial statements.

Federal legislation currently does not directly impact the property and casualty business, but the business can be indirectly affected by changes in federal regulations. In addition, the U.S. Congress and other federal agencies from time to time consider whether federal regulation of U. S. insurers is necessary. The Company is unable to predict whether such laws will be enacted and how and to what extent this could affect our business.

This extensive regulation may affect the cost or demand for the Company's products and may limit the ability to obtain rate increases or to take other actions that the Company might desire to do in order to increase its profitability.

A downgrade in the financial strength rating of the insurance company could reduce the amount of business it may be able to write.

Rating agencies rate insurance companies based on financial strength as an indication of an ability to pay claims. Effective January 27, 2009, A.M. Best Company has upgraded Crusader's financial strength rating to A- (Excellent) from B++ (Good) and revised Crusader's rating outlook to stable from positive. In addition, Crusader's Issuer Credit Rating was upgraded to a- (Excellent) from bbb+ (Good). The financial strength rating of A.M. Best is subject to periodic review using, among other things, proprietary capital adequacy models, and is subject to revision or withdrawal at any time. Insurance financial strength ratings are directed toward the concerns of policyholders and insurance agents and are not intended for the protection of investors. Any downgrade in the Company's A.M. Best rating could cause a reduction in the number of policies it writes and could have a material adverse effect on the Company's results of operations and financial position.

Intense competition could adversely affect the ability to sell policies at premium rates the Company deems adequate.

The Company faces significant competition which, at times, is intense. If the Company is unable to compete effectively, its business and financial condition could be materially adversely affected. Competition in the property and casualty marketplace is based on many factors including premiums charged, services provided, financial strength ratings assigned by independent rating agencies, speed of claims payments, reputation, perceived financial strength, and general experience. The Company competes with regional and national insurance companies. Some competitors have greater financial, marketing, and management resources than the Company. Intense competitive pressure on prices can result from the actions of even a single large competitor. The Company uses its own proprietary premium rates to determine the price for its property and casualty policies.

The Company's earnings may be affected by changes in interest rates.

Investment income is an important component of the Company's revenues and net income. The ability to achieve investment objectives is affected by factors that are beyond the Company's control. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions. Any significant decline in investment income as a result of falling interest rates or general market conditions would have an adverse effect on net income and, as a result, on the Company's stockholders' equity and policyholders' surplus.

The outlook of the Company's investment income is dependent on the future direction of interest rates and the amount of cash flows from operations that are available for investment. The fair values of fixed maturity investments that are "available-for-sale" fluctuate with changes in interest rates and cause fluctuations in the stockholders' equity.

The Company's geographic concentration ties its performance to the business, economic, and regulatory conditions in California.

The Company's insurance business is concentrated in California (100% of gross written premium in 2005 through 2008). Accordingly, unfavorable business, economic or regulatory conditions in the state of California could negatively impact the Company's performance. In addition, California is exposed to severe natural perils, such as earthquakes and fires, along with the possibility of terrorist acts. Accordingly, the Company could suffer losses as a result of catastrophic events.

The Company relies on independent insurance agents and brokers.

The failure or inability of independent insurance agents and brokers to market the Company's insurance programs successfully could have a material adverse effect on its business, financial condition and results of operations. Independent brokers are not obligated to promote the Company's insurance programs and may sell competitors' insurance programs. The Company's business largely depends on the marketing efforts of independent brokers and on the Company's ability to offer insurance programs and services that meet the requirements of those brokers' customers.

Litigation may have an adverse effect on the Company's business.

The insurance industry is the target of an increasing number of class action lawsuits and other types of litigation, some of which involve claims for substantial and/or indeterminate amounts and the outcomes of which are unpredictable. This litigation is based on a variety of issues including insurance and claim settlement practices. Although the Company has not been the target of any specific class action lawsuits, it is possible that a suit of this type could have a negative impact on the Company's business.

The Company relies on its information technology systems to manage many aspects of its business and any failure of these systems to function properly or any interruption in their operation could result in a material adverse effect on the Company's business, financial condition and results of operations.

The Company depends on the accuracy, reliability, and proper functioning of its information technology systems. The Company relies on these information technology systems to effectively manage many aspects of its business, including underwriting, policy acquisition, claims processing and handling, accounting, reserving and actuarial processes and policies, and maintaining its policyholder data. The failure of hardware or software that supports the Company's information technology systems or the loss of data contained in the systems could disrupt its business and could result in decreased premiums, increased overhead costs, and inaccurate reporting, all of which could have a material adverse effect on the Company's business, financial condition, and results of operations. In addition, despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the Company's information technology systems, these systems are vulnerable to damage or interruption from events such as:

- Earthquake, fire, flood and other natural disasters.
- Terrorist attacks and attacks by computer viruses or hackers.
- Power loss.
- Unauthorized access.
- Computer systems or data network failure.

It is possible that a system failure, accident, or security breach could result in a material disruption to the Company's business. In addition, substantial costs may be incurred to remedy the damages caused by these disruptions. To the extent that a critical system fails or is not properly implemented and the failure cannot be corrected in a timely manner, the Company may experience disruptions to the business that could have a material adverse effect on the Company's results of operations.

The Company's disclosure controls and procedures may not prevent or detect all acts of fraud.

The Company's disclosure controls and procedures are designed to reasonably ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act is accumulated and communicated to management and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. The Company's management believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by an unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and the Company cannot ensure that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and may not be detected.

Failure to maintain an effective system of internal control over financial reporting may have an adverse effect on the Company's stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations promulgated by the SEC require the Company to include in its Form 10-K a report by its management regarding the effectiveness of the Company's internal control over financial reporting. The report includes, among other things, an assessment of the effectiveness of the Company's internal control over financial reporting as of the end of its fiscal year, including a statement as to whether or not the Company's internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in the Company's internal control over financial reporting identified by management. Areas of the Company's internal control over financial reporting may require improvement from time to time. If management is unable to assert that the Company's internal control over financial reporting is effective now or in any future period, investors may lose confidence in the accuracy and completeness of the Company's financial reports, which could have an adverse effect on its stock price.

The ability of the Company to attract, develop and retain talented employees, managers, and executives, and to maintain appropriate staffing levels, is critical to the Company's success.

The Company must hire and train new employees and retain current employees to handle its operations. The failure of the Company to successfully hire and retain a sufficient number of skilled employees could result in the Company having to slow the growth of its business. In addition, the failure to adequately staff its claims department could result in decreased quality of the Company's claims operations. The Company's success also depends heavily upon the

continued contributions of its executive officers, both individually and as a group. The Company's future performance will be substantially dependent on its ability to retain and motivate its management team. The loss of the services of any of the Company's executive officers could prevent the Company from successfully implementing its business strategy, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

## Item 1B. Unresolved Staff Comments.

Not applicable.

## Item 2. Properties.

The Company presently occupies a 46,000 square foot office building located at 23251 Mulholland Drive, Woodland Hills, California, under a master lease expiring March 31, 2012. Erwin Cheldin, the Company's president, chairman, and principal stockholder, is the owner of the building. The Company signed an extension to the lease with a 4% increase in rent effective April 1, 2007. The lease provides for an annual gross rent of \$1,066,990 from April 1, 2007, through March 31, 2012. In addition, the lease extension provides for two, five-year options with a rent increase of 5% for each option period. The Company believes that at the inception of the lease agreement and at each subsequent extension, the terms of the lease were at least as favorable to the Company as could have been obtained from non-affiliated third parties. The Company utilizes for its own operations approximately 100% of the space it leases.

## Item 3. Legal Proceedings.

The Company, by virtue of the nature of the business conducted by it, becomes involved in numerous legal proceedings in which it may be named as either plaintiff or defendant. Incidental actions are sometimes brought by customers or others that relate to disputes concerning the issuance or non-issuance of individual insurance policies or other matters. In addition, the Company resorts to legal proceedings from time to time in order to enforce collection of premiums, commissions, or fees for the services rendered to customers or to their agents. These routine items of litigation do not materially affect the Company's operations and are handled on a routine basis through its counsel.

## Item 4. Submission of Matters to a Vote of Security Holders.

None

## PART II

## Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The Company's common stock is traded on the NASDAQ Global Market under the symbol "UNAM." The high and low sales prices (by quarter) during the last two comparable twelve-month periods are as follows:

Quarter Ended	High Price	Low Price
March 31, 2007	\$ 14.25	\$ 11.55
June 30, 2007	\$ 13.45	\$ 10.97
September 30, 2007	\$ 14.03	\$ 9.93
December 31, 2007	\$ 11.90	\$ 9.94
March 31, 2008	\$ 10.34	\$ 8.80
June 30, 2008	\$ 10.42	\$ 8.57
September 30, 2008	\$ 9.29	\$ 7.63
December 31, 2008	\$ 9.03	\$ 6.63

As of December 31, 2008, the approximate number of shareholders of record of the Company's common stock was 353. In addition, the Company estimates beneficial owners of the Company's common stock held in the name of nominees to be approximately 560. Total shareholders are estimated to be approximately 913.

The Board of Directors last declared a cash dividend on the Company's common stock in 2002. On March 23, 2009, the Board of Directors declared a cash dividend of \$0.18 per common share payable on May 1, 2009, to shareholders of record on April 10, 2009. Declaration of future cash dividends will be subject to the Company's profitability and its cash requirements. Because the Company is a holding company and operates through its subsidiaries, its cash flow and, consequently, its ability to pay dividends are dependent upon the earnings and cash requirements of its subsidiaries and the distribution of those earnings to the Company. Also, the ability of Crusader to pay dividends to the Company is subject to certain regulatory restrictions under the Holding Company Act (see Item 1 – "Business - Insurance Company Operation - Holding Company Act"). Presently, without prior regulatory approval, Crusader may pay a dividend in any twelve (12) month period to its parent equal to the greater of (a) 10% of Crusader's statutory policyholders' surplus or (b) Crusader's statutory net income for the preceding calendar year. Based on Crusader's statutory net income for the year ended December 31, 2008, the maximum dividend that could be made by Crusader to Unico without prior regulatory approval in 2009 is \$7,067,715.

The following table sets forth certain information with respect to purchases of common stock of the Company during the quarter ended December 31, 2008, by the Company.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part Of Publicly Announced Plans or Programs(1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1)
October 1, 2008 through October 31, 2008	30,477	\$ 8.21	30,477	24,483
November 1, 2008 through November 30, 2008	4,351	\$ 7.58	4,351	20,132
December 1, 2008 through December 31, 2008	4,665	\$ 7.50	4,665	515,467
Total	39,493	\$ 8.05	39,493	515,467

(1) In April 2000, the Company announced that its Board of Directors had authorized the purchase in the open market from time to time of up to an aggregate of 315,000 shares of the common stock of the Company. On August 8, 2000, the Board of Directors authorized the purchase of an additional 315,000 shares and on September 6, 2000, the Board of Directors authorized the purchase of another 315,000 shares of the common stock of the Company in the open market from time to time. On December 19, 2008, the Board of Directors authorized an additional stock repurchase program to acquire up to 500,000 shares of the Company's common stock in the open market from time to time. This brought the total shares of the Company's common stock authorized to be repurchased to 1,445,000 shares since the year 2000 (see Note 16 of "Notes to Consolidated Financial Statements"). The programs have no expiration date and may be terminated by the Board of Directors at any time. During the twelve months ended December 31, 2008, the Company repurchased 51,092 shares of the Company's common stock at a cost of \$416,583 of which \$25,108 was allocated to capital and \$391,475 was allocated to retained earnings. As of December 31, 2008, under the stock repurchase programs previously adopted by the Company, the Company had remaining authority to repurchase up to an aggregate of 515,467 shares of common stock. During the months of January and February 2009, the Company purchased and retired an additional 6,688 shares of its common stock at a total cost of \$51,866. The Company has or will retire all stock purchased.



### Performance Graph

The following graph compares the cumulative total shareholder return on the Company's Common Stock with the cumulative total return of equity securities traded on the National Association of Securities Dealers Automated Quotation System (NASDAQ) and a peer group consisting of all NASDAQ property and casualty companies. The comparison assumes \$100.00 was invested on December 31, 2003, in the Company's Common Stock and in each of the comparison groups, and assumes reinvestment of dividends. It should be noted that this graph represents historical stock price performance and is not necessarily indicative of any future stock price performance.

	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08
Unico American Corp.	100.00	170.22	167.51	234.35	183.67	146.95
NASDAQ Market Index	100.00	108.84	111.16	122.11	132.42	63.80
Peer Group Index	100.00	117.23	137.17	151.77	145.71	123.42

### Item 6. Selected Financial Data.

During the first quarter of 2008, the Company identified an error associated with the Company's policy fee income. The error arose from the recognition of non-refundable policy fee income at policy inception rather than over the policy term in accordance with the SEC's Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition," and EITF 00-21, "Revenue Arrangements with Multiple Deliverables."

The Company made an assessment of the materiality of this item on the Company's historical financial statements in accordance with SAB No. 99, "Materiality," and concluded that the error was immaterial to all periods. The Company also concluded that had the error been adjusted when it was identified within the first quarter of 2008, the impact of such an adjustment would have been material to its first quarter 2008 financial statements and was expected to be material to its full year 2008 financial statements.

Accordingly, in accordance with SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," the prior year's balance sheet, the consolidated statements of operations, comprehensive income, and cash flows have been revised to correct the immaterial error and to reflect the corrected balances as of that date (see Note 1 of "Notes to Consolidated Financial Statements").

Year ended December 31				
2008	2007		2006	2005
			2004	
(Percentages shown are based on Net Assets)				
			<i>Par</i>	<i>Value</i>
			<i>(000)</i>	
<i>Security</i>				
<b>Municipal Bonds</b>		<b>101.3%</b>		
<b>Alabama</b>		<b>1.9%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC) <sup>(a)</sup> :				
6.00%, 06/01/19			\$ 1,000	\$ 1,010,380
6.13%, 06/01/19			1,000	1,010,680
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35				
			335	359,994
				2,381,054
<b>Arizona</b>		<b>0.2%</b>		
County of Maricopa IDA, Refunding RB, Honorhealth, Series A, 4.13%, 09/01/38				
			300	307,695
<b>California</b>		<b>11.5%</b>		
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 08/15/20 <sup>(a)</sup>				
			1,120	1,192,879
California Municipal Finance Authority, Refunding RB, Emerson College, Series B, 5.00%, 01/01/36				
			750	841,785
California Statewide Communities Development Authority, Refunding RB, Adventist Health System, Series A, 4.00%, 03/01/42				
			1,000	1,018,190
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33				
			1,025	1,188,672
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 04/01/19 <sup>(a)</sup>				
			1,810	1,815,647
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 08/01/21 <sup>(a)</sup>				
			1,000	1,097,000
Regents of the University of California Medical Center Pooled Revenue, Refunding RB, Series J:				
5.25%, 05/15/23 <sup>(a)</sup>			1,835	2,111,443
5.25%, 05/15/38			520	580,653
San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 08/01/19 <sup>(a)</sup>				
			1,125	1,143,034
State of California Public Works Board, LRB, Various Capital Projects, Series I:				
5.50%, 11/01/30			1,000	1,144,300
5.50%, 11/01/31			1,500	1,711,455
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 09/01/33				
			505	567,044
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 08/01/40				
			380	441,518
				14,853,620
<b>Colorado</b>		<b>4.3%</b>		
			915	417,386

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City & County of Denver Colorado, RB, Capital Appreciation Bonds Series, Series A-2, 0.00%, 08/01/38 <sup>(b)</sup>		
City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32	3,250	3,661,515
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 05/15/19 <sup>(a)</sup>	1,425	1,437,412
		5,516,313
<b>Connecticut 0.3%</b>		
Connecticut Housing Finance Authority, Refunding RB, S/F Housing, Sub-Series B-1, 4.00%, 05/15/45	415	418,009
<b>Florida 9.9%</b>		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31	4,525	4,851,071
County of Collier Florida Health Facilities Authority, Refunding RB, Series A, 5.00%, 05/01/45	795	844,012
County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38	4,215	4,826,091
County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project, 5.00%, 08/01/41	1,305	1,396,037
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Florida (continued)</b>		
Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 06/01/32	\$ 745	\$ 840,486
		12,757,697
<b>Georgia 4.0%</b>		
City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 01/01/30	2,500	2,688,000
Main Street Natural Gas, Inc., RB, Series A, 5.00%, 05/15/49	2,225	2,511,491
		5,199,491
<b>Idaho 0.7%</b>		
Idaho Health Facilities Authority, RB, Trinity Health Credit Group, 4.00%, 12/01/43	670	676,915
Idaho State Building Authority, RB, Department of Health And Welfare Project, 4.00%, 09/01/48	230	233,974
		910,889
<b>Illinois 20.8%</b>		
City of Chicago Illinois, Refunding GARB, O Hare International Airport, 3rd Lien, Series C (AGC), 5.25%, 01/01/30	1,000	1,025,770
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien: Series A, 5.75%, 01/01/21 <sup>(a)</sup>	690	741,281
Series A, 5.75%, 01/01/39	135	142,919
Series C, 6.50%, 01/01/21 <sup>(a)</sup>	3,740	4,067,512
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts: 5.25%, 12/01/36	3,185	3,366,035
5.25%, 12/01/40	3,000	3,154,350
City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 06/01/28	3,000	3,093,510
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 01/01/42	1,480	1,548,850

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County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.50%, 12/01/38	855	894,048
5.25%, 12/01/43	1,430	1,477,705
Illinois Finance Authority, RB, Series A:		
Carle Foundation, 6.00%, 08/15/41	1,885	2,046,356
Chicago LLC, University of Illinois at Chicago Project, 5.00%, 02/15/37	520	564,325
Railsplitter Tobacco Settlement Authority, RB <sup>(a)</sup> :		
5.50%, 06/01/21	915	990,707
6.00%, 06/01/21	260	284,359
State of Illinois, GO:		
5.25%, 02/01/31	610	639,689
5.25%, 02/01/32	1,010	1,055,036
5.50%, 07/01/33	1,000	1,055,740
5.50%, 07/01/38	270	281,966
State of Illinois, GO, Refunding, Series B, 5.00%, 10/01/27	345	374,563
		26,804,721
<b>Louisiana 0.6%</b>		
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 05/15/29	790	794,764
<b>Maryland 0.6%</b>		
Maryland Community Development Administration, Refunding RB, S/F Housing, Series A, 4.10%, 09/01/38	710	729,461
<b>Massachusetts 1.0%</b>		
Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A, 5.00%, 01/01/47	695	750,558
Massachusetts Development Finance Agency, Refunding RB, Emmanuel College Issue, Series A, 5.00%, 10/01/35	500	548,500
		1,299,058

Schedule of Investments (unaudited) (continued) **BlackRock Municipal Income Investment Quality Trust (BAF)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Michigan 1.3%</b>		
City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM):		
6.25%, 07/01/19 <sup>(a)</sup>	\$ 1,695	\$ 1,720,273
6.25%, 07/01/36	5	5,068
		1,725,341
<b>Minnesota 3.2%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series A, 4.00%, 11/15/48	395	399,408
Duluth Economic Development Authority, Refunding RB, Essentia Health Obligated Group, Series A, 5.25%, 02/15/58	520	574,720
Duluth EDA, Refunding RB, Essentia Health Obligated Group, Series A, 4.25%, 02/15/48	3,050	3,090,290
		4,064,418
<b>Mississippi 1.8%</b>		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	1,000	1,185,270
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 08/01/23 <sup>(a)</sup>	1,000	1,150,600
		2,335,870
<b>Nevada 1.6%</b>		
County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 07/01/19 <sup>(a)</sup>	2,000	2,024,040
<b>New Jersey 7.3%</b>		
New Jersey Health Care Facilities Financing Authority, RB:		
Inspira Health Obligated Group, 4.00%, 07/01/47	300	305,643
Virtua Health, Series A (AGC), 5.50%, 07/01/38	1,300	1,314,742
New Jersey Housing & Mortgage Finance Agency, RB, S/F, Series CC, 5.25%, 10/01/29	1,220	1,223,367
New Jersey Transportation Trust Fund Authority, RB:		
Transportation Program Bonds, Series S, 5.00%, 06/15/46	2,070	2,180,973
Transportation System, Series AA, 5.50%, 06/15/39	1,620	1,719,419
New Jersey Turnpike Authority, RB, Series A, 4.00%, 01/01/48	270	276,375
Tobacco Settlement Financing Corp., Refunding RB:		
Series A, 5.00%, 06/01/35	580	646,706
Series A, 5.00%, 06/01/46	1,365	1,439,597
Sub-Series B, 5.00%, 06/01/46	340	344,243
		9,451,065
<b>New York 2.5%</b>		
Metropolitan Transportation Authority, RB:		
Series A, 5.25%, 11/15/21 <sup>(a)</sup>	1,565	1,718,213

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Series A-1, 5.25%, 11/15/39	1,000	1,115,780
Westchester New York Tobacco Asset Securitization, Refunding RB, Tobacco Settlement Bonds, Sub-Series C, 4.00%, 06/01/42	420	393,935
		3,227,928
<b>Ohio 0.6%</b>		
Ohio Housing Finance Agency, RB, S/F Housing, Series A (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 09/01/48	280	282,246
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 02/15/31	470	523,885
		806,131
<b>Oregon 0.2%</b>		
County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 <sup>(b)</sup>	510	237,558
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Pennsylvania 3.1%</b>		
Pennsylvania Housing Finance Agency, RB, S/F Housing Mortgage, Series 123-B, 4.00%, 10/01/42	\$ 530	\$ 532,523
Pennsylvania Turnpike Commission, RB, Series C, 5.00%, 12/01/43	1,720	1,854,624
Township of Bristol Pennsylvania School District, GO, 5.25%, 06/01/37	1,500	1,660,080
		4,047,227
<b>Rhode Island 0.8%</b>		
Tobacco Settlement Financing Corp., Refunding RB, Series A, 5.00%, 06/01/40	1,050	1,089,207
<b>South Carolina 7.5%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	1,525	1,726,224
South Carolina Jobs EDA, Refunding RB:		
Anmed Health Projects, 5.00%, 02/01/38	2,875	3,098,560
Prisma Health Obligated Group, Series A, 5.00%, 05/01/48	785	858,876
State of South Carolina Jobs EDA, Refunding RB, Prisma Health Obligated Group, Series A, 5.00%, 05/01/43	880	968,062
State of South Carolina Public Service Authority, RB, Series E:		
5.00%, 12/01/48	440	467,971
5.50%, 12/01/53	500	541,040
State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55	1,825	1,995,455
		9,656,188
<b>Texas 13.0%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 03/01/37	980	1,090,760
City of Frisco Texas ISD, GO, School Building (AGM), 5.50%, 08/15/41	3,365	3,421,667
City of Houston Texas Combined Utility System, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> :		
6.00%, 05/15/19	2,465	2,486,372
6.00%, 05/15/19	135	136,185
City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> :		

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5.38%, 05/15/19	1000	1,007,455
6.00%, 05/15/19	2,215	2,234,217
Lower Colorado River Authority, Refunding RB, 5.50%, 05/15/33	1,000	1,130,970
North Texas Tollway Authority, Refunding RB:		
4.25%, 01/01/49	2,555	2,640,056
1st Tier (AGM), 6.00%, 01/01/21 <sup>(a)</sup>	1,000	1,076,920
Red River Texas Education Financing Corp., RB, Texas Christian University Project, 5.25%, 03/15/38	440	490,147
Texas Transportation Commission, RB, First Tier Toll Revenue:		
0.00%, 08/01/39 <sup>(b)</sup>	1,000	390,650
0.00%, 08/01/43 <sup>(b)</sup>	795	247,062
5.00%, 08/01/57	340	369,022
		16,721,483
<b>Virginia 0.3%</b>		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 01/01/43	370	399,045
<b>Washington 2.2%</b>		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 02/01/21 <sup>(a)</sup>	1,025	1,095,028
State of Washington, GO, Various Purposes, Series B, 5.25%, 02/01/21 <sup>(a)</sup>	795	849,314
Washington State Housing Finance Commission, Refunding RB, Horizon House Project, 5.00%, 01/01/43 <sup>(c)</sup>	900	940,860
		2,885,202

Schedule of Investments (unaudited) (continued) **BlackRock Municipal Income Investment Quality Trust (BAF)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>West Virginia 0.1%</b>		
West Virginia Hospital Finance Authority, RB, Improvement, West Virginia University Health System Obligated Group, Series A, 4.00%, 06/01/51	\$ 140	\$ 137,984
<b>Total Municipal Bonds 101.3%</b> (Cost \$124,926,651)		130,781,459
<b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(d)</sup></b>		
<b>California 12.8%</b>		
Fremont Union High School District, GO, Refunding Series A, 4.00%, 08/01/46	1,640	1,711,045
Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2, Series A, 5.00%, 10/01/43	2,775	3,132,355
San Marcos Unified School District, GO, Election of 2010, Series A, 5.25%, 08/01/21 <sup>(a)</sup>	10,680	11,652,307
		16,495,707
<b>Connecticut 1.1%</b>		
State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45	1,306	1,437,365
<b>District of Columbia 0.6%</b>		
District of Columbia Housing Finance Agency, RB, M/F Housing, Series B-2 (FHA), 4.10%, 09/01/39	790	802,652
<b>Georgia 0.8%</b>		
County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care System Obligation, 4.00%, 08/15/48	1,025	1,049,979
<b>Idaho 1.3%</b>		
Idaho State Building Authority, RB, State Office Campus Project, Series A, 4.00%, 09/01/48	1,700	1,737,102
<b>Illinois 5.5%</b>		
State of Illinois Toll Highway Authority, RB:		
Series A, 5.00%, 01/01/40	825	919,721
Series B, 5.00%, 01/01/40	3,329	3,685,774
Series C, 5.00%, 01/01/38	2,252	2,494,806
		7,100,301
<b>Iowa 1.1%</b>		
Iowa Finance Authority, Refunding RB, UnityPoint Health, Series E, 4.00%, 08/15/46	1,455	1,459,937

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<b>Michigan 2.3%</b>		
State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45	2,650	3,008,969
<b>Nevada 3.4%</b>		
Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 06/01/28	4,100	4,379,620
<b>New Jersey 6.0%</b>		
New Jersey State Turnpike Authority, RB, Series A, 5.00%, 07/01/22 <sup>(a)(e)</sup>	6,020	6,650,670
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 <sup>(e)</sup>	1,000	1,039,066
		7,689,736
<b>New York 15.3%</b>		
City of New York Housing Development Corp., Refunding RB, Sustainable Neighborhood Bonds, Series A, 4.15%, 12/01/43	1,890	1,952,512
City of New York Municipal Water Finance Authority, Refunding RB, Series FF, 5.00%, 06/15/45	3,019	3,269,594
City of New York New York, GO, Sub-Series-D1, Series D, 5.00%, 12/01/43 <sup>(e)</sup>	2,620	2,999,350
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>New York (continued)</b>		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series BB, 5.25%, 06/15/44	\$ 4,993	\$ 5,413,248
Hudson Yards Infrastructure Corp., RB, Senior-Fiscal 2012 <sup>(e)</sup> : 5.75%, 02/15/21 <sup>(a)</sup>	619	665,764
5.75%, 02/15/47	381	409,558
New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	2,955	3,205,511
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(e)</sup>	1,740	1,897,730
		19,813,267
<b>North Carolina 2.9%</b>		
North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 5.00%, 10/01/55	2,400	2,695,164
North Carolina Housing Finance Agency, RB, S/F Housing, Series 39-B (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 01/01/48	985	989,455
		3,684,619
<b>Pennsylvania 3.6%</b>		
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/38	1,349	1,509,286
Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42	1,094	1,254,226
Pennsylvania Turnpike Commission, Refunding RB, Sub Series B-2 (AGM), 5.00%, 06/01/35	1,640	1,852,101
		4,615,613
<b>Rhode Island 1.6%</b>		
Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/47	1,982	2,019,741

**Texas 5.7%**

County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38	4,456	4,817,859
North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 09/01/21 <sup>(a)</sup>	2,310	2,522,070

7,339,929

**Utah 0.8%**

City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/19 <sup>(a)</sup>	1,005	1,020,064
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**Virginia 1.2%**

Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.50%, 07/01/57 <sup>(e)</sup>	1,337	1,572,134
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**West Virginia 1.2%**

Morgantown Utility Board, Inc., RB, Series B, 4.00%, 12/01/48 <sup>(e)</sup>	1,511	1,537,392
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**Wisconsin 2.4%**

Wisconsin Housing & Economic Development Authority, RB, M/F Housing, Series A: 4.10%, 11/01/43	1,342	1,359,389
4.45%, 05/01/57	1,678	1,699,267

3,058,656

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 69.6%**  
(Cost \$86,833,018)

89,822,783

**Total Long-Term Investments 170.9%**  
(Cost \$211,759,669)

220,604,242

Schedule of Investments (unaudited) (continued) **BlackRock Municipal Income Investment Quality Trust (BAF)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>Short-Term Securities 0.5%</b>		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.55% <sup>(f)(g)</sup>	589,555 \$	589,614
<b>Total Short-Term Securities 0.5%</b>		
<b>(Cost \$589,614)</b>		589,614
<b>Total Investments 171.4%</b>		
<b>(Cost \$212,349,283)</b>		221,193,856
<b>Other Assets Less Liabilities 1.4%</b>		1,832,204
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (40.1)%</b>		(51,779,752)
<b>VMTP Shares, at Liquidation Value (32.7)%</b>		(42,200,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 129,046,308

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

(b) Zero-coupon bond.

(c) 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.

(d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

(e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between June 15, 2019 to December 1, 2026, is \$9,988,902. See Note 4 of the Notes to Financial Statements for details.

(f) Annualized 7-day yield as of period end.

(g) During the six months ended February 28, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<i>Affiliate</i>	<i>Shares Held at 08/31/18</i>	<i>Net Activity</i>	<i>Shares Held at 02/28/19</i>	<i>Value at 02/28/19</i>	<i>Income</i>	<i>Realized Gain (Loss)</i>	<i>Change in Unrealized Appreciation (Depreciation)</i>
BlackRock Liquidity Funds, MuniCash, Institutional Class	690,077	(100,522)	589,555	\$ 589,614	\$ 8,450	\$ 478	\$

(a) Includes net capital gain distributions, if applicable.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount (000)</i>	<i>Value/ Unrealized Appreciation (Depreciation)</i>
Short Contracts:				
10-Year U.S. Treasury Note	13	06/19/19	\$ 1,586	\$ 8,219
Long U.S. Treasury Bond	50	06/19/19	7,223	82,293
5-Year U.S. Treasury Note	20	06/28/19	2,291	6,844
				\$ 97,356

#### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

<b>Assets</b>	<b>Commodity Contracts</b>	<b>Credit Contracts</b>	<b>Equity Contracts</b>	<b>Foreign Currency Exchange Contracts</b>	<b>Interest Rate Contracts</b>	<b>Other Contracts</b>	<b>Total</b>
<b>Derivative Financial Instruments</b>							
Futures contracts							
Net unrealized appreciation <sup>(a)</sup>	\$	\$	\$	\$	\$ 97,356	\$	\$ 97,356

(a) Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

Schedule of Investments (unaudited) (continued) **BlackRock Municipal Income Investment Quality Trust (BAF)**

February 28, 2019

For the six months ended February 28, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts	\$	\$	\$	\$	\$ (218,010)	\$	\$ (218,010)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts	\$	\$	\$	\$	\$ 86,680	\$	\$ 86,680

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts short \$ 10,070,953

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments <sup>(a)</sup>	\$	\$ 220,604,242	\$	\$ 220,604,242
Short-Term Securities	589,614			589,614
	\$ 589,614	\$ 220,604,242	\$	\$ 221,193,856

Derivative Financial Instruments<sup>(b)</sup>

Assets:

Interest rate contracts	\$ 97,356	\$	\$	\$ 97,356
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<sup>(a)</sup> See above Schedule of Investments for values in each state or political subdivision.

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

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$ (51,608,191)	\$	\$ (51,608,191)
VMTP Shares at Liquidation Value		(42,200,000)		(42,200,000)
	\$	\$ (93,808,191)	\$	\$ (93,808,191)

During the six months ended February 28, 2019, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Municipal Bonds 116.4%</b>		
<b>Alabama 3.3%</b>		
City of Birmingham Alabama, GO, Convertible CAB, Series A1, 5.00%, 03/01/45	\$ 1,165	\$ 1,266,378
City of Birmingham Alabama Airport Authority, ARB, (AGM), 5.50%, 07/01/40	5,800	6,027,882
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 06/01/19 <sup>(a)</sup>	1,495	1,510,518
State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/20 <sup>(a)</sup>	3,800	4,059,578
		12,864,356
<b>Alaska 0.3%</b>		
Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41	1,070	1,150,411
<b>Arizona 0.8%</b>		
Arizona State University, RB, Green Bonds, Series B, 5.00%, 07/01/42	1,395	1,576,280
State of Arizona, COP, Department of Administration, Series A (AGM): 5.00%, 10/01/27	1,250	1,274,213
5.25%, 10/01/28	250	255,200
		3,105,693
<b>California 10.5%</b>		
California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 07/01/39	625	633,044
California Health Facilities Financing Authority, Refunding RB, Kaiser Permanente, Sub-Series A-2, 5.00%, 11/01/47	1,465	1,902,068
California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, 1st Lien, Series A (AMBAC), 5.00%, 01/01/28 <sup>(a)</sup>	10,100	12,660,552
California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 04/01/42	1,620	1,735,927
California Statewide Communities Development Authority, Refunding RB, Adventist Health System, Series A, 4.00%, 03/01/48	3,175	3,195,860
City & County of San Francisco Public Utilities Commission Wastewater Revenue, Refunding RB, Sewer System, Series B, 4.00%, 10/01/42	1,500	1,534,395
Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 08/01/43 <sup>(b)</sup>	1,580	1,354,202
San Diego California Unified School District, GO, Election of 2008 <sup>(c)</sup> : CAB, Series C, 0.00%, 07/01/38	2,000	991,760
CAB, Series G, 0.00%, 07/01/34	725	364,030
CAB, Series G, 0.00%, 07/01/35	775	365,947
CAB, Series G, 0.00%, 07/01/36	1,155	512,912
CAB, Series G, 0.00%, 07/01/37	770	321,698
CAB, Series K-2, 0.00%, 07/01/38	1,745	839,555

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CAB, Series K-2, 0.00%, 07/01/39	2,115	981,656
CAB, Series K-2, 0.00%, 07/01/40	2,715	1,205,460
San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 07/01/31 <sup>(c)</sup>	1,400	954,338
State of California, GO, Refunding, Various Purposes, 5.00%, 10/01/41	1,100	1,180,421
State of California, GO, Various Purposes, 5.00%, 04/01/42	3,000	3,234,990
State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/33	1,415	1,609,110
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>California (continued)</b>		
Yosemite Community College District, GO, CAB, Election of 2004, Series D, 0.00%, 08/01/37 <sup>(c)</sup>	\$ 10,000	\$ 5,103,200
		40,681,125
<b>Colorado 0.6%</b>		
Regional Transportation District, COP, Refunding, Series A, 5.38%, 06/01/31	960	999,341
Regional Transportation District, COP, Series A, 5.00%, 06/01/39	1,305	1,435,656
		2,434,997
<b>Connecticut 1.4%</b>		
State of Connecticut, GO, Series E, 5.00%, 09/15/37	2,280	2,523,094
University of Connecticut, RB, Series A, 5.00%, 01/15/34	2,620	2,910,322
		5,433,416
<b>Delaware 0.8%</b>		
County of Kent Delaware, RB, CHF-Dover, LLC-Delaware State University Project, Series A:		
5.00%, 07/01/40	770	819,172
5.00%, 07/01/48	2,110	2,229,089
		3,048,261
<b>District of Columbia 2.5%</b>		
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 05/15/40	9,500	9,806,470
<b>Florida 7.0%</b>		
County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 04/01/39	1,795	1,934,956
County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38	2,770	3,171,594
County of Miami-Dade Florida Aviation, Refunding ARB <sup>(a)</sup> :		
Aviation, Miami International Airport, Series A-1, 5.50%, 10/01/20	5,000	5,298,800
Series A, 5.50%, 10/01/19	5,000	5,111,100
County of Miami-Dade Florida Educational Facilities Authority, RB, University of Miami, Series A, 5.00%, 04/01/40	3,910	4,281,411
County of Miami-Dade Florida Health Facilities Authority, Refunding RB, Nicklaus Children s Hospital Project, 5.00%, 08/01/42	685	759,706
County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project:		
5.00%, 08/01/41	630	673,949

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5.00%, 08/01/47	1,845	1,965,202
County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 07/01/19 <sup>(a)</sup>	300	303,870
Reedy Creek Improvement District, GO, Series A, 5.25%, 06/01/33	1,340	1,508,840
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/21 <sup>(a)</sup>	2,000	2,179,700
		27,189,128
<b>Georgia 3.6%</b>		
City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 01/01/30	7,500	8,064,000
City of Atlanta Georgia Water & Wastewater Revenue, Refunding RB, 5.00%, 11/01/40	1,500	1,672,035
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A (GTD), 5.50%, 08/15/54	545	619,605

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Georgia (continued)</b>		
County of Georgia Housing & Finance Authority, RB, S/F Housing, Series A:		
3.95%, 12/01/43	\$ 685	\$ 689,706
4.00%, 12/01/48	500	504,145
Main Street Natural Gas, Inc., RB, Series A:		
5.00%, 05/15/38	595	675,307
5.00%, 05/15/43	775	839,883
Private Colleges & Universities Authority, RB, Savannah College of Art & Design:		
5.00%, 04/01/33	155	169,686
5.00%, 04/01/44	595	636,811
		13,871,178
<b>Hawaii 1.4%</b>		
State of Hawaii Harbor System, RB, Series A, 5.50%, 07/01/35	5,000	5,234,650
<b>Illinois 13.6%</b>		
City of Chicago Illinois O Hare International Airport, GARB:		
3rd Lien, 5.63%, 01/01/21 <sup>(a)</sup>	1,230	1,318,658
3rd Lien, 5.63%, 01/01/35	295	311,977
Senior Lien, Series D, 5.25%, 01/01/42	3,300	3,729,561
City of Chicago Illinois O Hare International Airport, Refunding GARB, Senior Lien, Series D, 5.25%, 01/01/34	9,800	10,747,366
City of Chicago Illinois Transit Authority, RB:		
5.25%, 12/01/49	3,500	3,832,745
Sales Tax Receipts, 5.25%, 12/01/36	650	686,946
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.13%, 12/01/38	7,700	7,929,383
5.50%, 12/01/38	1,000	1,045,670
County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37	210	220,214
County of Will Illinois, GO, 5.00%, 11/15/45	1,400	1,540,224
Illinois Finance Authority, RB, Chicago LLC, University of Illinois at Chicago Project, Series A:		
5.00%, 02/15/37	700	759,668
5.00%, 02/15/47	480	511,627
5.00%, 02/15/50	240	255,286
Illinois Finance Authority, Refunding RB:		
OSF Health Care System, Series A, 5.00%, 11/15/45	2,815	3,012,416
Silver Cross Hospital & Medical Centers, Series C, 4.13%, 08/15/37	3,130	3,119,890
Silver Cross Hospital & Medical Centers, Series C, 5.00%, 08/15/44	390	416,692
University of Chicago Medical Center, Series B, 4.00%, 08/15/41	900	916,974
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 06/01/21 <sup>(a)</sup>	710	776,520

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State of Illinois, GO:		
5.25%, 07/01/29	8,345	8,783,864
5.50%, 07/01/33	880	929,051
5.50%, 07/01/38	1,475	1,540,372
		52,385,104
<b>Indiana 0.3%</b>		
Indiana Finance Authority, RB, CWA Authority Project, 1st Lien, Series A, 5.25%, 10/01/38	1,100	1,186,427
<b>Iowa 2.2%</b>		
Iowa Finance Authority, RB, Iowa Health Care Facilities:		
Genesis Health System, 5.50%, 07/01/33	3,000	3,381,150
Series A (AGC), 5.63%, 08/15/19 <sup>(a)</sup>	5,000	5,088,350
		8,469,500
	<i>Par</i>	
	<i>(000)</i>	<i>Value</i>
<i>Security</i>		
<b>Kentucky 0.1%</b>		
State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 02/01/29	\$ 170	\$ 170,447
<b>Maryland 1.7%</b>		
County of Montgomery Maryland, RB, Trinity Health Credit Group, 4.00%, 12/01/44	1,810	1,835,105
Maryland Community Development Administration, Refunding RB, S/F Housing, Series A, 4.10%, 09/01/38	745	765,420
Maryland Health & Higher Educational Facilities Authority, RB, University of Maryland Medical System Issue, 4.00%, 07/01/48	4,000	4,063,480
		6,664,005
<b>Massachusetts 3.1%</b>		
Massachusetts Development Finance Agency, RB:		
Emerson College Issue, Series A, 5.00%, 01/01/47	2,370	2,559,458
Emerson College Issue, 5.00%, 01/01/48	2,595	2,822,322
UMass Dartmouth Student Housing Project, 5.00%, 10/01/48	1,970	2,115,642
Massachusetts Development Finance Agency, Refunding RB:		
Foxborough Regional Charter School Issue, 5.00%, 07/01/37	190	200,986
Western New England University, 5.00%, 09/01/43	1,750	1,917,930
Massachusetts Housing Finance Agency, RB, M/F Housing, Series A:		
3.80%, 12/01/43	365	360,868
3.85%, 06/01/46	490	485,016
Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, 5.00%, 05/15/43	1,395	1,534,012
		11,996,234
<b>Michigan 7.2%</b>		
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 07/01/41	1,100	1,186,823
Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44	3,640	3,953,404
Michigan Finance Authority, Refunding RB:		

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Henry Ford Health System, 5.00%, 11/15/41	2,235	2,426,249
Hospital; Trinity Health Credit Group, 5.00%, 12/01/39	9,020	9,596,198
Trinity Health Credit Group, 5.00%, 12/01/21 <sup>(a)</sup>	30	32,623
Michigan State Housing Development Authority, RB, S/F Housing, Series A, 3.80%, 10/01/38	3,965	3,935,461
Royal Oak Hospital Finance Authority Michigan, Refunding RB, Beaumont Health Credit Group, Series D, 5.00%, 09/01/39	1,560	1,685,908
State of Michigan Building Authority, Refunding RB, Facilities Program: Series I-A, 5.38%, 10/15/36	2,000	2,167,860
Series I-A, 5.38%, 10/15/41	800	865,440
Series II-A, 5.38%, 10/15/36	1,500	1,625,895
Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39	430	481,320
		27,957,181
<b>Minnesota 0.4%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series A, 5.00%, 11/15/49	1,315	1,452,588
<b>Nebraska 1.8%</b>		
Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 09/01/37	6,345	6,863,069

SCHEDULES OF INVESTMENTS

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## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Nevada 1.9%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 07/01/42	\$ 3,000	\$ 3,068,580
(AGM), 5.25%, 07/01/39	4,100	4,198,154
		7,266,734
<b>New Jersey 9.7%</b>		
New Jersey EDA, RB: School Facilities Construction Bonds, Series DDD, 5.00%, 06/15/42	375	393,953
Series WW, 5.25%, 06/15/33	170	185,164
Series WW, 5.00%, 06/15/34	225	240,903
Series WW, 5.00%, 06/15/36	1,395	1,483,499
Series WW, 5.25%, 06/15/40	400	424,828
New Jersey EDA, Refunding RB, Sub-Series A, 4.00%, 07/01/32	930	932,632
New Jersey Health Care Facilities Financing Authority, Refunding RB, Hospital Asset Transfer Program, 5.00%, 10/01/37	1,605	1,713,947
New Jersey Transportation Trust Fund Authority, RB: Transportation Program Bonds, Series S, 5.25%, 06/15/43	2,150	2,334,212
5.00%, 06/15/36	5,070	5,305,501
CAB, Transportation System, Series A, 0.00%, 12/15/38 <sup>(c)</sup>	5,845	2,352,612
Transportation Program, Series AA, 5.25%, 06/15/33	1,660	1,767,867
Transportation Program, Series AA, 5.00%, 06/15/38	945	992,250
Transportation System, Series A, 5.50%, 06/15/41	3,000	3,117,660
Transportation System, Series AA, 5.50%, 06/15/39	3,785	4,017,285
Transportation System, Series B, 5.25%, 06/15/36 <sup>(d)</sup>	5,000	5,194,150
Transportation System, Series D, 5.00%, 06/15/32	900	965,340
New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System, Series A, 5.00%, 12/15/36	340	367,448
South Jersey Port Corp., RB, Sub-Marine Terminal, Series A, 5.00%, 01/01/49	720	783,562
Tobacco Settlement Financing Corp., Refunding RB, Series A: 5.00%, 06/01/35	1,750	1,951,268
5.25%, 06/01/46	1,725	1,861,465
Tobacco Settlement Bonds, 5.00%, 06/01/33	1,000	1,129,380
		37,514,926
<b>New Mexico 0.1%</b>		
New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 08/01/44	405	445,634
<b>New York 3.0%</b>		
City of New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32	1,650	1,816,667

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City of New York Water & Sewer System, Refunding RB, Water and Sewer System, 2nd General Resolution, Fiscal 2013, Series BB, 4.00%, 06/15/47	2,855	2,907,675
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012: 5.75%, 02/15/21 <sup>(a)</sup>	480	518,419
5.75%, 02/15/47	290	310,874
Metropolitan Transportation Authority, Refunding RB, Series B, 5.00%, 11/15/37	1,570	1,754,271
State of New York Dormitory Authority, RB, Education, Series B, 5.75%, 03/15/19 <sup>(a)</sup>	1,300	1,301,690
State of New York Mortgage Agency, Refunding RB, Series 211, 3.75%, 10/01/43	2,810	2,788,363
		11,397,959
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Ohio 3.0%</b>		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 <sup>(a)</sup>	\$ 610	\$ 686,335
Northwest Local School District/Hamilton & Butler Counties, GO, School Improvements, 4.00%, 12/01/50	2,645	2,678,830
State of Ohio, Refunding RB, University Hospitals Health System, Series A, 5.00%, 01/15/41	3,500	3,686,515
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 02/15/32	780	868,803
5.25%, 02/15/33	1,095	1,218,790
University of Akron, Refunding RB, Series A, 5.00%, 01/01/37	2,000	2,236,560
		11,375,833
<b>Oregon 0.4%</b>		
Counties of Washington & Multnomah Oregon School District No. 48J Beaverton, GO, Convertible CAB, Series D, 5.00%, 06/15/36	945	1,097,504
County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 <sup>(c)</sup>	1,115	519,367
		1,616,871
<b>Pennsylvania 5.7%</b>		
Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment: 5.00%, 06/01/33	790	899,936
5.00%, 06/01/34	1,750	1,984,623
(AGM), 4.00%, 06/01/39	3,230	3,306,422
County of Montgomery Higher Education & Health Authority, Refunding RB, Thomas Jefferson University, Series A, 4.00%, 09/01/49	1,145	1,149,328
Pennsylvania HFA, RB, S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40	1,770	1,786,443
Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 09/01/50	4,245	4,768,111
Pennsylvania Turnpike Commission, RB:		
Series A, 5.00%, 12/01/38	695	763,492
Series A-1, 5.00%, 12/01/41	2,730	3,000,407
Series B, 5.00%, 12/01/40	1,060	1,162,608
Series C, 5.50%, 12/01/23 <sup>(a)</sup>	630	738,914
Subordinate, Special Motor License Fund, 6.00%, 12/01/20 <sup>(a)</sup>	625	671,581
Pennsylvania Turnpike Commission, Refunding RB:		
Series A-1, 5.00%, 12/01/40	850	926,730
Turnpike Subordinate Revenue, Second Series, 5.00%, 12/01/35	860	961,962

		22,120,557
<b>Rhode Island 2.0%</b>		
Narragansett Bay Commission, Refunding RB, Series A, 4.00%, 09/01/43	2,275	2,310,058
Tobacco Settlement Financing Corp., Refunding RB, Series B, 4.50%, 06/01/45	5,855	5,494,390
		7,804,448
<b>South Carolina 6.2%</b>		
South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 08/01/21 <sup>(a)</sup>	260	289,453
Spartanburg Regional Health Services District, Refunding RB, Series A, 4.00%, 04/15/43	3,500	3,451,665
State of South Carolina Ports Authority, ARB, 5.25%, 07/01/20 <sup>(a)</sup>	5,000	5,235,500
State of South Carolina Public Service Authority, RB:		
Santee Cooper, Series A, 5.50%, 12/01/54	6,960	7,587,444
Series E, 5.50%, 12/01/53	1,610	1,742,149

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>South Carolina (continued)</b>		
State of South Carolina Public Service Authority, Refunding RB, Series B: Santee Cooper, 5.00%, 12/01/38	\$ 2,360	\$ 2,527,985
(AGM), 5.00%, 12/01/56	2,845	3,094,108
		23,928,304
<b>South Dakota 0.5%</b>		
City of Rapid City South Dakota, RB, 4.00%, 12/01/48	1,760	1,783,232
<b>Tennessee 0.0%</b>		
County of Nashville & Davidson Metropolitan Government Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40	35	38,392
<b>Texas 15.4%</b>		
City of Arlington Texas, Special Tax Bonds, Sub Lien, Series C (BAM), 5.00%, 02/15/45	2,105	2,200,567
City of San Antonio Texas Electric & Gas Revenue, RB, Junior Lien, 5.00%, 02/01/38	615	672,373
Coppell Texas ISD, GO, CAB, Refunding (PSF-GTD), 0.00%, 08/15/30 <sup>(c)</sup>	10,030	7,312,372
County of Harris Texas, GO, Refunding, (NPFGC) <sup>(c)</sup> : 0.00%, 08/15/25	7,485	6,523,252
0.00%, 08/15/28	10,915	8,599,274
County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Junior Lien, Series H (NPFGC) <sup>(c)</sup> : 0.00%, 11/15/38	5,785	2,206,978
0.00%, 11/15/39	6,160	2,199,366
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 09/15/36 <sup>(c)</sup>	2,340	1,146,085
Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33	1,090	1,212,810
El Paso Independent School District, GO, (PSF-GTD), 4.00%, 08/15/43	2,110	2,191,045
Grand Parkway Transportation Corp., RB, Series B: Convertible CAB, 0.00%, 10/01/46 <sup>(b)</sup>	2,365	2,267,940
Subordinate Tier Toll Revenue Bonds, 5.00%, 04/01/53	465	500,419
Harris County-Houston Sports Authority, Refunding RB, 3rd Lien, Series A (NPFGC) <sup>(c)</sup> : 0.00%, 11/15/24 <sup>(a)</sup>	5,965	2,320,922
0.00%, 11/15/38	10,925	3,936,168
Leander ISD, GO, Refunding, CAB, Series D (PSF-GTD), 0.00%, 08/15/38 <sup>(c)</sup>	3,775	1,666,247
North Texas Tollway Authority, RB <sup>(a)</sup> : CAB, Special Project System, Series B, 0.00%, 09/01/31 <sup>(c)</sup>	1,975	881,423
Convertible CAB, Series C, 0.00%, 09/01/31 <sup>(b)</sup>	2,500	3,093,475
Special Projects System, Series A, 6.00%, 09/01/21	1,000	1,103,950
North Texas Tollway Authority, Refunding RB: 1st Tier System, Series A, 6.00%, 01/01/28	115	115,346
Series B, 5.00%, 01/01/40	385	416,543

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San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, 4.00%, 09/15/42	3,155	3,187,560
San Jacinto College District, GOL, Series A, 5.00%, 02/15/44	815	932,034
Texas Municipal Gas Acquisition & Supply Corp. III, RB, Natural Gas Utility Improvements:		
5.00%, 12/15/31	2,105	2,259,402
5.00%, 12/15/32	2,540	2,718,613
		59,664,164
<b>Utah 0.6%</b>		
Salt Lake City Corp. Airport Revenue, ARB, Series B, 5.00%, 07/01/43	2,000	2,284,020
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Virginia 1.1%</b>		
County of Fairfax Virginia IDA, Refunding RB, Health Care-Inova Health, 5.50%, 05/15/19 <sup>(a)</sup>	\$ 260	\$ 261,992
County of Henrico Virginia Water & Sewer Revenue, Refunding RB, 5.00%, 05/01/42	500	566,225
Virginia Beach Development Authority, Refunding RB, Westminster-Canterbury on Chesapeake Bay:		
5.00%, 09/01/44	1,375	1,523,046
4.00%, 09/01/48	885	894,894
Virginia HDA, RB, M/F Housing, Rental Housing, Series B, 4.00%, 06/01/53	895	897,945
		4,144,102
<b>Washington 1.1%</b>		
Washington Health Care Facilities Authority, RB:		
MultiCare Health System, Remarketing, Series B, 5.00%, 08/15/44	2,000	2,148,960
Providence Health & Services, Series A, 5.25%, 10/01/39	675	696,877
Washington State Housing Finance Commission, Refunding RB, Horizon House Project, 5.00%, 01/01/38 <sup>(e)</sup>	1,400	1,477,700
		4,323,537
<b>West Virginia 0.9%</b>		
West Virginia Hospital Finance Authority, RB, Improvement, West Virginia University Health System Obligated Group, Series A, 4.00%, 06/01/51	3,680	3,627,008
<b>Wisconsin 2.2%</b>		
State of Wisconsin Health & Educational Facilities Authority, RB:		
Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33	1,500	1,528,230
Marshfield Clinic Health System, Inc. Series C, 4.00%, 02/15/42	5,000	4,934,400
Wisconsin Health & Educational Facilities Authority, Refunding RB, Milwaukee Regional Medical Center Thermal Service, 5.00%, 04/01/44	1,895	2,138,185
		8,600,815
<b>Total Municipal Bonds 116.4%</b>		
<b>(Cost \$421,869,910)</b>		449,900,776

**Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(f)</sup>****Arizona 0.3%**

City of Phoenix Civic Improvement Corp., Refunding RB, Water System, Junior Lien, Series A, 5.00%, 07/01/19 <sup>(a)</sup>	1,300	1,314,235
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**California 2.0%**

Los Angeles California Unified School District, GO, Election of 2008, Series B-1, 5.25%, 07/01/42 <sup>(d)</sup>	3,432	4,032,293
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San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 <sup>(a)</sup>	449	455,856
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Visalia Unified School District, COP, (AGM), 4.00%, 05/01/48	3,077	3,098,076
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		7,586,225
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**Connecticut 0.4%**

State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45	1,561	1,718,229
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**District of Columbia 0.3%**

District of Columbia, RB, Series A, 5.50%, 12/01/30 <sup>(d)</sup>	1,080	1,108,345
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SCHEDULES OF INVESTMENTS

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Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Florida 5.9%</b>		
City of Miami Beach Florida, RB, 5.00%, 09/01/45	\$ 3,500	\$ 3,947,921
County of Miami-Dade Florida Transit System, Refunding RB, Sales Tax, 5.00%, 07/01/42	1,950	2,105,093
County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 <sup>(a)</sup>	10,101	10,625,491
County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 08/01/19 <sup>(a)</sup>	6,096	6,193,187
		22,871,692
<b>Illinois 5.2%</b>		
Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 08/15/41	2,400	2,605,392
State of Illinois, RB, Build Illinois, Series B, 5.25%, 06/15/19 <sup>(a)(d)</sup>	1,400	1,413,586
State of Illinois Toll Highway Authority, RB:		
Series A, 5.00%, 01/01/38	7,714	8,377,964
Series A, 5.00%, 01/01/40	3,045	3,394,605
Series B, 5.00%, 01/01/40	1,170	1,295,002
Series C, 5.00%, 01/01/38	2,658	2,943,871
		20,030,420
<b>Kansas 1.6%</b>		
County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47	5,363	6,303,871
<b>Maryland 0.9%</b>		
City of Baltimore Maryland Water Utility Fund, RB, Sub-Water Projects, Series A, 5.00%, 07/01/41	3,139	3,523,668
<b>Massachusetts 3.4%</b>		
Commonwealth of Massachusetts, GO, Series A, 5.00%, 03/01/46	1,661	1,833,458
Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System, 4.00%, 07/01/35	7,070	7,399,363
Massachusetts School Building Authority, RB, Senior Series B, 5.00%, 11/15/46 <sup>(d)</sup>	3,300	3,721,872
		12,954,693
<b>Michigan 0.9%</b>		
Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44	2,220	2,411,644
State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45	960	1,090,041
		3,501,685
<b>Nevada 2.7%</b>		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 04/01/19 <sup>(a)(d)</sup>	4,197	4,211,085
County of Clark Nevada Water Reclamation District, GO, Series B, 5.75%, 07/01/19 <sup>(a)</sup>	2,024	2,051,883
	3,900	4,360,863

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Las Vegas Valley Water District Nevada, GO, Refunding, Water Improvement, Series A, 5.00%, 06/01/46

		10,623,831
<b>New Jersey 0.8%</b>		
County of Hudson New Jersey Improvement Authority, RB, Hudson County Vocational-Technical Schools Project, 5.25%, 05/01/51	920	1,036,063
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 <sup>(d)</sup>	2,000	2,078,131
		3,114,194
	<i>Par</i>	
	<i>(000)</i>	<i>Value</i>
<i>Security</i>		
<b>New York 12.3%</b>		
City of New York Water & Sewer System, Refunding RB:		
2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 06/15/47	\$ 6,240	\$ 6,945,730
2nd General Resolution, Series FF, 5.00%, 06/15/39	8,355	9,404,778
Series DD, 5.00%, 06/15/35	1,845	2,080,244
Metropolitan Transportation Authority, RB, Transportation, Sub-Series D-1, 5.25%, 11/15/44	3,850	4,324,724
Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56	1,698	1,877,734
New York City Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/30	12,500	13,788,344
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 198th Series, 5.25%, 11/15/56	2,561	2,922,329
State of New York Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 03/15/43	5,720	6,286,594
		47,630,477
<b>Pennsylvania 1.8%</b>		
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/42	1,020	1,120,393
Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42	4,997	5,727,497
		6,847,890
<b>Texas 3.2%</b>		
City of Houston Texas Community College, GO, Limited Tax, 4.00%, 02/15/43	7,001	7,078,599
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38	719	777,771
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Texas Health Resources System, Series A, 5.00%, 02/15/41	3,920	4,343,537
		12,199,907
<b>Virginia 0.6%</b>		
Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.00%, 07/01/48	1,996	2,282,638
<b>Washington 1.0%</b>		
Washington Health Care Facilities Authority, Refunding RB, Seattle Children s Hospital, Series B, 5.00%, 10/01/38	3,210	3,708,085

**Wisconsin 1.6%**

State of Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 04/01/19 <sup>(a)</sup>	2,500	2,506,900
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series A, 5.00%, 04/01/42	3,520	3,769,392
		6,276,292

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 44.9%**

(Cost \$169,884,810) 173,596,377

**Total Long-Term Investments 161.3%**

(Cost \$591,754,720) 623,497,153

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>Short-Term Securities 0.9%</b>		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.55% <sup>(g)(h)</sup>	3,558,401	\$ 3,558,757
<b>Total Short-Term Securities 0.9%</b> (Cost \$3,558,757)		3,558,757
<b>Total Investments 162.2%</b> (Cost \$595,313,477)		627,055,910
<b>Other Assets Less Liabilities 1.6%</b>		5,883,149
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (28.3)%</b>		(109,240,727)
<b>VMTP Shares at Liquidation Value, Net of Deferred Offering Costs (35.5)%</b>		(137,200,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 386,498,332

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

(b) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.

(c) Zero-coupon bond.

(d) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between April, 1, 2019 to December, 1, 2030, is \$10,894,055. See Note 4 of the Notes to Financial Statements for details.

(e) 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.

(f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

(g) Annualized 7-day yield as of period end.

(h) During the six months ended February 28, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<i>Affiliate</i>	<i>Shares Held at</i>		<i>Net Activity</i>	<i>Shares Held at</i>		<i>Value at</i>	<i>Realized Gain (Loss)</i>	<i>Change in Unrealized Appreciation (Depreciation)</i>
	<i>08/31/18</i>	<i>02/28/19</i>		<i>02/28/19</i>	<i>02/28/19</i>			

BlackRock Liquidity Funds, MuniCash, Institutional Class	4,490,659	(932,258)	3,558,401	\$ 3,558,757	\$ 33,661	\$ 235	\$
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(a) Includes net capital gain distributions, if applicable.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount (000)</i>	<i>Value/ Unrealized Appreciation (Depreciation)</i>
Short Contracts:				
10-Year U.S. Treasury Note	83	06/19/19	\$ 10,126	\$ 52,571
Long U.S. Treasury Bond	194	06/19/19	28,027	319,298
5-Year U.S. Treasury Note	42	06/28/19	4,812	14,372
				\$ 386,241

### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

<b>Assets</b>	<b>Derivative Financial Instruments</b>	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
	Futures contracts							
	Net unrealized appreciation <sup>(a)</sup>	\$	\$	\$	\$	\$ 386,241	\$	\$ 386,241

(a) Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities.

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2019

For the six months ended February 28, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts	\$	\$	\$	\$	\$ (663,840)	\$	\$ (663,840)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts	\$	\$	\$	\$	\$ 329,801	\$	\$ 329,801

#### Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:

Average notional value of contracts short \$ 38,637,047

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

#### Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments <sup>(a)</sup>	\$	\$ 623,497,153	\$	\$ 623,497,153
Short-Term Securities	3,558,757			3,558,757
Total	\$ 3,558,757	\$ 623,497,153	\$	\$ 627,055,910

Derivative Financial Instruments<sup>(b)</sup>

Assets:

Interest rate contracts	\$ 386,241	\$	\$	\$ 386,241
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(a) See above Schedule of Investments for values in each state or political subdivision.

(b) Derivative financial instruments are futures contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$(108,777,798)	\$	\$(108,777,798)
VMTP Shares at Liquidation Value		(137,200,000)		(137,200,000)
	\$	\$(245,977,798)	\$	\$(245,977,798)

During the six months ended February 28, 2019, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock Municipal Income Trust II (BLE)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Municipal Bonds 130.4%</b>		
<b>Alabama 2.1%</b>		
County of Jefferson Alabama Sewer, Refunding RB:		
Senior Lien, Series A (AGM), 5.00%, 10/01/44	\$ 540	\$ 585,441
Senior Lien, Series A (AGM), 5.25%, 10/01/48	1,320	1,444,133
Sub-Lien, Series D, 7.00%, 10/01/51	3,220	3,839,721
Lower Alabama Gas District, RB, Series A, 5.00%, 09/01/46	1,170	1,365,343
		7,234,638
<b>Arizona 2.9%</b>		
City of Phoenix Arizona IDA, RB, Legacy Traditional Schools Projects, Series A, 5.00%, 07/01/46 <sup>(a)</sup>	1,825	1,849,455
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32	5,635	6,676,573
5.00%, 12/01/37	1,000	1,181,330
		9,707,358
<b>California 11.0%</b>		
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 08/15/20 <sup>(b)</sup>	3,500	3,727,745
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 07/01/33	1,365	1,519,463
California Municipal Finance Authority, RB, Senior, Caritas Affordable Housing, Inc. Projects, S/F Housing, Series A: 5.25%, 08/15/39	160	173,443
5.25%, 08/15/49	395	425,956
California Pollution Control Financing Authority, RB, Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 11/21/45 <sup>(a)</sup>	1,655	1,721,647
California Statewide Communities Development Authority, RB, Loma Linda University Medical Center, Series A, 5.00%, 12/01/46 <sup>(a)</sup>	490	514,005
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A: Senior, 5.00%, 05/15/40	6,500	6,754,345
5.25%, 05/15/39	860	866,046
City of Stockton California Public Financing Authority, RB, Delta Water Supply Project, Series A, 6.25%, 10/01/38	380	448,142
Golden State Tobacco Securitization Corp., Refunding RB, Series A-1: 5.00%, 06/01/47	3,195	3,075,092
5.25%, 06/01/47	590	590,997
San Marcos Unified School District, GO, CAB, Election of 2010, Series B <sup>(c)</sup> : 0.00%, 08/01/33	3,000	1,857,570
0.00%, 08/01/43	2,500	979,625

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State of California, GO, Various Purposes:		
6.50%, 04/01/19 <sup>(b)</sup>	5,765	5,787,195
6.00%, 03/01/33	1,760	1,835,891
6.50%, 04/01/33	4,880	4,897,812
State of California Public Works Board, LRB, Various Capital Projects:		
Series I, 5.00%, 11/01/38	825	911,642
Sub-Series I-1, 6.38%, 11/01/19 <sup>(b)</sup>	1,280	1,321,549
		37,408,165
<b>Colorado 1.4%</b>		
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiative, Series A, 5.50%, 07/01/34	2,330	2,356,888
County of Arapahoe Colorado School District No. 6 Littleton, GO, Series A, 5.50%, 12/01/43	1,915	2,330,957
		4,687,845
<b>Connecticut 0.3%</b>		
State of Connecticut Health & Educational Facility Authority, RB, Ascension Health Senior Credit, Series A, 5.00%, 11/15/40	1,005	1,023,562
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Delaware 2.1%</b>		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40	\$ 1,240	\$ 1,308,089
Delaware Transportation Authority, RB, U.S. 301 Project, 5.00%, 06/01/55	1,260	1,377,331
State of Delaware EDA, RB, Exempt Facilities, Indian River Power LLC Project, 5.38%, 10/01/45	4,275	4,431,294
		7,116,714
<b>District of Columbia 6.4%</b>		
District of Columbia, Refunding RB:		
Georgetown University, 5.00%, 04/01/35	465	530,895
Georgetown University Issue, 5.00%, 04/01/27 <sup>(b)</sup>	160	194,296
Georgetown University Issue, 5.00%, 04/01/42	380	423,970
Kipp Charter School, Series A, 6.00%, 07/01/23 <sup>(b)</sup>	820	964,902
The Catholic University of America Issue, 5.00%, 10/01/48	2,525	2,789,923
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 05/15/40	11,500	11,870,990
Metropolitan Washington Airports Authority, Refunding ARB, Dulles Metrorail And Capital Improvement Projects, Series A, 5.00%, 10/01/53	2,195	2,268,291
Metropolitan Washington Airports Authority, Refunding RB, Dulles Toll Road, 1st Senior Lien, Series A:		
5.00%, 10/01/39	550	558,586
5.25%, 10/01/44	2,000	2,031,040
		21,632,893
<b>Florida 4.4%</b>		
City of Jacksonville Florida Port Authority, Refunding RB, AMT, 5.00%, 11/01/38	1,665	1,788,143
County of Collier Florida Health Facilities Authority, Refunding RB, Series A, 5.00%, 05/01/45	1,450	1,539,393

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County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series A-1, 5.38%, 10/01/20 <sup>(b)</sup>	1,255	1,327,577
County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 <sup>(b)</sup>	5,000	5,260,100
Mid-Bay Florida Bridge Authority, RB, Springing Lien, Series A, 7.25%, 10/01/21 <sup>(b)</sup>	3,300	3,753,189
Stevens Plantation Community Development District, RB, Special Assessment, Series A, 7.10%, 05/01/35 <sup>(d)(e)</sup>	1,795	1,436,000
		15,104,402
<b>Georgia 1.9%</b>		
County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care System Obligation, 4.00%, 08/15/48	1,325	1,357,290
County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A (GTD), 5.50%, 08/15/54	555	630,974
DeKalb Georgia Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	915	934,434
Main Street Natural Gas, Inc., RB, Series A: 5.00%, 05/15/35	540	613,597
5.00%, 05/15/36	540	614,126
5.00%, 05/15/37	595	675,712
5.00%, 05/15/38	325	368,865
5.00%, 05/15/49	1,095	1,235,992
		6,430,990
<b>Hawaii 0.5%</b>		
State of Hawaii Harbor System, RB, Series A, 5.25%, 07/01/30	1,480	1,544,040
<b>Idaho 0.3%</b>		
Idaho Health Facilities Authority, RB, Trinity Health Credit Group, Series A, 5.00%, 12/01/46	805	892,761

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Trust II (BLE)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Illinois 16.6%</b>		
Chicago Board of Education, GO, Series C: Dedicated Revenues, Series H, 5.00%, 12/01/36 Project, 5.25%, 12/01/35	\$ 495 1,600	\$ 511,246 1,659,184
Chicago Board of Education, GO, Refunding: Dedicated Revenues, Series D, 5.00%, 12/01/27 Dedicated Revenues, Series F, 5.00%, 12/01/22 Dedicated Revenues, Series G, 5.00%, 12/01/34 5.00%, 12/01/25	920 675 495 705	985,062 707,117 514,869 753,074
Chicago Board of Education, GO, Series D: 5.00%, 12/01/46 5.00%, 12/01/46	585 1,505	592,611 1,515,610
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien: Series A, 5.75%, 01/01/21 <sup>(b)</sup> Series A, 5.75%, 01/01/39 Series C, 6.50%, 01/01/21 <sup>(b)</sup>	4,200 800 6,430	4,512,144 846,928 6,993,075
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40 County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.50%, 12/01/38	1,150 845	1,209,168 883,591
Illinois Finance Authority, Refunding RB: Ascension Health, Series A, 5.00%, 11/15/37 Central Dupage Health, Series B, 5.50%, 11/01/19 <sup>(b)</sup> Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 06/15/30 Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project: Series B (AGM), 5.00%, 06/15/50 Series B-2, 5.00%, 06/15/50	7,445 1,060 1,750 7,445 6,725 2,725	7,462,719 1,130,956 1,793,663 7,462,719 6,876,649 2,736,690
Railsplitter Tobacco Settlement Authority, RB <sup>(b)</sup> : 5.50%, 06/01/21 6.00%, 06/01/21	520 1,255	563,025 1,372,581
State of Illinois, GO: 5.00%, 02/01/39 Series A, 5.00%, 04/01/35 Series A, 5.00%, 04/01/38	1,640 2,500 3,885	1,664,862 2,556,275 3,946,189
State of Illinois Toll Highway Authority, RB, Series C, 5.00%, 01/01/37 University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 04/01/44	3,005 1,050	3,332,845 1,147,293
		56,267,426
<b>Indiana 4.5%</b>		
City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT: 6.75%, 01/01/34 7.00%, 01/01/44	845 3,535	966,291 4,053,867

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Indiana Finance Authority, RB, Series A: CWA Authority Project, 1st Lien, 5.25%, 10/01/38	3,510	3,785,781
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 07/01/44	485	511,331
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%, 07/01/48	1,610	1,693,108
Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.25%, 01/01/51	435	461,096
Sisters of St. Francis Health Services, 5.25%, 11/01/19 <sup>(b)</sup>	915	936,338
Indiana Finance Authority, Refunding RB, Marquette Project, 4.75%, 03/01/32	1,180	1,195,776
Indianapolis Local Public Improvement Bond Bank, RB, Series A, 5.00%, 01/15/40	1,380	1,524,541
		15,128,129
<b>Iowa 1.9%</b>		
Iowa Finance Authority, Refunding RB, Iowa Fertilizer Co. Project: Series B, 5.25%, 12/01/50 <sup>(f)</sup>	3,060	3,256,483
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Iowa (continued)</b>		
Midwestern Disaster Area, 5.50%, 12/01/22	\$ 10	\$ 10,010
Midwestern Disaster Area, 5.25%, 12/01/25	500	530,045
Midwestern Disaster Area, 5.88%, 12/01/26 <sup>(a)</sup>	445	467,610
Iowa Student Loan Liquidity Corp., Refunding RB, Student Loan, Senior Series A-1, AMT, 5.15%, 12/01/22	460	478,147
Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, Series C, 5.63%, 06/01/46	1,610	1,602,723
		6,345,018
<b>Kentucky 0.7%</b>		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.25%, 01/01/45	1,060	1,123,505
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C, 0.00%, 07/01/43 <sup>(g)</sup>	1,280	1,246,464
		2,369,969
<b>Louisiana 2.8%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35	3,650	3,877,359
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A: 5.50%, 05/15/30	1,100	1,138,511
5.25%, 05/15/31	935	985,696
5.25%, 05/15/32	1,195	1,284,278
5.25%, 05/15/33	1,300	1,391,351
5.25%, 05/15/35	795	861,096
		9,538,291
<b>Maryland 1.2%</b>		
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 09/01/25	800	822,648
Maryland Health & Higher Educational Facilities Authority, RB, Trinity Health Credit Group, Series 2017, 5.00%, 12/01/46	455	512,594

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Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community Project, 6.25%, 01/01/21 <sup>(b)</sup>	2,400	2,593,080
		3,928,322
<b>Michigan 3.0%</b>		
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 07/01/39	4,825	5,200,964
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital: 5.50%, 05/15/20 <sup>(b)</sup>	830	866,794
5.50%, 05/15/36	670	694,321
Michigan Finance Authority, Refunding RB, Detroit Water & Sewage Department Project, Senior Lien, Series C-1, 5.00%, 07/01/44	940	994,717
Michigan State University, Refunding RB, Series B, 5.00%, 02/15/48	1,100	1,249,248
Michigan Strategic Fund, RB, I-75 Improvement Projects, AMT, 5.00%, 06/30/48	1,165	1,271,062
		10,277,106
<b>Minnesota 1.1%</b>		
Duluth EDA, Refunding RB, Essentia Health Obligated Group, Series A: 4.25%, 02/15/48	1,115	1,129,729
5.25%, 02/15/53	2,230	2,471,933
		3,601,662
<b>Missouri 1.4%</b>		
370/Missouri Bottom Road/Taussig Road Transportation Development District, RB, 7.20%, 05/01/33 <sup>(d)(e)</sup>	6,000	3,120,000

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Trust II (BLE)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Missouri (continued)</b>		
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Refunding RB, Combined Lien, Series A, 5.00%, 10/01/44	\$ 275	\$ 302,486
State of Missouri Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Services, 5.50%, 02/01/42	1,135	1,152,252
State of Missouri Health & Educational Facilities Authority, Refunding RB, St. Louis College of Pharmacy Project, 5.50%, 05/01/43	265	281,001
		4,855,739
<b>Multi-State 1.9%</b>		
Centerline Equity Issuer Trust <sup>(a)</sup> :		
Series A-4-2, 6.00%, 10/31/52	3,500	3,522,540
Series B-3-2, 6.30%, 10/31/52	3,000	3,020,730
		6,543,270
<b>Nebraska 1.6%</b>		
Central Plains Nebraska Energy Project, RB, Gas Project No. 3: 5.25%, 09/01/37	895	968,077
5.00%, 09/01/42	1,570	1,685,206
County of Lancaster Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, Health Facilities, 5.63%, 01/01/40	1,245	1,276,013
County of Sarpy Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, 5.63%, 01/01/40	1,635	1,675,728
		5,605,024
<b>New Hampshire 0.8%</b>		
New Hampshire Business Finance Authority, Refunding RB, Resource Recovery, Covanta Project <sup>(a)</sup> :		
Series B, 4.63%, 11/01/42	1,860	1,816,718
Series C, AMT, 4.88%, 11/01/42	975	972,904
		2,789,622
<b>New Jersey 11.5%</b>		
Casino Reinvestment Development Authority, Refunding RB: 5.25%, 11/01/39	1,805	1,922,848
5.25%, 11/01/44	1,640	1,744,501
County of Essex New Jersey Improvement Authority, RB, AMT, 5.25%, 07/01/45 <sup>(a)</sup>	1,165	1,169,637
New Jersey EDA, ARB, Continental Airlines, Inc. Project, 5.13%, 09/15/23	2,130	2,298,547
New Jersey EDA, RB: Continental Airlines, Inc. Project, AMT, 4.88%, 09/15/19	235	237,883
Continental Airlines, Inc. Project, AMT, 5.25%, 09/15/29	2,130	2,312,434
Series EEE, 5.00%, 06/15/48	4,020	4,220,920

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New Jersey EDA, Refunding ARB, Port Network Container Terminal LLC Project, AMT, 5.00%, 10/01/47	1,570	1,656,429
New Jersey EDA, Refunding RB, Special Assessment, Kapkowski Road Landfill Project, 6.50%, 04/01/28	7,475	8,581,449
New Jersey State Turnpike Authority, RB:		
Series A, 5.00%, 07/01/22 <sup>(b)</sup>	1,355	1,502,180
Series A, 5.00%, 01/01/43	770	834,380
Series E, 5.00%, 01/01/45	2,810	3,094,428
New Jersey Transportation Trust Fund Authority, RB:		
Transportation Program, Series AA, 5.00%, 06/15/44	730	760,850
Transportation Program, Series AA, 5.00%, 06/15/44	1,355	1,399,647
Transportation System, Series B, 5.25%, 06/15/36	2,690	2,794,453
Rutgers The State University of New Jersey, Refunding RB, Series L, 5.00%, 05/01/43	570	631,594
Tobacco Settlement Financing Corp., Refunding RB:		
Series A, 5.25%, 06/01/46	580	625,884
Sub-Series B, 5.00%, 06/01/46	3,170	3,209,562
		38,997,626
	<i>Par</i>	
	<i>(000)</i>	<i>Value</i>
<i>Security</i>		
<b>New York 7.1%</b>		
City of New York Transitional Finance Authority Future Tax Secured Revenue, RB, Fiscal 2012, Sub-Series E-1, 5.00%, 02/01/42	\$ 2,680	\$ 2,880,652
Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 06/01/41 <sup>(a)</sup>	2,000	2,053,340
County of Westchester New York Healthcare Corp., RB, Senior Lien, Series A, 5.00%, 11/01/44	790	841,690
Metropolitan Transportation Authority, RB, Series B:		
5.25%, 11/15/38	2,555	2,840,675
5.25%, 11/15/39	910	1,010,819
New York Liberty Development Corp., Refunding RB:		
2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 07/15/49	1,335	1,383,447
3 World Trade Center Project, Class 1, 5.00%, 11/15/44 <sup>(a)</sup>	4,320	4,497,682
3 World Trade Center Project, Class 2, 5.15%, 11/15/34 <sup>(a)</sup>	365	391,747
3 World Trade Center Project, Class 2, 5.38%, 11/15/40 <sup>(a)</sup>	910	963,617
New York Transportation Development Corp., Refunding ARB, American Airlines, Inc., AMT, 5.00%, 08/01/31	1,620	1,679,810
Port Authority of New York & New Jersey, ARB, JFK International Air Terminal LLC Project, Series 8:		
6.00%, 12/01/42	1,635	1,727,508
Special Project, 6.00%, 12/01/36	1,410	1,492,259
State of New York Environmental Facilities Corp., RB, Subordinated SRF Bonds, Series B, 5.00%, 06/15/48	1,945	2,234,922
		23,998,168
<b>North Carolina 1.0%</b>		
North Carolina Capital Facilities Finance Agency, Refunding RB, Solid Waste Disposal Facility, Duke Energy Carolinas Project, Series B, 4.63%, 11/01/40	1,000	1,033,630
North Carolina Medical Care Commission, Refunding RB, 1st Mortgage:		

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Aldersgate, 6.25%, 07/01/35	1,530	1,671,097
Retirement Facilities Whitestone Project, Series A, 7.75%, 03/01/21 <sup>(b)</sup>	625	696,781
		3,401,508
<b>North Dakota 0.3%</b>		
County of Cass North Dakota, Refunding RB, Essentia Health Obligated Group, Series B, 5.25%, 02/15/58	1,035	1,140,611
<b>Ohio 3.3%</b>		
Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2, 6.50%, 06/01/47	3,550	3,527,742
County of Allen Ohio Hospital Facilities Revenue, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 06/01/20 <sup>(b)</sup>	3,405	3,551,074
County of Franklin Ohio, RB: Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 07/01/40	710	758,578
Trinity Health Credit Group, Series 2017, 5.00%, 12/01/46	435	482,424
County of Montgomery Ohio, Refunding RB, Catholic Health, Series A, 5.00%, 05/01/39	1,970	1,976,087
State of Ohio, RB, Portsmouth Bypass Project, AMT, 5.00%, 06/30/53	870	913,665
		11,209,570
<b>Oklahoma 1.7%</b>		
City of Oklahoma Turnpike Authority, RB, Series A, 4.00%, 01/01/48	2,230	2,296,320
Oklahoma Development Finance Authority, RB, OU Medicine Project, Series B, 5.25%, 08/15/48	1,275	1,393,282
Oklahoma Turnpike Authority, RB, 2nd Series C, 4.00%, 01/01/42	2,120	2,207,450
		5,897,052

SCHEDULES OF INVESTMENTS

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## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Trust II (BLE)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Pennsylvania 3.6%</b>		
Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A, 5.00%, 05/01/42	\$ 2,500	\$ 2,558,100
City of Philadelphia Pennsylvania Hospitals & Higher Education Facilities Authority, RB, Temple University Health System, Series A, 5.63%, 07/01/42	685	726,100
Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment: 5.00%, 06/01/33	115	131,003
5.00%, 06/01/34	150	170,111
County of Montgomery Higher Education & Health Authority, Refunding RB, Thomas Jefferson University, Series A: 5.00%, 09/01/43	1,350	1,494,301
4.00%, 09/01/49	615	617,325
Pennsylvania Economic Development Financing Authority, RB: AMT, 5.00%, 06/30/42	3,030	3,242,494
Aqua Pennsylvania, Inc. Project, Series B, 5.00%, 11/15/40	2,065	2,104,586
Pennsylvania Turnpike Commission, RB, Series A, 5.00%, 12/01/44	1,190	1,296,160
		12,340,180
<b>Puerto Rico 1.3%</b>		
Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds: 5.50%, 05/15/39	715	722,322
5.63%, 05/15/43	740	747,726
Puerto Rico Sales Tax Financing Corp. Sales Tax Revenue, RB, Restructured, Series A-1: 4.50%, 07/01/34	30	29,962
4.75%, 07/01/53	804	738,289
5.00%, 07/01/58	2,378	2,254,463
		4,492,762
<b>Rhode Island 2.2%</b>		
Tobacco Settlement Financing Corp., Refunding RB: Series A, 5.00%, 06/01/35	1,690	1,780,516
Series B, 4.50%, 06/01/45	2,850	2,674,469
Series B, 5.00%, 06/01/50	3,175	3,193,351
		7,648,336
<b>South Carolina 4.9%</b>		
South Carolina Jobs EDA, Refunding RB, Prisma Health Obligated Group, Series A, 5.00%, 05/01/48	3,340	3,654,327
State of South Carolina Ports Authority, ARB: 5.25%, 07/01/20 <sup>(b)</sup>	3,595	3,764,325
AMT, 5.25%, 07/01/55	1,390	1,513,251
	3,575	3,897,286

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State of South Carolina Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 12/01/54		
State of South Carolina Public Service Authority, Refunding RB:		
Series A, 5.00%, 12/01/50	1,545	1,667,349
Series E, 5.25%, 12/01/55	1,840	2,011,856
		16,508,394
<b>Tennessee 0.7%</b>		
City of Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 01/01/45	1,470	1,558,067
County of Nashville & Davidson Metropolitan Government Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40	740	811,721
		2,369,788
<b>Texas 14.6%</b>		
Central Texas Regional Mobility Authority, Refunding RB:		
Senior Lien, 6.25%, 01/01/21 <sup>(b)</sup>	2,350	2,536,848
Sub-Lien, 5.00%, 01/01/33	390	420,915
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Texas (continued)</b>		
City of Austin Texas Airport System, ARB, AMT, 5.00%, 11/15/39	\$ 665	\$ 732,365
City of Houston Texas Airport System, Refunding ARB, United Airlines, Inc. Terminal E Project, AMT, 5.00%, 07/01/29	460	503,176
City of Houston Texas Combined Utility System, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(b)</sup> :		
6.00%, 05/15/19	9,145	9,224,340
City of San Antonio Texas Electric and Gas Systems Revenue, Refunding RB, Series A, 5.00%, 02/01/48	1,260	1,446,455
County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 01/01/23 <sup>(b)</sup>	485	576,612
County of Harris Texas Houston Sports Authority, Refunding RB, 3rd Lien, Series A (NPFGC) <sup>(c)</sup> :		
0.00%, 11/15/24 <sup>(b)</sup>	2,300	1,009,194
0.00%, 11/15/36	23,075	9,396,140
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Projects, Series A, 0.00%, 09/15/37 <sup>(c)</sup>	6,055	2,796,138
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB:		
Christus Health, Series B, 5.00%, 07/01/48	4,955	5,452,878
Scott & White Healthcare, 6.00%, 08/15/20 <sup>(b)</sup>	4,085	4,335,615
New Hope Cultural Education Facilities Finance Corp., RB, Jubilee Academic Center Project, Series A, 5.13%, 08/15/47 <sup>(a)</sup>	1,085	1,085,586
San Antonio Water System, Refunding RB, Junior Lien, Series A, 5.00%, 05/15/48	2,720	3,096,856
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:		
LBJ Infrastructure Group LLC, 7.00%, 06/30/40	3,000	3,185,700
NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	2,250	2,335,050
Texas Transportation Commission, RB, First Tier Toll Revenue, 5.00%, 08/01/57	1,270	1,378,407

		49,512,275
<b>Utah 0.7%</b>		
City of Salt Lake Corp. Airport Revenue, ARB, Series A, AMT, 5.00%, 07/01/47	995	1,099,326
Salt Lake City Corp. Airport Revenue, ARB, Series A, AMT, 5.00%, 07/01/48	955	1,064,367
Utah State Charter School Finance Authority, RB, Ogden Preparatory Academy, Series A, 3.25%, 10/15/42	390	325,552
		2,489,245
<b>Virginia 1.5%</b>		
County of Front Royal & Warren IDA, RB, Valley Health System Obligated Group, 4.00%, 01/01/50	865	866,418
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT:		
5.25%, 01/01/32	1,755	1,868,110
6.00%, 01/01/37	2,120	2,314,807
		5,049,335
<b>Washington 3.9%</b>		
City of Bellingham Washington Water & Sewer, RB, 5.00%, 08/01/36	5,050	5,402,237
Grant County Public Utility District No. 2, Refunding RB, Series A, 5.00%, 01/01/43	2,335	2,594,769
Port of Seattle Washington, ARB, Series A, AMT, 5.00%, 05/01/43	1,615	1,783,008
Port of Seattle Washington, RB, Intermediate Lien, Series C, AMT, 5.00%, 04/01/40	815	895,881

Schedule of Investments (unaudited) (continued)

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

February 28, 2019

**(Percentages shown are based on Net Assets)**

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Washington (continued)</b>		
Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 01/01/45	\$ 2,445	\$ 2,659,451
		13,335,346
<b>Wisconsin 0.3%</b>		
State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33	910	927,126
<b>Wyoming 1.0%</b>		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 07/15/26	3,355	3,406,768
<b>Total Municipal Bonds 130.4%</b> <b>(Cost \$424,136,412)</b>		442,757,036
<b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(h)</sup></b>		
<b>California 5.8%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge, 4.00%, 04/01/42 <sup>(i)</sup>	3,358	3,445,990
City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/19 <sup>(b)</sup>	10,335	10,573,429
Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2 Bonds, 5.00%, 10/01/47	3,345	3,765,985
San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 <sup>(b)</sup>	1,840	1,869,012
		19,654,416
<b>Colorado 0.8%</b>		
City & County of Denver Colorado Airport System Revenue, Refunding ARB, Subordinate System, Series A, AMT, 5.25%, 12/01/48 <sup>(i)</sup>	2,463	2,820,320
<b>Illinois 0.5%</b>		
Illinois Finance Authority, Refunding RB, Presence Health Network, Series C, 4.00%, 02/15/41	1,544	1,561,496
<b>Massachusetts 3.1%</b>		
Commonwealth of Massachusetts Transportation Fund Revenue, RB, Rail Enhancement Program, Series A, 4.00%, 06/01/45	2,238	2,296,121
Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System, 5.00%, 07/01/47	4,979	5,471,074

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Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41	2,461	2,623,651
		10,390,846
<b>New York 13.1%</b>		
City of New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40	1,710	1,727,852
City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series HH, 5.00%, 06/15/31 <sup>(i)</sup>	9,150	9,752,955
Hudson Yards Infrastructure Corp., RB, Senior-Fiscal 2012: 5.75%, 02/15/21 <sup>(b)(i)</sup>	1,083	1,165,087
5.75%, 02/15/47 <sup>(i)</sup>	666	716,726
New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	11,670	12,659,328
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(i)</sup>	7,040	7,678,173
New York State Urban Development Corp., RB, State Personal Income Tax, General Purpose, Series A, 4.00%, 03/15/46	7,217	7,482,852
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>New York (continued)</b>		
Port Authority of New York & New Jersey, Refunding ARB, 194th Series, 5.25%, 10/15/55	\$ 2,790	\$ 3,183,762
		44,366,735
<b>North Carolina 0.9%</b>		
North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 5.00%, 10/01/55	2,740	3,076,979
<b>Pennsylvania 0.8%</b>		
Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42	2,521	2,889,548
<b>Rhode Island 0.5%</b>		
Narragansett Bay Commission, Refunding RB, Wastewater System, Series A, 4.00%, 09/01/43	1,695	1,721,035
<b>Texas 3.8%</b>		
City of San Antonio Texas Electric and Gas Systems, RB, Junior Lien, 5.00%, 02/01/43	2,660	2,890,821
County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41	3,720	3,988,956
Lower Colorado River Authority, Refunding RB, LCRA Transmission Services Corporation Project, 4.00%, 05/15/43	2,241	2,269,692
University of Texas, Refunding RB, Financing System, Series B, 5.00%, 08/15/43	3,347	3,655,025
		12,804,494
<b>Utah 1.2%</b>		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/19 <sup>(b)</sup>	3,959	4,019,356
<b>Wisconsin 0.9%</b>		
	3,072	3,112,935

State of Wisconsin Health & Educational Facilities Authority, Refunding RB, The  
 Medical College of Wisconsin, Inc., 4.00%, 12/01/46

<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts</b>	<b>31.4%</b>		
(Cost \$103,136,777)			106,418,160
<b>Total Long-Term Investments</b>	<b>161.8%</b>		
(Cost \$527,273,189)			549,175,196
			<i>Shares</i>
<b>Short-Term Securities</b>	<b>0.3%</b>		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.55% <sup>(j)(k)</sup>		999,494	999,594
<b>Total Short-Term Securities</b>	<b>0.3%</b>		
(Cost \$999,594)			999,594
<b>Total Investments</b>	<b>162.1%</b>		
(Cost \$528,272,783)			550,174,790
<b>Other Assets Less Liabilities</b>	<b>1.6%</b>		5,333,467
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b>	<b>(19.1)%</b>		(64,766,615)
<b>VMTP Shares at Liquidation Value, Net of Deferred Offering Costs</b>	<b>(44.6)%</b>		(151,300,000)
<b>Net Assets Applicable to Common Shares</b>	<b>100.0%</b>		\$ 339,441,642

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Trust II (BLE)

February 28, 2019

- (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) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Zero-coupon bond.
- (d) Non-income producing security.
- (e) Issuer filed for bankruptcy and/or is in default.
- (f) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.
- (g) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (h) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (i) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between June 15, 2019 to June 1, 2026, is \$15,290,307. See Note 4 of the Notes to Financial Statements for details.
- (j) Annualized 7-day yield as of period end.
- (k) During the six months ended February 28, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at 08/31/18	Net Activity	Shares Held at 02/28/19	Value at 02/28/19	Income	Change in Net Unrealized Appreciation (Loss) / Depreciation	
						\$	\$
BlackRock Liquidity Funds, MuniCash, Institutional Class	4,902,849	(3,903,355)	999,494	\$ 999,594	\$ 25,441	\$ 94	\$ (227)

(a) Includes net capital gain distributions, if applicable.

**Derivative Financial Instruments Outstanding as of Period End****Futures Contracts**

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value / Unrealized Appreciation
-------------	------------------------	--------------------	--------------------------	---------------------------------------

*(Depreciation)*

Short Contracts:					
10-Year U.S. Treasury Note	31	06/19/19	\$ 3,782	\$ 19,624	
Long U.S. Treasury Bond	123	06/19/19	17,770	202,442	
5-Year U.S. Treasury Note	23	06/28/19	2,635	7,870	
				\$ 229,936	

**Derivative Financial Instruments Categorized by Risk Exposure**

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

<b>Assets</b>	<b>Derivative Financial Instruments</b>	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest</i>		<i>Total</i>
						<i>Rate Contracts</i>	<i>Other Contracts</i>	
	Futures contracts							
	Net unrealized appreciation <sup>(a)</sup>	\$	\$	\$	\$	\$ 229,936	\$	\$ 229,936

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

<b>Net Realized Gain (Loss) from:</b>	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest</i>		<i>Total</i>
					<i>Rate Contracts</i>	<i>Other Contracts</i>	
Futures contracts	\$	\$	\$	\$	\$ (359,851)	\$	\$ (359,851)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts	\$	\$	\$	\$	\$ 194,037	\$	\$ 194,037



Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Trust II (BLE)

February 28, 2019

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts – short \$ 22,681,289

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments <sup>(a)</sup>	\$	\$ 549,175,196	\$	\$ 549,175,196
Short-Term Securities	999,594			999,594
	\$ 999,594	\$ 549,175,196	\$	\$ 550,174,790
Derivative Financial Instruments <sup>(b)</sup>				
Assets:				
Interest rate contracts	\$ 229,936	\$	\$	\$ 229,936
	\$ 229,936	\$	\$	\$ 229,936

(a) See above Schedule of Investments for values in each state or political subdivision.

(b) Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

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	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$ (64,522,879)	\$	\$ (64,522,879)
VRDP Shares at Liquidation Value		(151,300,000)		(151,300,000)
	\$	\$ (215,822,879)	\$	\$ (215,822,879)

During the six months ended February 28, 2019, there were no transfers between levels.

*See notes to financial statements.*

SCHEDULES OF INVESTMENTS

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Schedule of Investments (unaudited)

BlackRock MuniHoldings Investment Quality Fund (MFL)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Municipal Bonds 133.7%</b>		
<b>Alabama 3.4%</b>		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC) <sup>(a)</sup> :		
6.00%, 06/01/19	\$ 10,995	\$ 11,109,128
6.13%, 06/01/19	4,980	5,033,186
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	1,745	1,875,195
		18,017,509
<b>Arizona 1.1%</b>		
County of Maricopa Arizona IDA, Refunding RB, Banner Health Obligation Group, 5.00%, 01/01/38	3,000	3,373,530
University of Arizona Board of Regents, Refunding RB, Series A, 5.00%, 06/01/40	2,300	2,588,857
		5,962,387
<b>California 18.3%</b>		
Anaheim California Union High School District, GO, Election of 2014, 4.00%, 08/01/42	4,000	4,117,520
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 08/15/20 <sup>(a)</sup>	5,370	5,719,426
City & County of San Francisco California Airports Commission, Refunding ARB:		
2nd Series A, AMT, 5.50%, 05/01/28	3,330	3,754,142
2nd Series A, AMT, 5.25%, 05/01/33	6,370	7,051,717
San Francisco City Country Airport, Series E, 5.00%, 05/01/48	5,000	5,690,450
Series A, AMT, 5.00%, 05/01/44	3,430	3,715,822
City of Manteca California Financing Authority, RB, Manteca Sewer (AGC), 5.75%, 12/01/36	3,285	3,386,014
City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International Airport SJC, Series A-1, AMT, 5.75%, 03/01/34	4,450	4,739,695
County of Sacramento California Airport System Revenue, Refunding RB, AMT, Series C, 5.00%, 07/01/39	3,410	3,878,193
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33	4,365	5,062,003
Regents of the University of California Medical Center Pooled Revenue, Refunding RB, Series J, 5.25%, 05/15/38	2,705	3,020,511
State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39	15,000	15,370,200
State of California Public Works Board, LRB, Various Capital Projects, SeriesI:		
5.50%, 11/01/30	4,500	5,149,350
5.50%, 11/01/31	2,615	2,983,637
5.50%, 11/01/33	2,000	2,274,360
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 09/01/33	3,240	3,638,066

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State of California University, Refunding RB, Systemwide, Series A, 5.00%, 11/01/42	3,500	3,979,010
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 08/01/40	1,685	1,957,785
University of California, Refunding RB, Series AR, 5.00%, 05/15/38	10,000	11,371,000
		96,858,901
<b>Colorado 2.1%</b>		
City & County of Denver Colorado Airport System, ARB, Series A, AMT: 5.50%, 11/15/28	2,700	3,062,691
5.50%, 11/15/30	1,040	1,173,307
5.50%, 11/15/31	1,250	1,407,275
City & County of Denver School District No.1, GO, Series A, 5.50%, 12/01/36	500	606,115
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Colorado (continued)</b>		
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 05/15/19 <sup>(a)</sup>	\$ 4,925	\$ 4,967,897
		11,217,285
<b>Florida 7.7%</b>		
County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT: 5.50%, 10/01/29	5,360	6,074,167
5.25%, 10/01/30	3,255	3,632,710
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	7,100	7,578,398
County of Lee Florida HFA, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 6.00%, 09/01/40	260	261,448
County of Manatee Florida HFA, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 5.90%, 09/01/40	125	126,194
County of Miami-Dade Florida, RB, Seaport Department: Series A, 5.38%, 10/01/33	3,145	3,522,494
Series B, AMT, 6.25%, 10/01/38	1,405	1,612,631
Series B, AMT, 6.00%, 10/01/42	1,885	2,140,851
County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29	2,870	3,254,781
County of Miami-Dade Florida Aviation, Refunding ARB, Series A, AMT, 5.00%, 10/01/31	5,465	5,905,261
Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 06/01/32	3,225	3,638,348
South Miami Health Facilities Authority, Refunding RB, Baptist Health South Florida Obligated Group, 5.00%, 08/15/42	2,965	3,310,096
		41,057,379
<b>Georgia 0.7%</b>		
County of Fulton Development Authority, Refunding RB, Piedmont Healthcare, Series A, 4.00%, 07/01/35	3,500	3,634,015
<b>Hawaii 2.1%</b>		
State of Hawaii Airports System, ARB, Series A, AMT, 5.00%, 07/01/45	5,985	6,601,694
State of Hawaii Airports System, COP, AMT: 5.25%, 08/01/25	1,350	1,510,205

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5.25%, 08/01/26	2,500	2,783,400
		10,895,299
<b>Idaho 1.9%</b>		
Idaho Health Facilities Authority, RB, Trinity Health Credit Group, 4.00%, 12/01/43	10,000	10,103,200
<b>Illinois 18.2%</b>		
Chicago Housing Authority, RB, M/F Housing, Series A (HUD), 5.00%, 01/01/38	2,150	2,412,214
City of Chicago Illinois Midway International Airport, Refunding ARB, 2nd Lien, Series A, AMT:		
5.50%, 01/01/30	6,500	7,172,230
5.50%, 01/01/32	6,275	6,902,312
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A, AMT, 5.00%, 01/01/41	8,020	8,652,457
City of Chicago Illinois O Hare International Airport, GARB:		
3rd Lien, Series A, 5.75%, 01/01/21 <sup>(a)</sup>	5,000	5,371,600
3rd Lien, Series A, 5.75%, 01/01/39	1,185	1,254,512
3rd Lien, Series C, 6.50%, 01/01/21 <sup>(a)</sup>	16,800	18,271,176
Senior Lien, Series D, 5.25%, 01/01/42	2,630	2,972,347
City of Chicago Illinois O Hare International Airport, Refunding RB, Senior Lien, Series B, 5.00%, 01/01/35	4,300	4,858,570
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40	10,960	11,523,892

Schedule of Investments (unaudited) (continued) **BlackRock MuniHoldings Investment Quality Fund (MFL)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Illinois (continued)</b>		
City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 06/01/28	\$ 7,735	\$ 7,976,100
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 08/15/41	4,000	4,342,400
Railsplitter Tobacco Settlement Authority, RB <sup>(a)</sup> :		
5.50%, 06/01/21	4,365	4,726,160
6.00%, 06/01/21	1,245	1,361,644
State of Illinois, GO:		
5.00%, 11/01/27	200	215,466
Series C, 5.00%, 11/01/29	5,000	5,351,000
State of Illinois Toll Highway Authority, RB, Series A, 5.00%, 01/01/37	2,700	3,078,378
		96,442,458
<b>Indiana 0.2%</b>		
State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40	1,240	1,312,032
<b>Kansas 0.9%</b>		
County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47	4,000	4,708,600
<b>Kentucky<sup>(b)</sup> 3.0%</b>		
Kentucky Public Energy Authority, RB:		
Gas Supply, Series C-1, 4.00%, 12/01/49	10,000	10,675,700
Series A, 4.00%, 04/01/48	5,000	5,305,400
		15,981,100
<b>Maryland 3.2%</b>		
Maryland Stadium Authority, RB, Baltimore City Public School, 5.00%, 05/01/41	15,000	16,750,500
<b>Massachusetts 5.9%</b>		
Commonwealth of Massachusetts, GO, Series G, 4.00%, 09/01/42	15,000	15,466,500
Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System, 5.00%, 07/01/41	4,710	5,220,658
Massachusetts Educational Financing Authority, RB, Education Loan, Issue I, AMT, 5.00%, 01/01/27	1,000	1,117,790
Massachusetts Housing Finance Agency, Refunding RB, Series G, 3.45%, 12/01/30	3,100	3,156,203
Massachusetts School Building Authority, RB, Sub Series B, 4.00%, 02/15/42	6,200	6,337,206
		31,298,357
<b>Michigan 1.5%</b>		
City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM): 6.25%, 07/01/19 <sup>(a)</sup>	6,310	6,404,082

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6.25%, 07/01/36	10	10,136
Michigan Finance Authority, Refunding RB, Henry Ford Health System, 5.00%, 11/15/41	1,525	1,655,495
		8,069,713
<b>Mississippi 2.8%</b>		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM):		
6.88%, 12/01/40	6,405	7,591,654
Special Obligation, 6.75%, 12/01/31	3,775	4,497,988
Special Obligation, 6.75%, 12/01/33	2,350	2,790,813
		14,880,455
<b>Nevada 2.2%</b>		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 07/01/39	11,175	11,442,529
	<i>Par</i>	<i>Value</i>
<i>Security</i>	<i>(000)</i>	
<b>New Jersey 8.3%</b>		
New Jersey EDA, RB, Goethals Bridge Replacement Project, AMT, Private Activity Bond:		
5.38%, 01/01/43	\$ 7,000	\$ 7,610,120
(AGM), 5.00%, 01/01/31	2,425	2,646,960
New Jersey EDA, Refunding RB, Series B, 5.50%, 06/15/30	4,080	4,653,974
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 07/01/38	6,500	6,573,710
New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT, 5.75%, 12/01/28	2,015	2,150,831
New Jersey Transportation Trust Fund Authority, RB:		
Transportation Program Bonds, Series S, 5.25%, 06/15/43	4,295	4,662,996
Transportation System, Series AA, 5.50%, 06/15/39	8,175	8,676,700
New Jersey Turnpike Authority, Refunding RB, Series A, 5.00%, 01/01/34	1,685	1,910,386
State of New Jersey, GO, 4.00%, 06/01/29	5,000	5,243,200
		44,128,877
<b>New York 14.7%</b>		
City of New York, GO:		
Subseries F-1, 5.00%, 04/01/38	10,000	11,568,900
Sub-Series F-1, 5.00%, 04/01/40	4,850	5,553,153
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series EE, 5.38%, 06/15/43	3,475	3,669,565
City of New York New York Water & Sewer System, Refunding RB, 2nd General Resolution, Fiscal 2009, Series EE, 5.25%, 06/15/40	7,500	7,571,775
City of New York Transitional Finance Authority, RB, Future Tax Secured Subordinate, Subseries B-1, 5.00%, 08/01/40	5,000	5,652,250
City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40	4,000	4,041,760
Metropolitan Transportation Authority, RB, Series A-1, 5.25%, 11/15/39	4,490	5,009,852
Metropolitan Transportation Authority, Refunding RB:		
Series B, 5.00%, 11/15/37	6,140	6,860,652
Series D, 4.00%, 11/15/42	2,500	2,530,650
Port Authority of New York & New Jersey, Refunding ARB, Consolidated:		

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166th Series, 5.25%, 07/15/36	10,000	10,587,300
205th Series, 5.25%, 11/15/39	6,000	7,069,140
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 205th Series, 5.25%, 05/15/42	900	1,053,540
Triborough Bridge & Tunnel Authority, Refunding RB, Series B, 5.00%, 11/15/38	5,660	6,507,925
		77,676,462
<b>Ohio 1.6%</b>		
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 02/15/31	5,145	5,734,874
5.25%, 02/15/32	2,250	2,506,163
		8,241,037
<b>Pennsylvania 6.4%</b>		
Pennsylvania State University, RB, Series A, 5.00%, 09/01/42	2,945	3,380,301
Pennsylvania Turnpike Commission, RB: Series A, 5.25%, 12/01/44	5,000	5,798,300
Sub-Series A, 5.50%, 12/01/46	18,570	21,248,351
Township of Bristol Pennsylvania School District, GO, 5.25%, 06/01/37	3,000	3,320,160
		33,747,112

SCHEDULES OF INVESTMENTS

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Schedule of Investments (unaudited) (continued) **BlackRock MuniHoldings Investment Quality Fund (MFL)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>South Carolina 6.7%</b>		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	\$ 6,735	\$ 7,623,683
County of Charleston South Carolina Airport District, ARB, Series A, AMT: 5.25%, 07/01/25	4,490	5,083,264
5.50%, 07/01/38	3,000	3,342,990
6.00%, 07/01/38	5,270	6,002,530
5.50%, 07/01/41	4,170	4,635,914
South Carolina Jobs-Economic Development Authority, Refunding RB, Prisma Health Obligated Group, Series A, 5.00%, 05/01/37	4,480	5,037,760
State of South Carolina Ports Authority, RB, AMT, 5.25%, 07/01/50	3,445	3,766,797
		35,492,938
<b>Texas 17.5%</b>		
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 03/01/37	4,190	4,663,554
City of Houston Texas Combined Utility System, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> : 6.00%, 05/15/19	12,030	12,134,300
6.00%, 05/15/19	670	675,883
City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC) <sup>(a)</sup> : 6.00%, 05/15/19	8,940	9,017,510
6.00%, 05/15/19	495	499,346
Dallas-Fort Worth Texas International Airport, ARB, Joint Improvement, AMT: Series A, 5.00%, 11/01/38	5,580	5,787,576
Series H, 5.00%, 11/01/37	4,575	4,818,939
Lower Colorado River Authority, Refunding RB, 5.50%, 05/15/33	3,735	4,224,173
North Texas Tollway Authority, Refunding RB, 1st Tier (AGM), 6.00%, 01/01/21 <sup>(a)</sup>	5,555	5,982,290
Red River Texas Education Financing Corp., RB, Texas Christian University Project, 5.25%, 03/15/38	7,170	7,987,165
State of Texas, GO: Transportation Commission Highway Improvement, 5.00%, 04/01/43	15,550	17,508,678
Water Financial Assistance, Series D, 5.00%, 05/15/40	8,000	9,009,040
Texas Water Development Board, RB: State Water Implementation Fund, Series B, 4.00%, 10/15/43	5,000	5,223,650
State Water Implementation Revenue, 5.25%, 10/15/46	4,780	5,498,099
		93,030,203
<b>Utah 2.4%</b>		
County of Utah Utah, RB, IHC Health Services, Inc., Series B, 5.00%, 05/15/46	7,500	8,386,875
Utah State University, RB, Series B, 4.00%, 12/01/45	4,390	4,532,499
		12,919,374

**Virginia 0.4%**

City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 01/01/43	1,750	1,887,375
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**Washington 0.5%**

State of Washington, GO, Series C, 5.00%, 02/01/41	2,500	2,869,925
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**Total Municipal Bonds 133.7%**

<b>(Cost \$682,816,597)</b>		708,625,022
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	<i>Par</i>	<i>Value</i>
	<i>(000)</i>	

*Security***Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(c)</sup>****Alabama 8.3%**

City of Birmingham Alabama Special Care Facilities Financing Authority, Refunding RB, Ascension Senior Credit Group:		
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Series B, 5.00%, 11/15/46	\$ 27,798	\$ 30,640,351
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Series C, 5.00%, 11/15/46	11,920	13,138,641
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		43,778,992
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**California 0.5%**

Los Angeles California Unified School District, GO, Series I, 5.00%, 01/01/34	2,400	2,423,280
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**Massachusetts 4.4%**

Commonwealth of Massachusetts, GO, Consolidated Loan, Series E, 5.25%, 09/01/43	20,000	23,445,600
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**Nevada 0.9%**

County of Clark Nevada Water Reclamation District, GO, Series B, 5.50%, 07/01/19 <sup>(a)</sup>	5,008	5,072,646
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**New Jersey 1.7%**

New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	5,922	5,938,476
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New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 <sup>(d)</sup>	2,961	3,075,635
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		9,014,111
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**New York 12.5%**

City of New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40	4,995	5,047,148
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City of New York Transitional Finance Authority, RB, Series, S-1, 5.00%, 07/15/43	11,825	13,478,795
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Hudson Yards Infrastructure Corp., RB, Senior-Fiscal 2012: <sup>(d)</sup> 5.75%, 02/15/21 <sup>(a)</sup>	5,726	6,158,318
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5.75%, 02/15/47	3,523	3,788,410
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New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	13,950	15,132,616
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New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(d)</sup>	8,200	8,943,326
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State of New York Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 03/15/19 <sup>(a)</sup>	13,500	13,515,458
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		66,064,071
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**Texas 2.0%**

North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%,  
09/01/21<sup>(a)</sup>

9,640 10,525,000

**Utah 1.2%**

City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/19<sup>(a)</sup>

6,373 6,470,555

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 31.5%**  
**(Cost \$165,178,077)**

166,794,255

**Total Long-Term Investments 165.2%**  
**(Cost \$847,994,674)**

875,419,277

Schedule of Investments (unaudited) (continued) **BlackRock MuniHoldings Investment Quality Fund (MFL)**

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>Short-Term Securities 0.4%</b>		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.55% <sup>(e)(f)</sup>	2,392,755	\$ 2,392,995
<b>Total Short-Term Securities 0.4%</b>		
(Cost \$2,392,995)		2,392,995
<b>Total Investments 165.6%</b>		
(Cost \$850,387,669)		877,812,272
<b>Other Assets Less Liabilities 1.8%</b>		9,422,977
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (15.7)%</b>		(83,046,839)
<b>VRDP Shares, at Liquidation Value, Net of Deferred Offering Costs (51.7)%</b>		(274,221,546)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 529,966,864

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.
- (c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (d) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between June 15, 2019, to August 15, 2020, is \$11,535,489. See Note 4 of the Notes to Financial Statements for details.
- (e) Annualized 7-day yield as of period end.
- (f) During the six months ended February 28, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	<i>Shares</i>		<i>Value at</i>	<i>Income</i>	<i>Change in</i>	
	<i>Held at</i>	<i>Net Activity</i>			<i>Unrealized</i>	<i>Appreciation</i>
<i>Affiliate</i>	<i>08/31/18</i>		<i>02/28/19</i>	<i>02/28/19</i>	<i>Gain (Loss)</i>	<i>(Depreciation)</i>
BlackRock Liquidity Funds, MuniCash, Institutional Class	1,018,845	1,373,910	2,392,755	\$ 2,392,995	\$ 16,874	\$ 634

(a) Includes net capital gain distributions, if applicable.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount (000)</i>	<i>Value / Unrealized Appreciation (Depreciation)</i>
Short Contracts:				
10-Year U.S. Treasury Note	115	06/19/19	\$ 14,030	\$ 72,882
Long U.S. Treasury Bond	216	06/19/19	31,205	355,507
5-Year U.S. Treasury Note	76	06/28/19	8,707	26,006
				\$ 454,395

### Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
<b>Assets</b>							
<b>Derivative Financial Instruments</b>							
Futures contracts							
Net unrealized appreciation <sup>(a)</sup>	\$	\$	\$	\$	\$ 454,395	\$	\$ 454,395

(a) Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

Schedule of Investments (unaudited) (continued) **BlackRock MuniHoldings Investment Quality Fund (MFL)**

February 28, 2019

For the six months ended February 28, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts	\$	\$	\$	\$	\$ (921,207)	\$	\$ (921,207)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts	\$	\$	\$	\$	\$ 408,042	\$	\$ 408,042

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts short \$ 46,598,238

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments <sup>(a)</sup>	\$	\$ 875,419,277	\$	\$ 875,419,277
Short-Term Securities	2,392,995			2,392,995
	\$ 2,392,995	\$ 875,419,277	\$	\$ 877,812,272

Derivative Financial Instruments<sup>(b)</sup>

Assets:

Interest rate contracts	\$ 454,395	\$	\$	\$ 454,395
	\$ 454,395	\$	\$	\$ 454,395

(a) See above Schedule of Investments for values in each state or political subdivision.

(b) Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$ (82,671,903)	\$	\$ (82,671,903)
VRDP Shares at Liquidation Value		(274,600,000)		(274,600,000)
	\$	\$ (357,271,903)	\$	\$ (357,271,903)

During the six months ended February 28, 2019, there were no transfers between levels.

See notes to financial statements.

## Schedule of Investments (unaudited)

## BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Municipal Bonds 123.7%</b>		
<b>Alabama 1.9%</b>		
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A:		
5.80%, 05/01/34	\$ 1,850	\$ 1,921,151
5.38%, 12/01/35	1,000	1,074,610
State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/20 <sup>(a)</sup>	7,610	8,129,839
		11,125,600
<b>Alaska 0.6%</b>		
City of Anchorage Alaska Electric Revenue, Refunding RB, Series A, 5.00%, 12/01/41	3,000	3,315,570
<b>Arizona 4.9%</b>		
Arizona IDA, Refunding RB, Basis Schools, Inc. Projects, Series A, 5.38%, 07/01/50 <sup>(b)</sup>	2,500	2,575,275
City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Junior Lien, Series A, 5.00%, 07/01/20 <sup>(a)</sup>	2,000	2,089,020
City of Phoenix Arizona IDA, RB, Candeo School, Inc. Project:		
6.63%, 07/01/33	2,245	2,455,311
6.88%, 07/01/44	3,440	3,730,852
City of Phoenix Arizona IDA, Refunding RB <sup>(b)</sup> :		
Basis Schools, Inc. Projects, 5.00%, 07/01/35	600	616,320
Basis Schools, Inc. Projects, 5.00%, 07/01/45	760	769,394
Basis Schools, Inc. Projects, Series A, 5.00%, 07/01/35	1,125	1,155,600
Legacy Traditional School Projects, 5.00%, 07/01/45	700	707,511
County of Maricopa Arizona Pollution Control Corp., Refunding RB, Southern California Edison Co., Series A, 5.00%, 06/01/35	3,300	3,362,271
Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/37	9,805	11,582,941
		29,044,495
<b>California 7.0%</b>		
California Health Facilities Financing Authority, RB:		
St. Joseph Health System, Series A, 5.75%, 07/01/39	5,000	5,064,350
Sutter Health, Series B, 6.00%, 08/15/20 <sup>(a)</sup>	5,600	5,964,392
California Health Facilities Financing Authority, Refunding RB, Dignity Health, Series A, 6.00%, 07/01/19 <sup>(a)</sup>	1,055	1,070,477
California Municipal Finance Authority, ARB, Senior Lien, Linxs APM Project, AMT, 5.00%, 12/31/43	2,800	3,100,328
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A, 5.25%, 05/15/39	1,200	1,208,436
Golden State Tobacco Securitization Corp., Refunding RB, Series A-1:		
5.00%, 06/01/47	855	822,912
5.25%, 06/01/47	1,025	1,026,732

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Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 08/01/19 <sup>(a)</sup>	9,585	9,762,897
Oakland Unified School District/Alameda County, GO, Series A, 5.00%, 08/01/40	1,000	1,145,110
Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement District No. 2007-1, Election of 2008, Series B, 0.00%, 08/01/46 <sup>(c)</sup>	10,000	3,235,500
State of California, GO, Various Purposes: 6.50%, 04/01/19 <sup>(a)</sup>	5,240	5,260,174
6.50%, 04/01/33	4,435	4,451,188
		42,112,496
<b>Colorado 0.9%</b>		
Centerra Metropolitan District No. 1, Tax Allocation Bonds, 5.00%, 12/01/47 <sup>(b)</sup>	1,025	1,028,413
Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33	2,500	2,509,475
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Colorado (continued)</b>		
Copperleaf Metropolitan District No. 2, GO, Refunding, 5.75%, 12/01/45	\$ 1,000	\$ 1,042,790
Serenity Ridge Metropolitan District No 2, GO, Series A, 5.13%, 12/01/43	1,000	1,010,420
		5,591,098
<b>Connecticut 0.6%</b>		
State of Connecticut, GO, Series A, 5.00%, 04/15/38	3,325	3,647,791
<b>Delaware 0.9%</b>		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40	2,500	2,637,275
State of Delaware Health Facilities Authority, RB, Beebe Medical Center Project, 5.00%, 06/01/43	2,780	3,006,375
		5,643,650
<b>District of Columbia 0.2%</b>		
Metropolitan Washington Airports Authority, Refunding RB, Dulles Toll Road, 1st Senior Lien, Series A: 5.00%, 10/01/39	415	421,478
5.25%, 10/01/44	650	660,088
		1,081,566
<b>Florida 7.4%</b>		
Celebration Pointe Community Development District, Special Assessment Bonds, County of Alachua Florida <sup>(b)</sup> : 5.00%, 05/01/32	905	942,811
5.00%, 05/01/48	2,270	2,284,959
Central Florida Expressway Authority, Refunding RB, Senior Lien, 5.00%, 07/01/48	9,370	10,577,980
County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 07/01/42	3,750	4,049,813
County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series A-1, 5.38%, 10/01/20 <sup>(a)</sup>	10,290	10,885,071
County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, University of Miami, Series A, 5.00%, 04/01/45	4,625	5,029,780

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County of Miami-Dade Florida Expressway Authority, Refunding RB, Series A (AGM), 5.00%, 07/01/35	8,900	9,248,969
Lakewood Ranch Stewardship District, Special Assessment Bonds, Lakewood National & Polo Run Projects:		
4.63%, 05/01/27	255	260,327
5.25%, 05/01/37	470	486,995
5.38%, 05/01/47	770	794,825
		44,561,530
<b>Georgia 1.1%</b>		
City of Atlanta Georgia Department of Aviation, Refunding GARB, Series B, AMT, 5.00%, 01/01/29	1,070	1,120,889
DeKalb Georgia Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	3,335	3,405,835
Main Street Natural Gas, Inc., RB, Series A, 5.00%, 05/15/49	1,855	2,093,850
		6,620,574
<b>Hawaii 0.9%</b>		
State of Hawaii Harbor System, RB, Series A, 5.50%, 07/01/35	5,000	5,234,650
<b>Illinois 11.9%</b>		
Chicago Board of Education, GO, Series C:		
Dedicated Revenues, Series H, 5.00%, 12/01/36	865	893,389
Project, 5.25%, 12/01/35	2,785	2,888,017
Chicago Board of Education, GO, Refunding:		
Dedicated Revenues, 5.00%, 12/01/25	1,560	1,666,376
Dedicated Revenues, Series G, 5.00%, 12/01/34	865	899,721
5.00%, 12/01/25	1,200	1,281,828

SCHEDULES OF INVESTMENTS

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## Schedule of Investments (unaudited) (continued)

## BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Illinois (continued)</b>		
Chicago Board of Education, GO, Series D: 5.00%, 12/01/46	\$ 995	\$ 1,007,945
5.00%, 12/01/46	2,575	2,593,154
Refunding Dedicated Revenues, Series F, 5.00%, 12/01/23	1,180	1,247,343
City of Chicago Illinois O Hare International Airport, GARB, Senior Lien, Series D, AMT, 5.00%, 01/01/42	1,450	1,587,837
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36	2,110	2,229,932
City of Chicago Illinois Wastewater Transmission, Refunding RB, 2nd Lien, Series C, 5.00%, 01/01/39	1,000	1,076,350
County of Cook Illinois Community College District No. 508, GO, University & College Improvements, 5.25%, 12/01/31	5,000	5,212,350
Illinois Finance Authority, RB, Memorial Health System, Series A, 5.25%, 07/01/44	1,785	1,926,301
Illinois Finance Authority, Refunding RB: Northwestern Memorial Hospital, Series A, 6.00%, 08/15/19 <sup>(a)</sup>	9,000	9,173,970
OSF Healthcare System, 6.00%, 05/15/20 <sup>(a)</sup>	3,205	3,365,987
OSF Healthcare System, 6.00%, 05/15/39	1,000	1,031,300
Presence Health Network, Series C, 5.00%, 02/15/41	3,600	3,993,228
Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project Bonds, Series A: 0.00%, 12/15/56 <sup>(c)</sup>	8,755	1,350,459
5.00%, 06/15/57	425	442,438
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project Bonds, Series B, 0.00%, 12/15/54 <sup>(c)</sup>	12,215	2,089,620
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 06/01/21 <sup>(a)</sup>	2,645	2,892,810
Regional Transportation Authority, RB: Series A (AMBAC), 7.20%, 11/01/20	850	902,606
Series C (NPFGC), 7.75%, 06/01/20	1,545	1,612,903
State of Illinois, GO, Series D, 5.00%, 11/01/28	1,965	2,119,017
State of Illinois Toll Highway Authority, RB, Series A, 5.00%, 01/01/42	7,990	8,947,761
Village of Hodgkins Illinois, RB, Metropolitan Biosolids Management LLC Project, AMT, 6.00%, 11/01/23	8,565	8,575,621
		71,008,263
<b>Indiana 1.7%</b>		
City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT, 6.75%, 01/01/34	2,250	2,572,965
County of Allen Indiana, RB, StoryPoint Fort Wayne Project, Series A-1 <sup>(b)</sup> : 6.63%, 01/15/34	700	735,539
6.75%, 01/15/43	570	597,890

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State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40	2,640	2,793,358
State of Indiana Finance Authority, Refunding RB, Deaconess Health System, Series A, 5.00%, 03/01/39	3,000	3,284,790
		9,984,542
<b>Iowa 1.6%</b>		
Iowa Finance Authority, Refunding RB, Midwestern Disaster Area, Iowa Fertilizer Co. Project, 5.25%, 12/01/25	4,000	4,240,360
Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, CAB, Series B, 5.60%, 06/01/34	1,000	1,004,390
State of Iowa Finance Authority, RB, Lifespace Communities, Series A, 5.00%, 05/15/48	3,950	4,104,524
		9,349,274
<b>Kansas 1.0%</b>		
City of Lenexa Kansas, Refunding RB, Lakeview Village, Inc., Series A, 5.00%, 05/15/43	1,965	2,003,239
	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>
<b>Kansas (continued)</b>		
Wyandotte County-Kansas City Unified Government Utility System, RB, Series A, 5.00%, 09/01/40	\$ 3,700	\$ 4,138,857
		6,142,096
<b>Kentucky 2.7%</b>		
County of Owen Kentucky, RB, Kentucky American Water Co. Project, Series B, 5.63%, 09/01/39	1,000	1,016,510
Kentucky Economic Development Finance Authority, Refunding RB, Hospital Facilities, St. Elizabeth Medical Center, Inc., Series A, 5.50%, 05/01/19 <sup>(a)</sup>	8,000	8,049,040
Lexington-Fayette Urban County Airport Board, Refunding GARB, Series A, 5.00%, 07/01/19 <sup>(a)</sup>	7,000	7,078,470
		16,144,020
<b>Louisiana 3.4%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35	2,615	2,777,888
Parish of St. Charles Louisiana, RB, Valero Energy Corp., 4.00%, 12/01/40 <sup>(d)</sup>	2,210	2,296,411
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A: 5.25%, 05/15/31	3,420	3,605,433
5.25%, 05/15/32	4,375	4,701,856
5.25%, 05/15/33	4,750	5,083,783
5.25%, 05/15/35	1,500	1,624,710
		20,090,081
<b>Maine 1.0%</b>		
Maine Health & Higher Educational Facilities Authority, RB, Series A: 5.00%, 07/01/19 <sup>(a)</sup>	1,560	1,576,973
5.00%, 07/01/39	3,440	3,468,724
Portland Housing Development Corp., Refunding RB, Senior Living, Retirement Facilities, Series A, 6.00%, 02/01/34	1,190	1,191,737

		6,237,434
<b>Maryland 4.2%</b>		
City of Baltimore Maryland, Refunding RB, East Baltimore Research Park, Series A, 4.50%, 09/01/33	545	559,710
County of Howard Maryland Housing Commission, RB, M/F Housing, Woodfield Oxford Square Apartments, 5.00%, 12/01/42	4,935	5,425,193
Maryland Health & Higher Educational Facilities Authority, Refunding RB:		
Charlestown Community Project, 6.25%, 01/01/21 <sup>(a)</sup>	2,000	2,160,900
Meritus Medical Center Issue, 5.00%, 07/01/40	6,350	6,830,568
University of Maryland Medical System, 5.00%, 07/01/19 <sup>(a)</sup>	1,990	2,011,651
University of Maryland Medical System, 5.13%, 07/01/19 <sup>(a)</sup>	2,100	2,123,688
Maryland Stadium Authority, RB, Construction and Revitalization Program, 5.00%, 05/01/47	5,510	6,211,313
		25,323,023
<b>Massachusetts 2.4%</b>		
Massachusetts Bay Transportation Authority, Refunding RB, General Transportation System, Series A, 7.00%, 03/01/19	370	370,000
Massachusetts Development Finance Agency, RB:		
Emerson College Issue, Series A, 5.00%, 01/01/47	845	912,549
Emerson College Issue, Series A, 5.25%, 01/01/42	1,895	2,086,831
UMass Dartmouth Student Housing Project, 5.00%, 10/01/43	4,480	4,829,619
Massachusetts Development Finance Agency, Refunding RB, Series A:		
Emerson College, 5.00%, 01/01/40	1,620	1,777,173
4.00%, 07/01/44	965	942,245

## Schedule of Investments (unaudited) (continued)

## BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Massachusetts (continued)</b>		
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	\$ 2,120	\$ 2,130,833
Massachusetts Water Resources Authority, RB, Series A, 6.50%, 07/15/19 <sup>(e)</sup>	1,070	1,089,196
		14,138,446
<b>Michigan 0.7%</b>		
City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM), 6.25%, 07/01/19 <sup>(a)</sup>	2,495	2,532,201
Michigan Strategic Fund, RB, I-75 Improvement Projects, AMT, 5.00%, 06/30/48	1,775	1,936,596
		4,468,797
<b>Minnesota 0.7%</b>		
City of Cologne Minnesota Charter School, LRB, Cologne Academy Project, Series A, 5.00%, 07/01/45	1,500	1,476,150
County of St. Paul Minnesota Housing & Redevelopment Authority, Refunding RB, Fairview Health Services, Series A, 4.00%, 11/15/43	1,940	1,972,670
Housing & Redevelopment Authority of The City of Saint Paul Minnesota, RB, Great River School Project, Series A, 5.50%, 07/01/52 <sup>(b)</sup>	695	710,512
		4,159,332
<b>Mississippi 5.8%</b>		
County of Lowndes Mississippi, Refunding RB, Solid Waste Disposal & Pollution Control, Weyerhaeuser Co. Project:		
Series A, 6.80%, 04/01/22	9,160	10,196,454
Series B, 6.70%, 04/01/22	4,500	4,996,035
Mississippi Business Finance Corp., Refunding RB, System Energy Resource, Inc. Project, 5.88%, 04/01/22	9,305	9,322,866
Mississippi Development Bank, Refunding RB, Municipal Energy Agency Of Mississippi, Series A (AGM), 4.00%, 03/01/41	3,000	3,043,950
State of Mississippi, RB, Series A:		
5.00%, 10/15/37	1,105	1,263,689
4.00%, 10/15/38	5,535	5,683,338
		34,506,332
<b>Montana 0.1%</b>		
Montana State Board of Housing, RB, S/F, Series B-2:		
3.50%, 12/01/42	335	332,936
3.60%, 12/01/47	515	511,838
		844,774
<b>Nebraska 1.1%</b>		
Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.00%, 09/01/42	6,200	6,654,956

**Nevada 1.5%**

City of Carson City Nevada, Refunding RB, Carson Tahoe Regional Healthcare Project, 5.00%, 09/01/42	2,250	2,413,327
County of Clark Nevada, GO, Stadium Improvement, Series A: 5.00%, 06/01/36	4,080	4,752,262
5.00%, 06/01/37	1,500	1,739,220
		8,904,809

**New Jersey 12.0%**

Casino Reinvestment Development Authority, Refunding RB, 5.25%, 11/01/44	1,400	1,489,208
New Jersey EDA, RB:		
Continental Airlines, Inc. Project, Series A, AMT, 5.63%, 11/15/30	1,530	1,726,682
Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.38%, 01/01/43	10,000	10,871,600
Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.13%, 01/01/34	1,050	1,147,020
School Facilities Construction, Series UU, 5.00%, 06/15/40	3,390	3,545,296

	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>

**New Jersey (continued)**

New Jersey EDA, Refunding RB, School Facilities Construction: 5.25%, 06/15/19 <sup>(a)</sup>	\$ 2,650	\$ 2,677,189
Series AA, 5.25%, 06/15/19 <sup>(a)</sup>	700	707,182
Series AA, 5.25%, 12/15/33	6,650	6,704,264
New Jersey Housing & Mortgage Finance Agency, Refunding RB, S/F Housing, Series BB, AMT, 3.80%, 10/01/32	4,880	4,946,270
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/38 <sup>(c)</sup>	7,260	2,922,150
Transportation Program, Series AA, 5.25%, 06/15/33	8,750	9,318,575
Transportation Program, Series AA, 5.25%, 06/15/41	780	830,131
Transportation Program, Series AA, 5.00%, 06/15/44	4,450	4,638,057
Transportation System, Series B, 5.50%, 06/15/31	8,000	8,410,080
New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System, Series A, 5.00%, 12/15/32	5,430	5,968,765
Tobacco Settlement Financing Corp., Refunding RB:		
Series A, 5.25%, 06/01/46	4,550	4,909,950
Sub-Series B, 5.00%, 06/01/46	665	673,299
		71,485,718

**New York 5.4%**

Build NYC Resource Corp., Refunding RB, Pratt Paper, Inc. Project, AMT, 5.00%, 01/01/35 <sup>(b)</sup>	2,145	2,279,899
City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40	4,150	4,193,326
Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 06/01/41 <sup>(b)</sup>	3,500	3,593,345
Erie Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 06/01/45	4,435	4,327,363
New York Counties Tobacco Trust IV, Refunding RB, Tobacco Settlement Pass-Through Bonds, Series A, 5.00%, 06/01/38	3,675	3,603,521

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New York Liberty Development Corp., Refunding RB, 3 World Trade Center Project, Class 2 <sup>(b)</sup> :		
5.15%, 11/15/34	460	493,709
5.38%, 11/15/40	1,145	1,212,463
New York Transportation Development Corp., Refunding ARB, American Airlines, Inc., AMT, 5.00%, 08/01/31	3,070	3,183,345
Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/36	3,165	3,349,646
TSASC, Inc., Refunding RB:		
Series A, 5.00%, 06/01/41	1,785	1,891,154
Tobacco Settlement Bonds, Subordinate, Series B, 5.00%, 06/01/48	1,420	1,360,900
Westchester New York Tobacco Asset Securitization, Refunding RB, Tobacco Settlement Bonds, Sub-Series C, 5.13%, 06/01/51	2,740	2,760,851
		32,249,522
<b>Ohio 4.2%</b>		
Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2:		
5.75%, 06/01/34	950	885,618
5.88%, 06/01/47	2,525	2,364,082
County of Allen Ohio Hospital Facilities Revenue, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 06/01/20 <sup>(a)</sup>	2,875	2,998,337
County of Butler Port Authority, RB, StoryPoint Fairfield Project, Series A-1 <sup>(b)</sup> :		
6.38%, 01/15/43	675	692,321
6.50%, 01/15/52	390	400,819
County of Franklin Ohio, RB, Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 07/01/40	1,690	1,805,630
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 <sup>(a)</sup>	1,915	2,154,643

## Schedule of Investments (unaudited) (continued)

## BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Ohio (continued)</b>		
County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38	\$ 7,430	\$ 8,110,068
County of Montgomery Ohio, Refunding RB, Catholic Health: 5.50%, 05/01/19 <sup>(a)</sup>	1,910	1,921,555
Series A, 5.50%, 05/01/34	3,560	3,579,972
		24,913,045
<b>Oklahoma 0.4%</b>		
Oklahoma Development Finance Authority, RB, OU Medicine Project, Series B, 5.25%, 08/15/48	2,205	2,409,558
<b>Oregon 0.2%</b>		
State of Oregon Health & Science University, RB, Series A, 5.00%, 07/01/42	800	907,024
<b>Pennsylvania 8.3%</b>		
Allentown Neighborhood Improvement Zone Development Authority, RB, City Center Project, 5.00%, 05/01/42 <sup>(b)</sup>	1,725	1,836,556
Altoona Area School District, GO, (BAM), 5.00%, 12/01/36	365	411,822
County of Delaware Pennsylvania IDA, Refunding RB, Covanta Project, 5.00%, 07/01/43	5,000	5,035,350
County of Delaware Springfield School District, GO: 5.00%, 03/01/40	2,955	3,351,000
5.00%, 03/01/43	2,145	2,419,903
County of Montgomery Higher Education & Health Authority, Refunding RB, Thomas Jefferson University, Series A, 5.00%, 09/01/48	3,330	3,677,186
County of Montgomery Pennsylvania IDA, Refunding RB, Whitemarsh Continuing Care Retirement Community, 5.25%, 01/01/40	4,170	4,128,008
County of Northampton Pennsylvania General Purpose Authority, Refunding RB, Lafayette College, 4.00%, 11/01/38	1,855	1,919,869
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/36	4,385	4,988,508
Pennsylvania Economic Development Financing Authority, RB, Pennsylvania Rapid Bridge Replacement, 5.00%, 12/31/38	2,565	2,769,174
Pennsylvania HFA, RB, S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40	3,850	3,885,766
Pennsylvania Housing Finance Agency, RB, S/F, Series 125B, 3.65%, 10/01/42	7,000	6,862,520
Pennsylvania Turnpike Commission, Refunding RB, 2nd Series, Subordinate, Special Motor License Fund, 5.00%, 12/01/41	1,700	1,887,527
Pennsylvania Turnpike Commission, RB: Series A-1, 5.00%, 12/01/41	440	483,582
Sub-Series B-1, 5.25%, 06/01/47	5,680	6,285,942
		49,942,713
<b>Puerto Rico 1.3%</b>		

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Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds:		
5.50%, 05/15/39	1,340	1,353,722
5.63%, 05/15/43	1,335	1,348,937
Puerto Rico Sales Tax Financing Corp. Sales Tax Revenue, RB, Restructured, Series A-1:		
4.50%, 07/01/34	51	50,936
4.75%, 07/01/53	1,362	1,250,684
5.00%, 07/01/58	4,026	3,816,849
		7,821,128
<b>Rhode Island 1.4%</b>		
Tobacco Settlement Financing Corp., Refunding RB, Series B:		
4.50%, 06/01/45	6,820	6,399,956
5.00%, 06/01/50	2,000	2,011,560
		8,411,516
	<i>Par</i>	
	<i>(000)</i>	<i>Value</i>
<i>Security</i>		
<b>South Carolina 1.8%</b>		
State of South Carolina Jobs EDA, Refunding RB, Prisma Health Obligated Group, Series A, 5.00%, 05/01/43	\$ 2,690	\$ 2,959,188
State of South Carolina Public Service Authority, RB, Series E, 5.50%, 12/01/53	750	811,560
State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55	6,450	7,052,430
		10,823,178
<b>Texas 11.4%</b>		
Central Texas Regional Mobility Authority, RB, Senior Lien, Series A:		
5.00%, 01/01/40	1,215	1,330,498
5.00%, 01/01/45	3,500	3,801,770
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien:		
5.75%, 01/01/21 <sup>(a)</sup>	1,000	1,070,580
6.00%, 01/01/21 <sup>(a)</sup>	4,300	4,622,672
Series A, 5.00%, 01/01/43	6,925	7,364,045
City of Houston Texas Airport System, Refunding ARB, United Airlines, Inc. Terminal E Project, AMT, 5.00%, 07/01/29		
	2,665	2,915,137
City of Houston Texas Airport System Revenue, Refunding RB, Sub-Series D, 5.00%, 07/01/37		
	4,005	4,633,184
County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 01/01/23 <sup>(a)</sup>		
	850	1,010,557
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 08/15/20 <sup>(a)</sup>		
	4,630	4,914,050
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Trinity Terrace Project, 5.00%, 10/01/44		
	3,500	3,663,415
La Vernia Higher Education Finance Corp., RB, KIPP, Inc., Series A, 6.25%, 08/15/19 <sup>(a)</sup>		
	925	943,824
Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40		
	1,100	1,142,625
New Hope Cultural Education Facilities Corp., RB:		
Collegiate Housing Tarleton State University Project, 5.00%, 04/01/35		
	500	528,925
Jubilee Academic Center Project, Series A, 5.00%, 08/15/37 <sup>(b)</sup>		
	2,000	2,005,420
New Hope Cultural Education Facilities Corp., Refunding RB, 1st Mortgage, Morningside		
	1,600	1,732,896

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Ministries Project, 6.25%, 01/01/33		
North Texas Education Finance Corp., ERB, Uplift Education, Series A, 5.13%, 12/01/42	1,000	1,038,140
North Texas Tollway Authority, Refunding RB, Series A:		
1st Tier System, 6.25%, 01/01/39	655	657,070
1st Tier, 5.00%, 01/01/48	5,350	5,980,123
5.00%, 01/01/38	5,000	5,514,500
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:		
LBJ Infrastructure Group LLC, 7.00%, 06/30/40	8,000	8,495,200
NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	4,710	4,888,038
		68,252,669
<b>Virginia 4.3%</b>		
Ballston Quarter Community Development Authority, Tax Allocation Bonds, Series A:		
5.38%, 03/01/36	430	443,369
5.50%, 03/01/46	1,475	1,521,138
City of Portsmouth Virginia, GO, Refunding Series D, 5.00%, 07/15/20 <sup>(a)</sup>	3,030	3,167,107
County of Fairfax Virginia IDA, Refunding RB, Health Care-Inova Health, 5.50%, 05/15/19 <sup>(a)</sup>	735	740,630
Tobacco Settlement Financing Corp., Refunding RB, Senior Series B-1, 5.00%, 06/01/47	3,665	3,491,206

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
<b>Virginia (continued)</b>		
Virginia Small Business Financing Authority, RB, AMT:		
Senior Lien, Elizabeth River Crossings OpCo LLC Project, 6.00%, 01/01/37	\$ 2,150	\$ 2,347,563
Senior Lien, Elizabeth River Crossings OpCo LLC Project, 5.50%, 01/01/42	5,140	5,486,385
Transform 66 P3 Project, 5.00%, 12/31/49	7,895	8,506,705
		25,704,103
<b>Washington 3.8%</b>		
Port of Seattle Washington, ARB, AMT:		
Intermediate Lien, Series C, 5.00%, 05/01/37	4,905	5,494,875
Series A, 5.00%, 05/01/43	1,295	1,429,719
State of Washington, COP, Series B:		
5.00%, 07/01/36	1,725	2,010,643
5.00%, 07/01/38	2,300	2,648,887
Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 01/01/45	4,010	4,361,717
Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36	7,000	7,022,610
		22,968,451
<b>West Virginia 0.4%</b>		
West Virginia Hospital Finance Authority, Refunding RB, Improvement, Charleston Area Medical Center, Inc., Series A, 5.63%, 09/01/32	2,500	2,538,300
<b>Wisconsin 1.3%</b>		
Wisconsin Health & Educational Facilities Authority, Refunding RB:		
Froedtert & Community Health, Inc., Obligated Group: Series C, 5.25%, 04/01/19 <sup>(a)</sup>	3,100	3,108,556
Milwaukee Regional Medical Center Thermal Service, 5.00%, 04/01/44	4,080	4,603,586
		7,712,142
<b>Wyoming 1.3%</b>		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 07/15/26	4,500	4,569,435
State of Wyoming Municipal Power Agency, Inc., Refunding RB, Series A (BAM), 5.00%, 01/01/42	1,120	1,242,595
Wyoming Community Development Authority, Refunding RB, Series 2 & 3, 4.05%, 12/01/38	2,215	2,258,060
		8,070,090
<b>Total Municipal Bonds 123.7%</b>		
<b>(Cost \$715,580,189)</b>		740,144,356

**Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(f)</sup>****Arizona 0.6%**

City of Phoenix Civic Improvement Corp., Refunding RB, Water System, Junior Lien, Series A, 5.00%, 07/01/19 <sup>(a)</sup>	3,500	3,538,325
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**California 6.2%**

Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2 Bonds, 5.00%, 10/01/47	14,998	16,887,825
University of California, RB, Series O <sup>(a)</sup> :		
General, 5.25%, 05/15/19	5,675	5,723,777
Prefunded -General, 5.25%, 05/15/19	3,235	3,262,805
Unrefunded Balance-2016, General, 5.25%, 05/15/19	11,090	11,185,318
		37,059,725

**Colorado 1.3%**

City & County of Denver Colorado Airport System Revenue, Refunding ARB, Sub-System, Series A, AMT, 5.25%, 12/01/43 <sup>(g)</sup>	6,504	7,484,760
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	<i>Par</i>	
<i>Security</i>	<i>(000)</i>	<i>Value</i>

**Florida 2.6%**

County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 <sup>(a)</sup>	\$ 14,747	\$ 15,514,006
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**Illinois 2.0%**

State of Illinois Toll Highway Authority, RB, Series B, 5.00%, 01/01/40	10,976	12,153,092
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**Kentucky 1.6%**

County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB, River City, Inc., 1st Mortgage, Series A, 5.38%, 12/01/19 <sup>(a)</sup>	9,195	9,442,652
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**Maryland 0.9%**

City of Baltimore Maryland, RB, Wastewater Project, Series A, 5.00%, 07/01/46	4,898	5,490,269
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**Nevada 2.7%**

County of Clark Nevada Water Reclamation District, GO, Series B, 5.75%, 07/01/19 <sup>(a)</sup>	15,789	16,004,684
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**New York 1.8%**

New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(g)</sup>	10,001	10,906,495
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**Oregon 0.3%**

State of Oregon Housing & Community Services Department, HRB, M/F Housing, Series A, AMT, 4.95%, 07/01/30	1,604	1,626,742
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**Pennsylvania 2.0%**

Commonwealth of Pennsylvania, GO, 1st Series, 4.00%, 03/01/38 <sup>(g)</sup>	7,250	7,526,588
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM),	3,925	4,392,080

5.00%, 08/15/38

		11,918,668
<b>Texas 5.8%</b>		
City of Houston Texas Higher Education Finance Corp., RB, Rice University Project, Series A, 5.00%, 05/15/20 <sup>(a)</sup>	10,000	10,395,462
County of Harris Texas Health Facilities Development Corp., Refunding RB, School Health Care System, Series B, 5.75%, 07/01/27 <sup>(e)</sup>	20,370	24,481,480
		34,876,942
<b>Virginia 2.2%</b>		
County of Fairfax Virginia EDA, RB, Metrorail Parking System Project, 5.00%, 04/01/47 <sup>(g)</sup>	6,960	7,869,150
Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%, 11/01/40	5,002	5,176,015
		13,045,165
<b>Washington 1.9%</b>		
Washington Health Care Facilities Authority, Refunding RB, Seattle Children s Hospital, Series B, 5.00%, 10/01/38	10,000	11,551,650
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 31.9%</b> (Cost \$182,818,179)		190,613,175
<b>Total Long-Term Investments 155.6%</b> (Cost \$898,398,368)		930,757,531
<b>Other Assets Less Liabilities 1.8%</b>		10,570,619
<b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (16.6)%</b>		(99,474,489)
<b>VMTP Shares, at Liquidation Value (40.8)%</b>		(243,800,000)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 598,053,661

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Zero-coupon bond.
- (d) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.
- (e) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (g) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between November 15, 2019 to June 1, 2026, is \$16,153,828. See Note 4 of the Notes to Financial Statements for details.

During the six months ended February 28, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at 08/31/18	Shares Held Net Activity	Value at 02/28/19	Income Gain (Loss)	Change in Net Unrealized Realized Appreciation (Depreciation)	
					\$	\$
BlackRock Liquidity Funds, MuniCash, Institutional Class <sup>(b)</sup>	159,172	(159,172)	\$	\$ 25,216	\$ 1,773	\$

(a) Includes net capital gain distributions, if applicable.

(b) No longer held by the Trust as of period end.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value / Unrealized Appreciation (Depreciation)
Short Contracts:				
10-Year U.S. Treasury Note	86	06/19/19	\$ 10,492	\$ 54,490

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Long U.S. Treasury Bond	260	06/19/19	37,562	427,925
5-Year U.S. Treasury Note	33	06/28/19	3,781	11,292
				\$ 493,707

**Derivative Financial Instruments Categorized by Risk Exposure**

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	<i>Foreign</i>						<i>Total</i>
			<i>Currency</i>		<i>Interest</i>		
	<i>Commodity</i>	<i>Credit</i>	<i>Equity</i>	<i>Exchange</i>	<i>Rate</i>	<i>Other</i>	
	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	
<b>Assets Derivative Financial Instruments</b>							
Futures contracts							
Net unrealized appreciation <sup>(a)</sup>	\$	\$	\$	\$	\$ 493,707	\$	\$ 493,707

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

	<i>Foreign</i>						<i>Total</i>
			<i>Currency</i>		<i>Interest</i>		
	<i>Commodity</i>	<i>Credit</i>	<i>Equity</i>	<i>Exchange</i>	<i>Rate</i>	<i>Other</i>	
	<i>Contract</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	<i>Contracts</i>	
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts	\$	\$	\$	\$	\$ (1,304,252)	\$	\$ (1,304,252)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts	\$	\$	\$	\$	\$ 453,402	\$	\$ 453,402



Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2019

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:

Average notional value of contracts – short .....	\$ 45,093,813
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For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments <sup>(a)</sup>	\$	\$ 930,757,531	\$	\$ 930,757,531
Derivative Financial Instruments <sup>(b)</sup>				
Assets:				
Interest rate contracts	\$ 493,707	\$	\$	\$ 493,707

(a) See above Schedule of Investments for values in each state or political subdivision.

(b) Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$ (99,033,917)	\$	\$ (99,033,917)
VMTP Shares at Liquidation Value		(243,800,000)		(243,800,000)

\$ (342,833,917) \$ (342,833,917)

During the six months ended February 28, 2019, there were no transfers between levels.

*See notes to financial statements.*

SCHEDULES OF INVESTMENTS

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## Statements of Assets and Liabilities (unaudited)

February 28, 2019

	BBK	BAF	BYM	BLE
<b>ASSETS</b>				
Investments at value unaffiliated <sup>(d)</sup>	\$ 264,825,324	\$ 220,604,242	\$ 623,497,153	\$ 549,175,196
Investments at value affiliated <sup>(d)</sup>	189,772	589,614	3,558,757	999,594
Cash	126,422	70,338	295,688	176,852
Cash pledged for futures contracts	266,050	158,800	628,050	370,800
Receivables:				
Interest unaffiliated	2,905,967	2,276,339	6,670,797	6,491,775
Dividends affiliated	1,162	530	8,158	2,144
Variation margin on futures contracts	45,406	27,057	107,952	63,280
Prepaid expenses	9,334	9,124	11,052	9,985
Total assets	268,369,437	223,736,044	634,777,607	557,289,626
<b>ACCRUED LIABILITIES</b>				
Payables:				
Income dividend distributions Common Shares	668,208	511,841	1,373,126	1,364,732
Investment advisory fees	133,068	93,873	265,875	234,347
Interest expense and fees	64,932	171,561	462,929	243,736
Trustees and Officer s fees	31,808	23,480	73,533	67,530
Other accrued expenses	90,658	80,790	126,014	114,760
Total accrued liabilities	988,674	881,545	2,301,477	2,025,105
<b>OTHER LIABILITIES</b>				
TOB Trust Certificates	23,564,266	51,608,191	108,777,798	64,522,879
VMTP Shares, at liquidation value of \$100,000 per share <sup>(c)(d)</sup>	79,900,000	42,200,000	137,200,000	151,300,000
Total other liabilities	103,464,266	93,808,191	245,977,798	215,822,879
Total liabilities	104,452,940	94,689,736	248,279,275	217,847,984
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>				
	\$ 163,916,497	\$ 129,046,308	\$ 386,498,332	\$ 339,441,642

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS CONSIST OF

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Paid-in capital <sup>(e)(f)(g)</sup>	\$ 149,545,188	\$ 124,019,631	\$ 362,795,037	\$ 327,395,423
Accumulated earnings	14,371,309	5,026,677	23,703,295	12,046,219
<b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>	<b>\$ 163,916,497</b>	<b>\$ 129,046,308</b>	<b>\$ 386,498,332</b>	<b>\$ 339,441,642</b>
Net asset value per Common Share	\$ 15.58	\$ 14.75	\$ 14.64	\$ 14.43
(a) Investments at cost unaffiliated	\$ 250,347,602	\$ 211,759,669	\$ 591,754,720	\$ 527,273,189
(b) Investments at cost affiliated	\$ 189,772	\$ 589,614	\$ 3,558,757	\$ 999,594
(c) Preferred Shares outstanding, par value \$0.10 per share	799	422	1,372	1,513
(d) Preferred Shares authorized	unlimited	unlimited	unlimited	unlimited
(e) Par value per Common Share	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001
(f) Common Shares outstanding	10,522,957	8,749,418	26,406,273	23,529,861
(g) Common Shares authorized	unlimited	unlimited	unlimited	unlimited

*See notes to financial statements.*

## Statements of Assets and Liabilities (unaudited) (continued)

February 28, 2019

	MFL	MVF
<b>ASSETS</b>		
Investments at value unaffiliated <sup>(d)</sup>	\$ 875,419,277	\$ 930,757,531
Investments at value affiliated <sup>(d)</sup>	2,392,995	
Cash	328,775	
Cash pledged for futures contracts	747,150	791,500
Receivables:		
Interest unaffiliated	11,109,197	11,662,920
Dividends affiliated	1,860	361
Investments sold	85,000	1,384,950
Variation margin on futures contracts	128,561	136,429
Prepaid expenses	15,475	23,245
Total assets	890,228,290	944,756,936
<b>ACCRUED LIABILITIES</b>		
Bank overdraft		221,944
Payables:		
Income dividend distributions Common Shares	2,141,136	2,496,200
Investment advisory fees	343,254	360,388
Interest expense and fees	374,936	440,572
Trustees and Officers fees	318,757	151,047
Other accrued expenses	189,894	199,207
Total accrued liabilities	3,367,977	3,869,358
<b>OTHER LIABILITIES</b>		
TOB Trust Certificates	82,671,903	99,033,917
VMTP Shares, at liquidation value of \$100,000 per share <sup>(c)(d)</sup>		243,800,000
VRDP Shares, at liquidation value of \$100,000 per share, net of deferred offering costs <sup>(c)(d)</sup>	274,221,546	
Total other liabilities	356,893,449	342,833,917
Total liabilities	360,261,426	346,703,275
NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$ 529,966,864	\$ 598,053,661

NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS CONSIST OF

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Paid-in capital <sup>(e)(f)(g)</sup>	\$ 513,591,274	\$ 582,474,297
Accumulated earnings	16,375,590	15,579,364
Net Assets	\$ 529,966,864	\$ 598,053,661
Net asset value per Common Share	\$ 13.98	\$ 9.22
(a) Investments at cost unaffiliated	\$ 847,994,674	\$ 898,398,368
(b) Investments at cost affiliated	\$ 2,392,995	\$
(c) Preferred Shares outstanding, par value \$0.10 per share	2,746	2,438
(d) Preferred Shares authorized	1,000,000	10,000,000
(e) Par value per Common Share .	\$ 0.10	\$ 0.10
(f) Common Shares outstanding	37,896,208	64,836,371
(g) Common Shares authorized	unlimited	150,000,000

*See notes to financial statements.*

FINANCIAL STATEMENTS

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## Statements of Operations (unaudited)

Six Months Ended February 28, 2019

	BBK	BAF	BYM	BLE
<b>INVESTMENT INCOME</b>				
Interest unaffiliated	\$ 5,698,291	\$ 4,704,014	\$ 13,024,752	\$ 12,776,220
Dividends affiliated	20,642	8,450	33,661	25,441
Total investment income	5,718,933	4,712,464	13,058,413	12,801,661
<b>EXPENSES</b>				
Investment advisory	856,919	599,516	1,714,828	1,512,395
Professional	29,305	26,782	40,733	37,835
Accounting services	26,741	23,489	33,821	33,821
Rating agency	21,496	21,475	21,530	21,538
Transfer agent	11,903	10,322	16,272	16,467
Trustees and Officer	8,579	6,835	19,232	18,019
Custodian	2,575	3,300	7,709	3,096
Registration	4,697	4,692	5,079	5,509
Printing	3,813	3,603	4,910	4,699
Miscellaneous	10,162	6,873	12,602	9,955
Total expenses excluding interest expense, fees and amortization of offering costs	976,190	706,887	1,876,716	1,663,334
Interest expense, fees and amortization of offering costs <sup>(a)</sup>	1,296,487	1,095,758	3,013,244	2,681,144
Total expenses	2,272,677	1,802,645	4,889,960	4,344,478
Less fees waived and/or reimbursed by the Manager	(1,307)	(555)	(2,301)	(1,688)
Total expenses after fees waived and/or reimbursed	2,271,370	1,802,090	4,887,659	4,342,790
Net investment income	3,447,563	2,910,374	8,170,754	8,458,871
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>				
Net realized gain (loss) from:				
Investments unaffiliated	(389,699)	11,270	(471,831)	(346,622)
Investments affiliated	194	412	235	(79)
Futures contracts	(254,903)	(218,010)	(663,840)	(359,851)
Capital gain distributions from investment companies affiliated	236	66		173
	(644,172)	(206,262)	(1,135,436)	(706,379)

Net change in unrealized appreciation (depreciation) on:				
Investments unaffiliated	(595,216)	(695,451)	(443,211)	(2,753,767)
Investments affiliated				(227)
Futures contracts	136,966	86,680	329,801	194,037
	(458,250)	(608,771)	(113,410)	(2,559,957)
Net realized and unrealized loss	(1,102,422)	(815,033)	(1,248,846)	(3,266,336)
<b>NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS</b>	<b>\$ 2,345,141</b>	<b>\$ 2,095,341</b>	<b>\$ 6,921,908</b>	<b>\$ 5,192,535</b>

<sup>(a)</sup> Related to TOB Trusts, VMTP Shares and/or VRDP Shares.  
See notes to financial statements.

## Statements of Operations (unaudited) (continued)

Six Months Ended February 28, 2019

	MFL	MVF
<b>INVESTMENT INCOME</b>		
Interest unaffiliated	\$ 18,506,644	\$ 21,782,362
Dividends affiliated	16,874	25,216
Total investment income	18,523,518	21,807,578
<b>EXPENSES</b>		
Investment advisory	2,446,825	2,342,459
Professional	52,457	53,586
Accounting services	63,681	66,203
Rating agency	21,610	21,592
Transfer agent	21,038	26,059
Trustees and Officer	39,011	30,219
Registration	7,289	15,173
Printing	5,549	5,981
Custodian	6,943	10,137
Liquidity fees	13,868	
Remarketing fees on Preferred Shares	13,617	
Miscellaneous	11,591	16,276
Total expenses excluding interest expense, fees and amortization of offering costs	2,703,479	2,587,685
Interest expense, fees and amortization of offering costs <sup>(a)</sup>	4,348,136	4,336,830
Total expenses	7,051,615	6,924,515
Less fees waived and/or reimbursed by the Manager	(243,627)	(1,762)
Total expenses after fees waived and/or reimbursed	6,807,988	6,922,753
Net investment income	11,715,530	14,884,825
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>		
Net realized gain (loss) from:		
Investments unaffiliated	1,952,413	(352,589)
Investments affiliated	540	1,599
Futures contracts	(921,207)	(1,304,252)
Capital gain distributions from investment companies affiliated	94	174
	1,031,840	(1,655,068)
Net change in unrealized appreciation (depreciation) on:		

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Investments unaffiliated	(4,416,924)	(6,121,068)
Futures contracts	408,042	453,402
	(4,008,882)	(5,667,666)
Net realized and unrealized loss	(2,977,042)	(7,322,734)
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS	\$ 8,738,488	\$ 7,562,091

<sup>(a)</sup> Related to TOB Trusts, VRDP Shares and/or VMTP Shares.  
*See notes to financial statements.*

FINANCIAL STATEMENTS

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## Statements of Changes in Net Assets

	BBK		BAF	
	Six Months Ended 02/28/19 (unaudited)	Year Ended 08/31/18	Six Months Ended 02/28/19 (unaudited)	Year Ended 08/31/18
<i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>				
<b>OPERATIONS</b>				
Net investment income	\$ 3,447,563	\$ 7,391,439	\$ 2,910,374	\$ 6,444,710
Net realized gain (loss)	(644,172)	953,349	(206,262)	725,071
Net change in unrealized appreciation (depreciation)	(458,250)	(5,906,242)	(608,771)	(7,394,607)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	2,345,141	2,438,546	2,095,341	(224,826)
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>				
Decrease in net assets resulting from distributions to Common Shareholders	(4,507,267)	(8,064,592)	(3,071,046)	(7,017,033)
<i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>				
Total decrease in net assets applicable to Common Shareholders	(2,162,126)	(5,626,046)	(975,705)	(7,241,859)
Beginning of period	166,078,623	171,704,669	130,022,013	137,263,872
End of period	\$ 163,916,497	\$ 166,078,623	\$ 129,046,308	\$ 130,022,013

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(b) Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.



## Statements of Changes in Net Assets (continued)

	BYM		BLE	
	Six Months Ended 02/28/19 (unaudited)	Year Ended 08/31/18	Six Months Ended 02/28/19 (unaudited)	Year Ended 08/31/18
<i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>				
<b>OPERATIONS</b>				
Net investment income	\$ 8,170,754	\$ 17,739,356	\$ 8,458,871	\$ 17,822,092
Net realized gain (loss)	(1,135,436)	1,927,259	(706,379)	1,208,495
Net change in unrealized appreciation (depreciation)	(113,410)	(18,246,948)	(2,559,957)	(15,379,159)
Net increase in net assets applicable to Common Shareholders resulting from operations	6,921,908	1,419,667	5,192,535	3,651,428
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)(b)</sup></b>				
Decrease in net assets resulting from distributions to Common Shareholders	(8,572,453)	(17,745,015)	(8,188,392)	(18,242,150)
<b>CAPITAL SHARE TRANSACTIONS</b>				
Reinvestment of common distributions				127,225
<i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS<sup>(b)</sup></i>				
Total decrease in net assets applicable to Common Shareholders	(1,650,545)	(16,325,348)	(2,995,857)	(14,463,497)
Beginning of period	388,148,877	404,474,225	342,437,499	356,900,996
End of period	\$ 386,498,332	\$ 388,148,877	\$ 339,441,642	\$ 342,437,499

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(b) Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

See notes to financial statements.



## Statements of Changes in Net Assets (continued)

	MFL		MVF	
	Six Months Ended	Year Ended	Six Months Ended	Year Ended
	02/28/19	08/31/18	02/28/19	08/31/18
	(unaudited)		(unaudited)	
<i>INCREASE (DECREASE) IN NET ASSETS</i>				
<i>APPLICABLE TO COMMON</i>				
<i>SHAREHOLDERS</i>				
<b>OPERATIONS</b>				
Net investment income	\$ 11,715,530	\$ 26,843,909	\$ 14,884,825	\$ 32,994,274
Net realized gain (loss)	1,031,840	5,357,512	(1,655,068)	4,572,478
Net change in unrealized appreciation (depreciation)	(4,008,882)	(33,990,948)	(5,667,666)	(29,636,180)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	8,738,488	(1,789,527)	7,562,091	7,930,572
<b>DISTRIBUTIONS TO COMMON</b>				
<b>SHAREHOLDERS<sup>(a)(b)</sup></b>				
Decrease in net assets resulting from distributions to Common Shareholders	(12,846,815)	(29,099,183)	(15,480,332)	(33,923,160)
<b>CAPITAL SHARE TRANSACTIONS</b>				
Reinvestment of common distributions		580,514		1,475,965
<i>NET ASSETS APPLICABLE TO COMMON</i>				
<i>SHAREHOLDERS<sup>(b)</sup></i>				
Total decrease in net assets applicable to Common Shareholders	(4,108,327)	(30,308,196)	(7,918,241)	(24,516,623)
Beginning of period	534,075,191	564,383,387	605,971,902	630,488,525
End of period	\$ 529,966,864	\$ 534,075,191	\$ 598,053,661	\$ 605,971,902

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(b)

Prior year distribution character information and undistributed net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 11 for this prior year information.

*See notes to financial statements.*

## Statements of Cash Flows (unaudited)

Six Months Ended February 28, 2019

	BBK	BAF	BYM	BLE
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Net increase in net assets resulting from operations	\$ 2,345,141	\$ 2,095,341	\$ 6,921,908	\$ 5,192,535
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:				
Proceeds from sales of long-term investments	23,174,997	41,392,108	41,515,436	70,401,047
Purchases of long-term investments	(23,740,552)	(44,169,411)	(38,222,647)	(71,799,831)
Net proceeds from sales of short-term securities	1,911,208	100,944	932,586	3,903,439
Amortization of premium and accretion of discount on investments and other fees	(162,263)	549,165	252,726	513,442
Net realized gain (gain) loss on investments	389,505	(11,682)	471,596	346,701
Net unrealized (appreciation) depreciation on investments	595,216	695,451	443,211	2,753,994
<b>(Increase) Decrease in Assets:</b>				
Receivables:				
Interest unaffiliated	(41,955)	176,684	(101,670)	249,571
Dividends affiliated	(529)	255	(782)	3,806
Variation margin on futures contracts	(45,406)	(27,057)	(107,952)	(63,280)
Prepaid expenses	2,459	17,405	17,701	3,711
<b>Increase (Decrease) in Liabilities:</b>				
Payables:				
Investment advisory fees	(15,548)	(9,625)	(30,317)	(26,961)
Interest expense and fees	7,785	23,222	56,716	14,372
Trustees and Officer s fees	1,253	993	2,555	3,235
Variation margin on futures contracts	(3,469)	(3,201)	(9,672)	(6,773)
Other accrued expenses	(34,479)	(27,987)	(46,592)	(41,809)
Net cash provided by operating activities	4,383,363	802,605	12,094,803	11,447,199
<b>CASH USED FOR FINANCING ACTIVITIES</b>				
Proceeds from TOB Trust Certificates	798,979	4,160,000	516,720	8,916,923
Repayments of TOB Trust Certificates	(466,653)	(1,744,221)	(3,520,382)	(11,890,878)
Proceeds from Loan for TOB Trust Certificates	466,653		516,600	785,631
Repayments of Loan for TOB Trust Certificates	(466,653)		(516,600)	(785,631)
Cash dividends paid to Common Shareholders	(4,507,267)	(3,071,046)	(8,572,453)	(8,188,392)
Net cash used for financing activities	(4,174,941)	(655,267)	(11,576,115)	(11,162,347)

**CASH**

Net increase in restricted and unrestricted cash and foreign currency	208,422	147,338	518,688	284,852
Restricted and unrestricted cash and foreign currency at beginning of period	184,050	81,800	405,050	262,800
Restricted and unrestricted cash and foreign currency at end of period	\$ 392,472	\$ 229,138	\$ 923,738	\$ 547,652

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the period for interest expense	\$ 1,288,702	\$ 1,072,536	\$ 2,956,528	\$ 2,666,772
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**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE END OF PERIOD TO THE STATEMENTS OF ASSETS AND LIABILITIES**

Cash	\$ 126,422	\$ 70,338	\$ 295,688	\$ 176,852
Cash pledged:				
Futures contracts	266,050	158,800	628,050	370,800
	\$ 392,472	\$ 229,138	\$ 923,738	\$ 547,652

**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE BEGINNING OF PERIOD TO THE STATEMENTS OF ASSETS AND LIABILITIES**

Cash pledged:				
Futures contracts	\$ 184,050	\$ 81,800	\$ 405,050	\$ 262,800

## Statements of Cash Flows (unaudited) (continued)

Six Months Ended February 28, 2019

	MFL	MVF
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net increase in net assets resulting from operations	\$ 8,738,488	\$ 7,562,091
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Proceeds from sales of long-term investments and principal paydowns	154,170,048	128,435,455
Purchases of long-term investments	(131,832,982)	(109,279,196)
Net proceeds from sales (purchases) of short-term securities		160,787
Net purchases of short-term securities	(1,373,508)	
Amortization of premium and accretion of discount on investments and other fees	3,119,394	1,548,635
Net realized (gain) loss on investments	(1,952,953)	350,990
Net unrealized (appreciation) depreciation on investments	4,416,924	6,121,068
<b>(Increase) Decrease in Assets:</b>		
Receivables:		
Interest unaffiliated	220,168	396,018
Dividends affiliated	(235)	854
Variation margin on futures contracts	(128,561)	(136,429)
Prepaid expenses	15,918	13,991
<b>Increase (Decrease) in Liabilities:</b>		
Payables:		
Investment advisory fees	(41,068)	(49,683)
Interest expense and fees	(15,441)	32,088
Trustees and Officer s fees	5,498	(6,438)
Variation margin on futures contracts	(15,883)	(6,344)
Other accrued expenses	(51,791)	(65,737)
Net cash provided by operating activities	35,274,016	35,078,150
<b>CASH USED FOR FINANCING ACTIVITIES</b>		
Proceeds from TOB Trust Certificates	10,003,907	
Repayments of TOB Trust Certificates	(31,877,732)	(19,150,830)
Repayments of Loan for TOB Trust Certificates		
Cash dividends paid to Common Shareholders	(12,846,815)	(15,642,423)
Increase in bank overdraft		221,944
Amortization of deferred offering costs	8,399	
Net cash used for financing activities	(34,712,241)	(34,571,309)

**CASH**

Net increase in restricted and unrestricted cash and foreign currency	561,775	506,841
Restricted and unrestricted cash and foreign currency at beginning of period	514,150	284,659
Restricted and unrestricted cash and foreign currency at beginning of period	\$ 1,075,925	\$ 791,500

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the period for interest expense	\$ 4,355,178	\$ 4,304,742
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**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE END OF PERIOD TO THE STATEMENTS OF ASSETS AND LIABILITIES**

Cash	\$ 328,775	\$
Cash pledged:		
Futures contracts	747,150	791,500
	\$ 1,075,925	\$ 791,500

**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AT THE BEGINNING OF PERIOD TO THE STATEMENTS OF ASSETS AND LIABILITIES**

Cash	\$ 110,000	\$ 1,159
Cash pledged:		
Futures contracts	404,150	283,500
	\$ 514,150	\$ 284,659

## Financial Highlights

(For a share outstanding throughout each period)

	Six Months Ended		BBK Year Ended August 31,			
	02/28/19 (unaudited)	2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 15.78	\$ 16.32	\$ 17.89	\$ 16.49	\$ 16.54	\$ 14.18
Net investment income <sup>(a)</sup>	0.33	0.70	0.74	0.89	0.90	0.97
Net realized and unrealized gain (loss)	(0.10)	(0.47)	(1.09)	1.42	0.03	2.43
Net increase (decrease) from investment operations	0.23	0.23	(0.35)	2.31	0.93	3.40
<b>Distributions to Common Shareholders<sup>(b)</sup></b>						
From net investment income	(0.38)	(0.77)	(0.83)	(0.90)	(0.98)	(0.96)
From net realized gain	(0.05)		(0.39)	(0.01)		(0.08)
Total distributions to Common Shareholders	(0.43)	(0.77)	(1.22)	(0.91)	(0.98)	(1.04)
<b>Net asset value, end of period</b>	\$ 15.58	\$ 15.78	\$ 16.32	\$ 17.89	\$ 16.49	\$ 16.54
<b>Market price, end of period</b>	\$ 14.31	\$ 14.35	\$ 15.99	\$ 18.22	\$ 15.23	\$ 15.59
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	1.82% <sup>(d)</sup>	1.87%	(1.44)%	14.53%	5.96%	25.27%
Based on market price	2.84% <sup>(d)</sup>	(5.45)%	(5.18)%	26.29%	3.83%	24.11%

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

Total expenses	2.82% <sup>(e)</sup>	2.49%	2.31%	1.78%	1.73%	1.84% <sup>(f)</sup>
Total expenses after fees waived and paid indirectly	2.82% <sup>(e)</sup>	2.49%	2.31%	1.77%	1.73%	1.84% <sup>(f)</sup>
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs <sup>(f)</sup>	1.21% <sup>(e)</sup>	1.18%	1.19%	1.16%	1.16%	1.19%
Net investment income to Common Shareholders	4.28% <sup>(e)</sup>	4.39%	4.55%	5.18%	5.41%	6.29%

**Supplemental Data**

Net assets applicable to Common Shareholders, end of period (000)	\$ 163,916	\$ 166,079	\$ 171,705	\$ 188,107	\$ 173,363	\$ 173,798
VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 79,900	\$ 79,900	\$ 79,900	\$ 79,900	\$ 79,900	\$ 79,900
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period	\$ 305,152	\$ 307,858	\$ 314,899	\$ 335,428	\$ 316,975	\$ 317,520
Borrowings outstanding, end of period (000)	\$ 23,564	\$ 23,232	\$ 22,404	\$ 25,054	\$ 19,495	\$ 19,495
Portfolio turnover rate	9%	38%	46%	29%	34%	32%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOBs and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

FINANCIAL HIGHLIGHTS

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## Financial Highlights (continued)

(For a share outstanding throughout each period)

	Six Months Ended 02/28/19 (unaudited)	BAF Year Ended August 31,				
		2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 14.86	\$ 15.69	\$ 16.56	\$ 15.80	\$ 15.97	\$ 13.83
Net investment income <sup>(a)</sup>	0.33	0.74	0.79	0.83	0.83	0.83
Net realized and unrealized gain (loss)	(0.09)	(0.77)	(0.84)	0.75	(0.18)	2.13
Net increase (decrease) from investment operations	0.24	(0.03)	(0.05)	1.58	0.65	2.96
Distributions to Common Shareholders from net investment income <sup>(b)</sup>	(0.35)	(0.80)	(0.82)	(0.82)	(0.82)	(0.82)
<b>Net asset value, end of period</b>	\$ 14.75	\$ 14.86	\$ 15.69	\$ 16.56	\$ 15.80	\$ 15.97
<b>Market price, end of period</b>	\$ 13.63	\$ 13.54	\$ 15.11	\$ 15.79	\$ 13.89	\$ 14.18
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	1.94% <sup>(d)</sup>	0.18%	0.14%	10.57%	4.71%	22.67%
Based on market price	3.39% <sup>(d)</sup>	(5.22)%	1.15%	19.92%	3.68%	17.50%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses	2.84% <sup>(e)</sup>	2.47%	2.06%	1.61%	1.50%	1.58%
Total expenses after fees waived and paid indirectly	2.84% <sup>(e)</sup>	2.47%	2.06%	1.61%	1.50%	1.58%
Total expenses after fees waived and paid indirectly	1.11% <sup>(e)</sup>	1.08%	1.06%	1.01%	1.00%	1.03%

and excluding interest expense, fees and amortization of offering costs<sup>(f)</sup>

Net investment income to Common Shareholders	4.59% <sup>(e)</sup>	4.84%	5.06%	5.09%	5.16%	5.56%
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### Supplemental Data

Net assets applicable to Common Shareholders, end of period (000)	\$ 129,046	\$ 130,022	\$ 137,264	\$ 144,927	\$ 138,203	\$ 139,723
VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 42,200	\$ 42,200	\$ 42,200	\$ 42,200	\$ 42,200	\$ 42,200
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period	\$ 405,797	\$ 408,109	\$ 425,270	\$ 443,429	\$ 427,495	\$ 431,097
Borrowings outstanding, end of period (000)	\$ 51,608	\$ 49,192	\$ 44,937	\$ 42,089	\$ 33,470	\$ 32,345
Portfolio turnover rate	19%	28%	31%	29%	13%	26%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOBs Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

	Six Months Ended		BYM Year Ended August 31,			
	02/28/19 (unaudited)	2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 14.70	\$ 15.32	\$ 16.22	\$ 15.21	\$ 15.56	\$ 13.46
Net investment income <sup>(a)</sup>	0.31	0.67	0.75	0.82	0.84	0.86
Net realized and unrealized gain (loss)	(0.05)	(0.62)	(0.87)	1.02	(0.33)	2.16
Net increase (decrease) from investment operations	0.26	0.05	(0.12)	1.84	0.51	3.02
Distributions to Common Shareholders from net investment income <sup>(b)</sup>	(0.32)	(0.67)	(0.78)	(0.83)	(0.86)	(0.92)
<b>Net asset value, end of period</b>	\$ 14.64	\$ 14.70	\$ 15.32	\$ 16.22	\$ 15.21	\$ 15.56
<b>Market price, end of period</b>	\$ 13.32	\$ 13.09	\$ 14.84	\$ 15.55	\$ 13.67	\$ 13.96
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	2.14% <sup>(d)</sup>	0.80%	(0.30)%	12.71%	3.85%	23.69%
Based on market price	4.36% <sup>(d)</sup>	(7.34)%	0.74%	20.23%	4.03%	18.65%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses	2.59% <sup>(e)</sup>	2.23%	1.93%	1.56%	1.47%	1.55%
Total expenses after fees waived and paid indirectly	2.59% <sup>(e)</sup>	2.23%	1.93%	1.56%	1.47%	1.55%

Total expenses after fees waived and paid indirectly and excluding interest expense, fees, and amortization of offering costs <sup>(f)</sup>	0.99% <sup>(e)</sup>	0.97%	0.97%	0.95%	0.96%	0.98%
Net investment income to Common Shareholders	4.32% <sup>(e)</sup>	4.50%	4.95%	5.19%	5.42%	5.89%

**Supplemental Data**

Net assets applicable to Common Shareholders, end of period (000)	\$ 386,498	\$ 388,149	\$ 404,474	\$ 428,389	\$ 401,536	\$ 410,776
VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period	\$ 381,704	\$ 382,907	\$ 394,806	\$ 412,237	\$ 392,665	\$ 399,399
Borrowings outstanding, end of period (000)	\$ 108,778	\$ 111,781	\$ 101,288	\$ 100,250	\$ 101,818	\$ 93,816
Portfolio turnover rate	6%	30%	18%	10%	12%	20%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

	Six Months Ended 02/28/19 (unaudited)	BLE Year Ended August 31,				
		2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 14.55	\$ 15.17	\$ 16.12	\$ 15.25	\$ 15.48	\$ 13.32
Net investment income <sup>(a)</sup>	0.36	0.76	0.83	0.93	0.92	0.93
Net realized and unrealized gain (loss)	(0.13)	(0.60)	(0.89)	0.87	(0.19)	2.22
Net increase (decrease) from investment operations	0.23	0.16	(0.06)	1.80	0.73	3.15
Distributions to Common Shareholders from net investment income <sup>(b)</sup>	(0.35)	(0.78)	(0.89)	(0.93)	(0.96)	(0.99)
<b>Net asset value, end of period</b>	\$ 14.43	\$ 14.55	\$ 15.17	\$ 16.12	\$ 15.25	\$ 15.48
<b>Market price, end of period</b>	\$ 14.05	\$ 13.77	\$ 15.45	\$ 16.34	\$ 14.18	\$ 14.70
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	1.80% <sup>(d)</sup>	1.35%	(0.18)%	12.21%	5.01%	24.73%
Based on market price	4.73% <sup>(d)</sup>	(5.82)%	0.29%	22.33%	2.83%	19.52%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses	2.60% <sup>(e)</sup>	2.32%	2.02%	1.62%	1.55%	1.64%
Total expenses after fees waived and paid indirectly	2.60% <sup>(e)</sup>	2.31%	2.02%	1.62%	1.55%	1.64%
Total expenses after fees	0.99% <sup>(e)</sup>	0.98%	0.99%	0.98%	0.98%	1.01%

waived and paid indirectly  
and excluding interest  
expense, fees and  
amortization of offering  
costs<sup>(f)</sup>

Net investment income to Common Shareholders	5.06% <sup>(e)</sup>	5.12%	5.47%	5.90%	5.94%	6.49%
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### Supplemental Data

Net assets applicable to Common Shareholders, end of period (000)	\$ 339,442	\$ 342,437	\$ 356,901	\$ 378,572	\$ 357,868	\$ 363,038
VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 151,300	\$ 151,300	\$ 151,300	\$ 151,300	\$ 151,300	\$ 151,300
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period	\$ 324,350	\$ 326,330	\$ 335,890	\$ 350,213	\$ 336,529	\$ 339,946
Borrowings outstanding, end of period (000)	\$ 64,523	\$ 67,497	\$ 71,274	\$ 77,130	\$ 68,692	\$ 68,692
Portfolio turnover rate	13%	7%	9%	7%	10%	16%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

	Six Months Ended 02/28/19 (unaudited)	MFL Year Ended August 31,				
		2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 14.09	\$ 14.91	\$ 15.86	\$ 15.18	\$ 15.46	\$ 13.27
Net investment income <sup>(a)</sup>	0.31	0.71	0.78	0.86	0.89	0.89
Net realized and unrealized gain (loss)	(0.08)	(0.76)	(0.87)	0.68	(0.31)	2.16
Net increase (decrease) from investment operations	0.23	(0.05)	(0.09)	1.54	0.58	3.05
Distributions to Common Shareholders from net investment income <sup>(b)</sup>	(0.34)	(0.77)	(0.86)	(0.86)	(0.86)	(0.86)
<b>Net asset value, end of period</b>	\$ 13.98	\$ 14.09	\$ 14.91	\$ 15.86	\$ 15.18	\$ 15.46
<b>Market price, end of period</b>	\$ 13.02	\$ 12.73	\$ 15.03	\$ 15.86	\$ 14.06	\$ 13.92
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	1.92% <sup>(d)</sup>	(0.05)%	(0.34)%	10.56%	4.29%	24.24%
Based on market price	5.07% <sup>(d)</sup>	(10.42)%	0.46%	19.37%	7.28%	17.91%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses	2.71% <sup>(e)</sup>	2.51%	2.17%	1.65%	1.54%	1.64%
Total expenses after fees waived and paid indirectly	2.61% <sup>(e)</sup>	2.41%	2.08%	1.60%	1.49%	1.57%
Total expenses after fees	0.94% <sup>(e)</sup>	0.94%	0.95%	0.94%	0.95%	1.19%

waived and paid indirectly  
and excluding interest  
expense, fees and  
amortization of offering  
costs<sup>(f)(g)</sup>

Net investment income to Common Shareholders	4.50% <sup>(e)</sup>	4.91%	5.22%	5.54%	5.73%	6.18%
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### Supplemental Data

Net assets applicable to Common Shareholders, end of period (000)	\$ 529,967	\$ 534,075	\$ 564,383	\$ 599,930	\$ 573,885	\$ 584,690
VRDP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 274,600	\$ 274,600	\$ 274,600	\$ 274,600	\$ 274,600	\$ 274,600
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period	\$ 292,996	\$ 294,492	\$ 305,529	\$ 318,474	\$ 308,990	\$ 312,924
Borrowings outstanding, end of period (000)	\$ 82,672	\$ 114,546	\$ 123,111	\$ 131,279	\$ 85,502	\$ 89,157
Portfolio turnover rate	12%	22%	16%	27%	13%	25%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

(g) The total expense ratio after fees waived and/or reimbursed and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees were as follows:

	Six Months Ended 02/28/19 (unaudited)	2018	2017	2016	2015	2014
Expense ratios	0.94%	0.93%	0.94%	0.93%	0.94%	0.95%

See notes to financial statements.



## Financial Highlights (continued)

(For a share outstanding throughout each period)

	Six Months Ended 02/28/19 (unaudited)	MVF Year Ended August 31,				
		2018	2017	2016	2015	2014
<b>Net asset value, beginning of period</b>	\$ 9.35	\$ 9.75	\$ 10.38	\$ 10.04	\$ 10.27	\$ 9.14
Net investment income <sup>(a)</sup>	0.23	0.51	0.56	0.61	0.62	0.63
Net realized and unrealized gain (loss)	(0.12)	(0.39)	(0.62)	0.36	(0.21)	1.18
Net increase (decrease) from investment operations	0.11	0.12	(0.06)	0.97	0.41	1.81
Distributions to Common Shareholders from net investment income <sup>(b)</sup>	(0.24)	(0.52)	(0.57)	(0.63)	(0.64)	(0.68)
<b>Net asset value, end of period</b>	\$ 9.22	\$ 9.35	\$ 9.75	\$ 10.38	\$ 10.04	\$ 10.27
<b>Market price, end of period</b>	\$ 8.94	\$ 8.81	\$ 9.84	\$ 10.77	\$ 9.65	\$ 9.83
<b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>						
Based on net asset value	1.38% <sup>(d)</sup>	1.52%	(0.38)%	9.96%	4.27%	20.70%
Based on market price	4.32% <sup>(d)</sup>	(5.22)%	(3.10)%	18.70%	4.71%	18.50%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses	2.35% <sup>(e)</sup>	2.16%	1.92%	1.55%	1.43%	1.49%
Total expenses after fees waived and paid indirectly	2.35% <sup>(e)</sup>	2.16%	1.92%	1.55%	1.43%	1.49%
Total expenses after fees	0.88% <sup>(e)</sup>	0.89%	0.91%	0.89%	0.89%	0.91%

waived and paid indirectly  
and excluding interest  
expense fees, and  
amortization of offering  
costs<sup>(f)</sup>

Net investment income to Common Shareholders	5.05% <sup>(e)</sup>	5.35%	5.71%	5.95%	6.03%	6.53%
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### Supplemental Data

Net assets applicable to Common Shareholders, end of period (000)	\$ 598,054	\$ 605,972	\$ 630,489	\$ 667,589	\$ 642,889	\$ 656,922
VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)	\$ 243,800	\$ 243,800	\$ 243,800	\$ 243,800	\$ 243,800	\$ 243,800
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period	\$ 345,305	\$ 348,553	\$ 358,609	\$ 373,827	\$ 363,695	\$ 369,451
Borrowings outstanding, end of period (000)	\$ 99,034	\$ 112,817	\$ 139,989	\$ 161,957	\$ 148,867	\$ 145,111
Portfolio turnover rate	12%	21%	26%	13%	18%	14%

(a) Based on average Common Shares outstanding.

(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(c) Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions at actual reinvestment prices.

(d) Aggregate total return.

(e) Annualized.

(f) Interest expense, fees and amortization of offering costs related to TOBs and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.

*See notes to financial statements.*

## Notes to Financial Statements (unaudited)

**1. ORGANIZATION**

The following are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as closed-end management investment companies and are referred to herein collectively as the Trusts , or individually as a Trust :

<i>Trust Name</i>	<i>Herein Referred To As</i>	<i>Organized</i>	<i>Diversification Classification</i>
BlackRock Municipal Bond Trust	BBK	Delaware	Diversified
BlackRock Municipal Income Investment Quality Trust	BAF	Delaware	Diversified
BlackRock Municipal Income Quality Trust	BYM	Delaware	Diversified
BlackRock Municipal Income Trust II	BLE	Delaware	Diversified
BlackRock MuniHoldings Investment Quality Fund	MFL	Massachusetts	Diversified
BlackRock MuniVest Fund, Inc.	MVF	Maryland	Diversified

The Boards of Trustees and Boards of Directors of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the trustees and directors thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

The Trusts, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the Manager ) or its affiliates, are included in a complex of non-index fixed-income mutual funds and all BlackRock-advised closed-end funds referred to as the BlackRock Fixed-Income Complex.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Trust is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

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

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

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

**Distributions:** Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date and made at least annually. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP. Distributions to Preferred Shareholders are accrued and determined as described in Note 10.

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

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

**Recent Accounting Standards:** In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update Premium Amortization of Purchased Callable Debt Securities which amends the amortization period for certain purchased callable debt securities. Under the new guidance, the premium amortization of purchased callable debt securities that have explicit, non-contingent call features and are callable at fixed prices will be amortized to the earliest call date. The guidance will be applied on a modified retrospective basis and is effective for fiscal years, and their interim periods, beginning after December 15, 2018. Management continues to evaluate the impact of this guidance to the Trusts.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update 2018-13 Changes to the Disclosure Requirements for Fair Value Measurement which modifies disclosure requirements for fair value measurements. The guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. Management continues to evaluate the impact of this guidance to the Trusts.

**Indemnifications:** In the normal course of business, a Trust enters into contracts that contain a variety of representations that provide general indemnification. A Trust's maximum exposure under these arrangements is unknown because it involves future potential claims against a Trust, which cannot be predicted with any certainty.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

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Notes to Financial Statements (unaudited) (continued)

### **3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS**

**Investment Valuation Policies:** The Trusts' investments are valued at fair value (also referred to as market value within the financial statements) as of the close of trading on the New York Stock Exchange ( NYSE ) (generally 4:00 p.m., Eastern time). U.S. GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair values of their financial instruments using various independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of each Trust's assets and liabilities:

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Investments in open-end U.S. mutual funds are valued at NAV each business day.

Futures contracts traded on exchanges are valued at their last sale price.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such investments, or in the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Valued Investments ). The fair valuation approaches that may be used by the Global Valuation Committee will include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant and consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value 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 each 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 each 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. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each Trust's policy, transfers between different levels of the fair value 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 investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

#### **4. SECURITIES AND OTHER INVESTMENTS**

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

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



## Notes to Financial Statements (unaudited) (continued)

**Municipal Bonds Transferred to TOB Trusts:** Certain trusts leverage their assets through the use of TOB Trust transactions. The trusts transfer municipal bonds into a special purpose trust (a TOB Trust). A TOB Trust issues two classes of beneficial interests: short-term floating rate interests (TOB Trust Certificates), which are sold to third party investors, and residual inverse floating rate interests (TOB Residuals), which are issued to the participating trusts that contributed the municipal bonds to the TOB Trust. The TOB Trust Certificates have interest rates that reset weekly and their holders have the option to tender such certificates to the TOB Trust for redemption at par and any accrued interest at each reset date. The TOB Residuals held by a trust provide the trust with the right to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates to the TOB Trust at par plus accrued interest. The trusts may withdraw a corresponding share of the municipal bonds from the TOB Trust. Other trusts managed by the investment adviser may also contribute municipal bonds to a TOB Trust into which a trust has contributed bonds. If multiple BlackRock-advised funds participate in the same TOB Trust, the economic rights and obligations under the TOB Residuals will be shared among the trusts ratably in proportion to their participation in the TOB Trust.

TOB Trusts are supported by a liquidity facility provided by a third party bank or other financial institution (the Liquidity Provider) that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment of par plus accrued interest on any business day. The tendered TOB Trust Certificates are remarketed by a Remarketing Agent. In the event of a failed remarketing, the TOB Trust may draw upon a loan from the Liquidity Provider to purchase the tendered TOB Trust Certificates. Any loans made by the Liquidity Provider will be secured by the purchased TOB Trust Certificates held by the TOB Trust and will be subject to an increased interest rate based on number of days the loan is outstanding.

The TOB Trust may be collapsed without the consent of a trust, upon the occurrence of a termination event, as defined in the TOB Trust agreement. Upon the occurrence of a termination event, a TOB Trust would be liquidated with the proceeds applied first to any accrued fees owed to the trustee of the TOB Trust, the Remarketing Agent and the Liquidity Provider. Upon certain termination events, TOB Trust Certificates holders will be paid before the TOB Residuals holders (i.e., the Trusts) whereas in other termination events, TOB Trust Certificates holders and TOB Residuals holders will be paid pro rata.

While a trust's investment policies and restrictions expressly permit investments in inverse floating rate securities, such as TOB Residuals, they restrict the ability of a trust to borrow money for purposes of making investments. MVF's management believes that the trust's restrictions on borrowings do not apply to the trust's TOB Trust transactions. Each trust's transfer of the municipal bonds to a TOB Trust is considered a secured borrowing for financial reporting purposes. The cash received by the TOB Trust from the sale of the TOB Trust Certificates, less certain transaction expenses, is paid to a trust. A trust typically invests the cash received in additional municipal bonds.

**Accounting for TOB Trusts:** The municipal bonds deposited into a TOB Trust are presented in a trust's Schedules of Investments and the TOB Trust Certificates are shown in Other Liabilities in the Statements of Assets and Liabilities. Any loans drawn by the TOB Trust pursuant to the liquidity facility to purchase tendered TOB Trust Certificates are shown as Loan for TOB Trust Certificates. The carrying amount of a trust's payable to the holder of the TOB Trust Certificates as reported in the Statements of Assets and Liabilities as TOB Trust Certificates approximates its fair value.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by a trust on an accrual basis. Interest expense incurred on the TOB Trust transaction and other expenses related to remarketing, administration, trustee, liquidity and other services to a TOB Trust are shown as

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interest expense, fees and amortization of offering costs in the Statements of Operations. Fees paid upon creation of the TOB Trust are recorded as debt issuance costs and are amortized to interest expense, fees and amortization of offering costs in the Statements of Operations to the expected maturity of the TOB Trust. In connection with the restructurings of the TOB Trusts to non-bank sponsored TOB Trusts, a trust incurred non-recurring, legal and restructuring fees, which are recorded as interest expense, fees and amortization of deferred offering costs in the Statements of Operations. Amounts recorded within interest expense, fees and amortization of offering costs in the Statements of Operations are:

	<i>Interest Expense</i>	<i>Liquidity Fees</i>	<i>Other Expenses</i>	<i>Total</i>
BBK	\$ 186,660	\$ 49,531	\$ 19,810	\$ 256,001
BAF	398,928	105,262	43,187	547,377
BYM	888,458	247,385	69,965	1,205,808
BLE	523,961	140,477	50,591	715,029
MFL	768,921	207,361	84,054	1,060,336
MVF	842,957	249,821	74,769	1,167,547

For the six months ended February 28, 2019, the following table is a summary of each Trust's TOB Trusts:

	<i>Underlying Municipal Bonds Transferred to TOB Trusts (a)</i>	<i>Liability for TOB Trust Certificates (b)</i>	<i>Range of Interest Rates on TOB Trust Certificates at Period End</i>	<i>Average TOB Trust Certificates Outstanding</i>	<i>Daily Weighted Average Rate of Interest and Other Expenses on TOB Trusts</i>
BBK	\$ 38,559,378	\$ 23,564,266	1.75 1.80%	\$ 23,539,716	2.19%
BAF	89,822,783	51,608,191	1.75 1.95	49,744,690	2.22
BYM	173,596,377	108,777,798	1.71 2.02	110,167,251	2.21
BLE	106,418,160	64,522,879	1.71 1.95	65,951,004	2.19
MFL	166,794,255	82,671,903	1.75 1.80	96,774,703	2.21
MVF	190,613,175	99,033,917	1.73 1.90	105,769,199	2.23

(a) The municipal bonds transferred to a TOB Trust are generally high grade municipal bonds. In certain cases, when municipal bonds transferred are lower grade municipal bonds, the TOB Trust transaction may include a credit enhancement feature that provides for the timely payment of principal and interest on the bonds to the TOB Trust by a credit enhancement provider in the event of default of the municipal bond. The TOB Trust would be responsible for the payment of the credit enhancement fee and the trust, as a TOB Residuals holder, would be responsible for reimbursement of any payments of principal and interest made by the credit enhancement provider. The maximum potential amounts owed by the trust, for such reimbursements, as applicable, are included in the maximum potential amounts disclosed for recourse TOB Trusts.

## Notes to Financial Statements (unaudited) (continued)

- (b) TOB Trusts may be structured on a non-recourse or recourse basis. When a Trust invests in TOB Trusts on a non-recourse basis, the Liquidity Provider may be required to make a payment under the liquidity facility to allow the TOB Trust to repurchase TOB Trust Certificates. The Liquidity Provider will be reimbursed from the liquidation of bonds held in the TOB Trust. If a trust invests in a TOB Trust on a recourse basis, a trust enters into a reimbursement agreement with the Liquidity Provider where a trust is required to reimburse the Liquidity Provider for any shortfall between the amount paid by the Liquidity Provider and proceeds received from liquidation of municipal bonds held in the TOB Trust (the *Liquidation Shortfall*). As a result, if a Trust invests in recourse TOB Trust, a Trust will bear the risk of loss with respect to any *Liquidation Shortfall*. If multiple trusts participate in any such TOB Trust, these losses will be shared ratably, including the maximum potential amounts owed by a Trust at February 28, 2019, in proportion to their participation in the TOB Trust. The recourse TOB Trusts are identified in the Schedules of Investments including the maximum potential amounts owed by a Trust at February 28, 2019.

For the six months ended February 28, 2019, the following table is a summary of each Trust's Loan for TOB Trust Certificates:

	<i>Loans Outstanding at Period End</i>	<i>Range of Interest Rates on Loans at Period End</i>	<i>Average Loans Outstanding</i>	<i>Daily Weighted Average Rate of Interest and Other Expenses on Loans</i>
BBK			\$ 2,578	0.78%
BYM			33,603	0.78
BLE			4,341	0.78

## 5. DERIVATIVE FINANCIAL INSTRUMENTS

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and/or to manage their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedules of Investments. These contracts may be transacted on an exchange or over-the-counter (OTC)

**Futures Contracts:** Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk), and changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged,

which are considered restricted, are included in cash pledged for futures contracts in the Statements of Assets and Liabilities.

Securities deposited as initial margin are designated in the Schedules of Investments and cash deposited, if any, is shown as cash pledged for futures contracts in the Statements of Assets and Liabilities. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract ( variation margin ). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statements of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statements of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest, foreign currency exchange rates or underlying assets.

**6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES**

**Investment Advisory:** Each Trust entered into an Investment Advisory Agreement with the Manager, the Trusts investment adviser and an indirect, wholly-owned subsidiary of BlackRock, Inc. ( BlackRock ), to provide investment advisory and administrative services. The Manager is responsible for the management of each Trust s portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of each Trust.

For such services, each Trust, except for MFL and MVF, pays the Manager a monthly fee at an annual rate equal to the following of the average weekly value of each Trust s managed assets:

	<i>BBK</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>
Investment advisory fees	0.65%	0.55%	0.55%	0.55%

For purposes of calculating these fees, managed assets mean the total assets of each Trust minus the sum of its accrued liabilities (other than the aggregate indebtedness constituting financial leverage).

For such services, MFL and MVF pays the Manager a monthly fee at an annual rate equal to 0.55% and 0.50%, respectively, of the average daily value of each Trust s net assets.

For purposes of calculating these fees, net assets mean the total assets of each Trust minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of any outstanding preferred shares). It is understood that the liquidation preference of any outstanding preferred stock (other than accumulated dividends) and TOB Trusts is not considered a liability in determining a Trust s net asset value.

## Notes to Financial Statements (unaudited) (continued)

**Expense Limitations, Waivers, Reimbursements and Recoupments:** The Manager, for MFL, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOB Trusts that exceed 35% of total assets minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of any outstanding preferred shares). The voluntary waiver may be reduced or discontinued at any time without notice. This amount is included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended February 28, 2019 the waiver was \$242,472.

With respect to each Trust, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds (the affiliated money market fund waiver). These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended February 28, 2019, the amounts waived were as follows:

	<i>BBK</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>	<i>MFL</i>	<i>MVF</i>
Amounts waived	\$ 1,307	\$ 555	\$ 2,301	\$ 1,688	\$ 1,155	\$ 1,762

The Manager contractually agreed to waive its investment advisory fee with respect to any portion of each Trust's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2019. The agreement can be renewed for annual periods thereafter, and may be terminated on 90 days' notice, each subject to approval by a majority of the Trusts' Independent Trustees. For the six months ended February 28, 2019, there were no fees waived by the Manager pursuant to these arrangements.

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

The Trusts may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common trustees. For the six months ended February 28, 2019, the purchase and sale transactions and any net realized gains (losses) with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

	<i>Purchase</i>	<i>Sales</i>	<i>Net Realized Gain (Loss)</i>
BAF	\$	\$ 562,987	\$ (41,862)

## 7. PURCHASES AND SALES

For the six months ended February 28, 2019, purchases and sales of investments, excluding short-term securities, were as follows:

<i>BBK</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>	<i>MFL</i>	<i>MVF</i>
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Purchases	\$ 22,268,469	\$ 42,746,014	\$ 35,702,700	\$ 69,124,831	\$ 108,276,382	\$ 109,279,196
Sales	23,174,997	41,285,350	41,515,436	70,176,047	154,180,048	129,323,435

**8. INCOME TAX INFORMATION**

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

Each Trust files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust's U.S. federal tax returns generally remains open for each of the four years ended August 31, 2018. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Trusts as of February 28, 2019, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Trusts' financial statements.

As of August 31, 2018, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

<i>Expires August 31,</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>	<i>MFL</i>	<i>MVF</i>
No expiration date <sup>(a)</sup>	\$ 3,682,816	\$ 5,377,520	\$ 7,804,136	\$ 13,245,637	\$ 8,518,168
2019			2,448,693		5,276,524
	\$ 3,682,816	\$ 5,377,520	\$ 10,252,829	\$ 13,245,637	\$ 13,794,692

<sup>(a)</sup> Must be utilized prior to losses subject to expiration.

## Notes to Financial Statements (unaudited) (continued)

As of February 28, 2019, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	<i>BBK</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>	<i>MFL</i>	<i>MVF</i>
Tax cost	\$ 226,981,433	\$ 161,216,821	\$ 487,910,489	\$ 463,698,661	\$ 767,857,222	\$ 800,803,117
Gross unrealized appreciation	\$ 15,269,724	\$ 9,101,363	\$ 33,734,965	\$ 25,523,964	\$ 32,103,800	\$ 34,538,853
Gross unrealized depreciation	(635,839)	(635,162)	(2,981,102)	(3,340,778)	(4,366,258)	(3,124,649)
Net unrealized appreciation	\$ 14,633,885	\$ 8,466,201	\$ 30,753,863	\$ 22,183,186	\$ 27,737,542	\$ 31,414,204

## 9. **PRINCIPAL RISKS**

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

Inventories of municipal bonds held by brokers and dealers may decrease, which would lessen their ability to make a market in these securities. Such a reduction in market making capacity could potentially decrease a Trust's ability to buy or sell bonds. As a result, a Trust may sell a security at a lower price, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative impact on performance. If a Trust needed to sell large blocks of bonds, those sales could further reduce the bonds' prices and impact performance.

In the normal course of business, certain Trusts invest in securities or other instruments and may enter into certain transactions and such activities subject each Trust to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations.

Each Trust may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force each Trust to reinvest in lower yielding securities. Each Trust may also be exposed to reinvestment risk, which is the risk that income from each Trust's portfolio will decline if each Trust invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below each Trust portfolio's current earnings rate.

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

A Trust structures and sponsors the TOB Trusts in which it holds TOB Residuals and has certain duties and responsibilities, which may give rise to certain additional risks including, but not limited to, compliance, securities law and operational risks.

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

The U.S. Securities and Exchange Commission (SEC) and various federal banking and housing agencies have adopted credit risk retention rules for securitizations (the Risk Retention Rules). The Risk Retention Rules would require the sponsor of a TOB Trust to retain at least 5% of the credit risk of the underlying assets supporting the TOB Trust's municipal bonds. The Risk Retention Rules may adversely affect the Trusts' ability to engage in TOB Trust transactions or increase the costs of such transactions in certain circumstances.

TOB Trusts constitute an important component of the municipal bond market. Any modifications or changes to rules governing TOB Trusts may adversely impact the municipal market and the Trusts, including through reduced demand for and liquidity of municipal bonds and increased financing costs for municipal issuers. The ultimate impact of any potential modifications on the TOB Trust market and the overall municipal market is not yet certain.

**Counterparty Credit Risk:** The Trusts may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trusts.

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

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



## Notes to Financial Statements (unaudited) (continued)

**Concentration Risk:** BBK and MFL invests a substantial amount of its assets in issuers located in a single state or limited number of states. This may subject each Trust to the risk that economic, political or social issues impacting a particular state or group of states could have an adverse and disproportionate impact on the income from, or the value or liquidity of, the Trust's respective portfolios. Investment percentages in specific states or U.S. territories are presented in the Schedules of Investments.

As of period end, BAF invested a significant portion of its assets in securities in the transportation and county, city, special district and school district sectors. MFL invested a significant portion of its assets in securities in the transportation sector. Changes in economic conditions affecting such sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

Certain Trusts invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Trusts may be subject to a greater risk of rising interest rates due to the current period of historically low rates. The Federal Reserve has begun to raise the Federal Funds rate, and each increase results in more pronounced interest rate risk in the current market environment.

#### **10. CAPITAL SHARE TRANSACTIONS**

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

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

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

#### **Common Shares**

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

	<i>BLE</i>	<i>MFL</i>	<i>MVF</i>
Year Ended August 31, 2018	8,405	39,363	152,734

For the six months ended February 28, 2019, shares issued and outstanding remained constant for all the Trusts. For the year ended August 31, 2018, shares issued and outstanding remained constant for BBK, BAF and BYM.

On November 15, 2018, the Board of Trustees authorized each Trust to participate in an open market share repurchase program (the Repurchase Program). Under the Repurchase Program, each Trust may repurchase up to 5% of its

outstanding common shares through November 30, 2019, based on common shares outstanding as of the close of business on November 30, 2018, subject to certain conditions. There is no assurance that the Trusts will purchase shares in any particular amounts. For the six months ended February 28, 2019, the Trusts did not repurchase any shares.

### Preferred Shares

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

Holders of Preferred Shares have voting rights equal to the voting rights of holders of Common Shares (one vote per share) and vote together with holders of Common Shares (one vote per share) as a single class on certain matters. Holders of Preferred Shares, voting as a separate class, are also entitled to (i) elect two members of the Board, (ii) elect the full Board if dividends on the Preferred Shares are not paid for a period of two years and (iii) a separate class vote to amend the Preferred Share governing documents. In addition, the 1940 Act requires the approval of the holders of a majority of any outstanding Preferred Shares, voting as a separate class, to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Trust's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

### VRDP Shares

MFL has issued Series W-7 VRDP Shares, \$100,000 liquidation preference per share, in one or more privately negotiated offerings to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act). The VRDP Shares include a liquidity feature and may be subject to a special rate period. As of period end, the VRDP Shares outstanding were as follows:

	<i>Issue Date</i>	<i>Shares Issued</i>	<i>Aggregate Principal</i>	<i>Maturity Date</i>
MFL	6/30/11	2,746	\$ 274,600,000	7/01/41

## Notes to Financial Statements (unaudited) (continued)

**Redemption Terms:** MFL is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, MFL is required to begin to segregate liquid assets with its custodian to fund the redemption. In addition, MFL is required to redeem certain of its outstanding VRDP Shares if it fails to comply with certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, the VRDP Shares may also be redeemed, in whole or in part, at any time at the option of MFL. The redemption price per VRDP Share is equal to the liquidation preference per share plus any outstanding unpaid dividends.

**Liquidity Feature:** VRDP Shares are subject to a fee agreement between MFL and the liquidity provider that requires a per annum liquidity fee and, in some cases, an upfront or initial commitment fee, payable to the liquidity provider. These fees, if applicable, are shown as liquidity fees in the Statements of Operations. The fee agreement is set to expire, unless renewed or terminated in advance, on April 15, 2020.

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

**Remarketing:** MFL may incur remarketing fees on the aggregate principal amount of all its VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. During any special rate period (as described below), MFL may incur nominal or no remarketing fees.

**Ratings:** As of period end, the VRDP Shares were assigned the following long-term ratings:

MFL	<i>Moody's</i>	<i>Fitch</i>
	Aa1	AAA

Any short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's and Fitch. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories.

**Special Rate Period:** MFL may commence a special rate period with respect to its VRDP Shares, during which the VRDP Shares will not be subject to any remarketing and the dividend rate will be based on a predetermined methodology. During a special rate period, short-term ratings on VRDP Shares are withdrawn. The following VRDP Trust has commenced or is set to commence a special rate period:

<i>Commencement</i>	<i>Expiration Date</i>
<i>Date</i>	

*as of period ended*February 28,  
2019

MFL

April 17, 2014

April 15, 2020

Prior to the expiration date, the VRDP Trust and the VRDP Shares holder may mutually agree to extend the special rate period. If a special rate period is not extended, the VRDP Shares will revert to remarketable securities upon the termination of the special rate period and will be remarketed and available for purchase by qualified institutional investors.

During the special rate period: (i) the liquidity and fee agreements remain in effect, (ii) VRDP Shares remain subject to mandatory redemption by the VRDP Trust on the maturity date, (iii) VRDP Shares will not be remarketed or subject to optional or mandatory tender events, (iv) the VRDP Trust is required to comply with the same asset coverage, basic maintenance amount and leverage requirements for the VRDP Shares as is required when the VRDP Shares are not in a special rate period, (v) the VRDP Fund will pay dividends monthly based on the sum of the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index rate and a percentage per annum based on the long-term ratings assigned to the VRDP Shares and (vi) the VRDP Trust will pay nominal or no fees to the liquidity provider and remarketing agent.

If MFL redeems the VRDP Shares prior to end of the special rate period and the VRDP Shares have long-term ratings above A1/A+ and its equivalent by all ratings agencies then rating the VRDP Shares, then such redemption may be subject to a redemption premium payable to the holder of the VRDP Shares based on the time remaining in the special rate period, subject to certain exceptions for redemptions that are required to comply with minimum asset coverage requirements.

**Dividends:** Except during the Special Rate Period, dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly based upon either short-term rating. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed.

For the six months ended February 28, 2019, the annualized dividend rate for the MFL's VRDP Shares was 2.41%.

For the six months ended February 28, 2019, VRDP Shares issued and outstanding of MFL remained constant.

## Notes to Financial Statements (unaudited) (continued)

**VMTP Shares**

BBK, BAF, BYM, BLE and MVF (collectively, the VMTP Trusts ) have each issued Series W-7 VMTP Shares, \$100,000 liquidation preference per share, in one or more privately negotiated offerings to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act. The VMTP Shares are subject to certain restrictions on transfer, and a VMTP Trust may also be required to register its VMTP Shares for sale under the Securities Act under certain circumstances. As of period end, the VMTP Shares outstanding were as follows:

	<i>Issue Date</i>	<i>Shares Issued</i>	<i>Aggregate Principal</i>	<i>Term Redemption Date</i>
BBK	12/16/11	799	\$ 79,900,000	07/02/20
BAF	12/16/11	422	42,200,000	07/02/20
BYM	12/16/11	1,372	137,200,000	07/02/20
BLE	12/16/11	1,513	151,300,000	07/02/20
MVF	12/16/11	2,438	243,800,000	07/02/20

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

Subject to certain conditions, VMTP Shares may be redeemed, in whole or in part, at any time at the option of the VMTP Trust. The redemption price per VMTP Share is equal to the liquidation preference per share plus any outstanding unpaid dividends and applicable redemption premium. If a VMTP Trust redeems the VMTP Shares prior to the term redemption date and the VMTP Shares have long-term ratings above A1/A+ or its equivalent by the ratings agencies then rating the VMTP Shares, then such redemption may be subject to a prescribed redemption premium (up to 3% of the liquidation preference) payable to the holder of the VMTP Shares based on the time remaining until the term redemption date, subject to certain exceptions for redemptions that are required to comply with minimum asset coverage requirements.

**Dividends:** Dividends on the VMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the SIFMA Municipal Swap Index or to a percentage of the one-month LIBOR rate, as set forth in the VMTP Shares governing instrument. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by the ratings agencies then rating the VMTP Shares. As of period end, the VMTP Shares were assigned the following long-term ratings:

BBK	<i>Moody's</i> Aa1	<i>Fitch</i> AAA
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BAF	Aa1	AAA
BYM	Aa1	AAA
BLE	Aa1	AAA
MVF	Aa1	AAA

The dividend rate on the VMTP Shares is subject to a step-up spread if the VMTP Trusts fail to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and complying with certain asset coverage and leverage requirements.

For the six months ended February 28, 2019, the average annualized dividend rates for the VMTP Shares were as follows:

	<i>BBK</i>	<i>BAF</i>	<i>BYM</i>	<i>BLE</i>	<i>MVF</i>
Rate	2.63%	2.62%	2.66%	2.62%	2.62%

For the six months ended February 28, 2019, VMTP Shares issued and outstanding of each Trust remained constant.

**Offering Costs:** MFL and the VMTP Trusts incurred costs in connection with the issuance of VRDP and VMTP Shares, which were recorded as a direct deduction from the carrying value of the related debt liability and will be amortized over the life of the VRDP and VMTP Shares. With the exception of upfront fees paid to the liquidity provider which was amortized over the life of the liquidity agreement. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

**Financial Reporting:** The VRDP and VMTP Shares are considered debt of the issuer; therefore, the liquidation preference, which approximates fair value of the VRDP and VMTP Shares, is recorded as a liability in the Statements of Assets and Liabilities net of deferred offering costs. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VRDP and VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. The VRDP and VMTP Shares are treated as equity for tax purposes. Dividends paid to

## Notes to Financial Statements (unaudited) (continued)

holders of the VRDP and VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes. Dividends and amortization of deferred offering costs on VRDP and VMTP Shares are included in interest expense, fees and amortization of offering costs in the Statements of Operations:

	<i>Dividend</i>	<i>Deferred Offering Cost</i>
	<i>Accrued</i>	<i>Amortization</i>
BBK	\$ 1,040,486	\$
BAF	548,381	
BYM	1,807,436	
BLE	1,966,115	
MFL	3,287,800	8,399
MVF	3,169,283	

**II. REGULATION S-X AMENDMENTS**

On August 17, 2018, the SEC adopted amendments to certain disclosure requirements in Securities Act Release No. 33-10532, Disclosure Update and Simplification. The Funds have adopted the amendments pertinent to Regulation S-X in this shareholder report. The amendments impacted certain disclosure presentation on the Statements of Assets and Liabilities, Statements of Changes in Net Assets and Notes to Financial Statements.

Prior year distribution information and undistributed net investment income in the Statements of Changes in Net Assets has been modified to conform to the current year presentation in accordance with the Regulation S-X changes.

Distributions for the year ended August 31, 2018 were classified as follows:

	<i>Net Investment Income</i>
BBK	\$ 8,064,592
BAF	7,017,033
BYM	17,745,015
BLE	18,242,150
MFL	29,099,183
MVF	33,923,160

Undistributed net investment income as of August 31, 2018 is as follows:

	<i>Undistributed</i>
	<i>Net Investment Income</i>
BBK	\$ 1,157,190
BAF	728,463
BYM	2,104,597

BLE	1,959,535
MFL	3,071,045
MVF	3,464,573

## 12. SUBSEQUENT EVENTS

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

	Common Dividend Per Share		Preferred Shares <sup>(c)</sup>		
	<i>Paid</i> <sup>(a)</sup>	<i>Declared</i> <sup>(b)</sup>	<i>Shares</i>	<i>Series</i>	<i>Declared</i>
BBK	\$ 0.054500	\$ 0.054500	VMTP	W-7	\$ 180,246
BAF	0.058500	0.058500	VMTP	W-7	95,199
BYM	0.052000	0.052000	VMTP	W-7	309,510
BLE	0.058000	0.058000	VMTP	W-7	341,318
MFL	0.052500	0.052500	VRDP	W-7	582,227
MVF	0.038500	0.038500	VMTP	W-7	549,989

(a) Net investment income dividend paid on April 1, 2019 to Common Shareholders of record on March 15, 2019.

(b) Net investment income dividend declared on April 1, 2019, payable to Common Shareholders of record on April 15, 2019.

(c) Dividends declared for period March 1, 2019 to March 31, 2019.

Trustee and Officer Information

Richard E. Cavanagh, Co-Chair of the Board and Trustee

Karen P. Robards, Co-Chair of the Board and Trustee

Michael J. Castellano, Trustee

Cynthia L. Egan, Trustee

Frank J. Fabozzi, Trustee

Henry Gabbay, Trustee

R. Glenn Hubbard, Trustee

W. Carl Kester, Trustee

Catherine A. Lynch, Trustee

Robert Fairbairn, Trustee

John M. Perlowski, Trustee, President and Chief Executive Officer

Jonathan Diorio, Vice President

Neal J. Andrews, Chief Financial Officer

Jay M. Fife, Treasurer

Charles Park, Chief Compliance Officer

Janey Ahn, Secretary

Effective January 1, 2019, Richard E. Cavanagh and Karen P. Robards were appointed as a Co-Chair of the Board. Prior to January 1, 2019, Mr. Cavanagh served as Chair of the Board and Ms. Robards served as Vice Chair of the Board. In addition, effective January 1, 2019, Henry Gabbay was appointed as a Trustee of each Trust.

**Investment Adviser**

BlackRock Advisors, LLC

Wilmington, DE 19809

**Accounting Agent and Custodian**

State Street Bank and

Trust Company

Boston, MA 02111

**Transfer Agent**

Computershare Trust Company, N.A.

Canton, MA 02021

**VRDP Tender and Paying Agent and VMTP Redemption and Paying Agent**

The Bank of New York Mellon

New York, NY 10286

**VRDP Liquidity Provider**

Bank of America, N.A.

New York, NY 10036

**VRDP Remarketing Agent**

Merrill Lynch, Pierce, Fenner & Smith Incorporated

New York, NY 10036

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

Boston, MA 02116

**Legal Counsel**

Willkie Farr & Gallagher LLP

New York, NY 10019

**Address of the Trusts**

100 Bellevue Parkway

Wilmington, DE 19809

TRUSTEE AND OFFICER INFORMATION

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## Additional Information

### Trust Certification

The Trusts are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Trusts filed with the SEC the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

### Dividend Policy

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

### General Information

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

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

In accordance with Section 23(c) of the Investment Company Act of 1940, each Trust may from time to time purchase shares of its common stock in the open market or in private transactions.

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

### Electronic Delivery

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports by enrolling in the electronic delivery program. Electronic copies of shareholder reports are available on BlackRock's website.

To enroll in electronic delivery:

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

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

### **Householding**

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

### **Availability of Quarterly Schedule of Investments**

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

### **Availability of Proxy Voting Policies and Procedures**

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

### **Availability of Proxy Voting Record**

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

Additional Information (continued)

### **Availability of Trust Updates**

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

### **BlackRock Privacy Principles**

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

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

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

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

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

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 Glossary of Terms Used in this Report
**Portfolio Abbreviations**

AGC	Assured Guarantee Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
BAM	Build America Mutual Assurance Co.
BARB	Building Aid Revenue Bonds
CAB	Capital Appreciation Bonds
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
GARB	General Airport Revenue Bonds
GO	General Obligation Bonds
GTD-PSF	Guaranteed Permanent School Fund
HDA	Housing Development Authority
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDA	Industrial Development Authority
IDB	Industrial Development Board
ISD	Independent School District
LRB	Lease Revenue Bonds
M/F	Multi-Family
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
RB	Revenue Bonds
S/F	Single-Family

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

CEF-NTL-2/19-SAR

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

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

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

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

Item 6 Investments

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

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

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

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report.

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

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers

<u>Period</u>	<u>(a) Total</u>	<u>(b) Average</u>	<u>(c) Total Number of</u>	<u>(d) Maximum Number of</u>
	<u>Number of</u>	<u>Price Paid per</u>	<u>Shares Purchased as Part</u>	<u>Shares that May Yet Be</u>
	<u>Shares</u>	<u>Share</u>	<u>of Publicly Announced</u>	<u>Purchased Under the Plans</u>
	<u>Purchased</u>		<u>Plans or Programs</u>	<u>or Programs<sup>1</sup></u>
September 1 30, 2018	N/A	N/A	N/A	N/A
October 1 - 31, 2018	N/A	N/A	N/A	N/A
November 1- 30, 2018	N/A	N/A	N/A	N/A
	0	\$0	0	3,241,818

December 1 31, 2018				
January 1 31, 2019	0	\$0	0	3,241,818
February 1 28, 2019	0	\$0	0	3,241,818
<b>Total:</b>	0	\$0	0	3,241,818

<sup>1</sup>The Fund announced an open market share repurchase program on November 15, 2018 pursuant to which the Fund was authorized to repurchase, through November 30, 2019, up to 5% of its common shares based on common shares outstanding on November 30, 2018, in open market transactions, subject to certain conditions.

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

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c))

under the Investment Company Act of 1940, as amended (the "1940 Act") are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

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

Item 12 Disclosure of Securities Lending Activities for Closed-End Management Investment Companies Not Applicable

Item 13 Exhibits attached hereto

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

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(a)(4) Not Applicable

(b) Certifications Attached hereto

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

BlackRock MuniVest Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 3, 2019

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

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 3, 2019

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 3, 2019