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BLACKROCK MUNICIPAL INCOME TRUST II
Form N-CSRS
May 05, 2010
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21126

Name of Fund: BlackRock Municipal Income Trust II (BLE)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Municipal Income Trust II, 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 02/28/2010

Item 1 Report to Stockholders

Semi-Annual Report

FEBRUARY 28, 2010 | (UNAUDITED)

BlackRock Insured Municipal Income Trust (BYM)

BlackRock Insured Municipal Income Investment Trust (BAF)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Bond Investment Trust (BIE)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Insured Investment Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past year marked a pivotal turning point for global markets as the Great Recession that started in December 2007 began to recede and give way to recovery. The dramatic about-face could be attributed to a confluence of factors, most notably the extraordinary policy actions of global governments and central banks, a resurgence in corporate profits and growing signs of stability and healing in world economies.

After reaching a trough in early March 2009, stocks galloped higher as investors were lured back into the markets by depressed valuations, desire for higher yields and increasing confidence that all-out financial disaster had been averted. The result was a powerful upswing in global equities and other higher-risk assets through the end of 2009. More recently, the combination of mixed economic data, lingering deflation issues (especially in Europe) and proposed fees and levies on banks dampened investor conviction, resulting in a several-week bout of profit-taking. The selloff had a more pronounced negative effect on international and emerging market equities due primarily to concerns of higher interest rates in Asia and negative headlines out of Europe, particularly in Greece.

Generally speaking, investors' renewed affinity for risk was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One of the major themes in 2009 was the reversal of the flight-to-quality trade. High yield, one of the most battered areas during the financial crisis, emerged as the strongest-performing fixed income sector in both the taxable and tax-exempt space. Despite weak fundamentals, the municipal market produced solid returns as technical conditions remained supportive of the asset class. Municipal bond mutual funds enjoyed strong inflows and tax-exempt issuance remained low thanks to the ever-increasing popularity of the Build America Bond program. Nevertheless, state and local fiscal woes and bankruptcy fears remain firmly in the spotlight, and bear close monitoring.

At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in money market funds declined from the peak registered in early 2009, but remain above levels registered prior to the financial crisis that began in 2007.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of February 28, 2010	6-month	12-month
US equities (S&P 500 Index)	9.32%	53.62%
Small cap US equities (Russell 2000 Index)	10.59	63.95
International equities (MSCI Europe, Australasia, Far East Index)	0.72	54.58
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.20
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.07	(1.54)
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	3.19	9.32
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.13	9.98
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	13.86	55.20

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

The market continues to show signs of improvement, but questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*® magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. As always, we thank you for

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entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of February 28, 2010

BlackRock Insured Municipal Income Trust

Investment Objective

BlackRock Insured Municipal Income Trust (BYM) (the Trust) seeks to provide high current income exempt from regular federal income taxes. The Trust will invest at least 80% of its managed assets in municipal obligations that are insured as to the timely payment of both principal and interest.

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

Performance

For the six months ended February 28, 2010, the Trust returned 3.09% based on market price and 6.21% based on net asset value (NAV). For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 8.13% on a market price basis and 6.47% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount, which accounts for the difference between performance based on price and performance based on NAV. The Trust's constructive duration during a period in which yields fell (prices increased) contributed to performance. Exposure to the long end of the yield curve also was favorable as the yield curve flattened. In addition, credit spreads generally tightened during the period, which was a positive due to our exposure to insured bonds with weaker underlying credits. On the other hand, the Trust's exposure to zero-coupon holdings detracted from results as these types of bonds generally underperformed during the period. Low exposure to the education sector also was a negative as that sector performed well. Lastly, exposure to municipal credits in California hindered performance as bonds sold by issuers in that state generally under-performed other states.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2010 (\$13.70) ¹	6.00%
Tax Equivalent Yield ²	9.23%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Leverage as of February 28, 2010 ⁴	35%

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

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

³ A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was increased to \$0.072. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized

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Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

- ⁴ Represents Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 13.70	\$ 13.69	0.07%	\$ 14.48	\$ 12.78
Net Asset Value	\$ 13.97	\$ 13.55	3.10%	\$ 14.62	\$ 13.54

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

Sector Allocations

	2/28/10	8/31/09
Utilities	25%	25%
Transportation	24	25
County/City/Special District/School District	21	19
State	14	15
Health	7	7
Tobacco	6	6
Education	2	2
Housing	1	1

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	56%	56%
AA/Aa	21	19
A	13	15
BBB/Baa	8	8
Not Rated ⁶	2	2

- ⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$10,733,100 representing 2% and \$10,859,100 representing 2%, respectively, of the Trust's long-term investments.

Trust Summary as of February 28, 2010

BlackRock Insured Municipal Income Investment Trust**Investment Objective**

BlackRock Insured Municipal Income Investment Trust (BAF) (the Trust) seeks to provide current income exempt from regular federal income taxes, including the alternative minimum tax and Florida intangible personal property tax. The Trust will invest at least 80% of its managed assets in municipal obligations that are insured as to the timely payment of both principal and interest. The Trust may invest in municipal obligations regardless of geographic location.

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

Performance

For the six months ended February 28, 2010, the Trust returned 10.90% based on market price and 4.89% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 8.13% on a market price basis and 6.47% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust held a higher concentration in health care and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened during the last six months. On the downside, the lack of availability in the national insured market has made it difficult to fully transition the portfolio away from its holdings in Florida names. In addition, many of these issues have weaker underlying credits, thus reducing their liquidity at current market prices. As these Florida names have underperformed the national market, this has detracted from recent performance. The Trust's cash allocation (5% at period end) also hampered results as cash equivalents are currently trading at record-low yields and, consequently, detracted from income.

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Trust Information

Symbol on NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 28, 2010 (\$14.00) ¹	5.87%
Tax Equivalent Yield ²	9.03%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Leverage as of February 28, 2010 ⁴	36%

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

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- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was increased to \$0.0735. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 14.00	\$ 13.01	7.61%	\$ 14.13	\$ 12.67
Net Asset Value	\$ 14.31	\$ 14.06	1.78%	\$ 15.10	\$ 13.99

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

Sector Allocations

	2/28/10	8/31/09
County/City/Special District/School District	43%	46%
Utilities	26	27
Health	12	10
State	10	9
Transportation	8	7
Housing	1	1

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	53%	44%
AA/Aa	28	29
A	14	20
Not Rated ⁶	5	7

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$8,649,540 representing 5% and \$7,552,594 representing 4%, respectively, of the Trust's long-term investments.

Trust Summary as of February 28, 2010

BlackRock Municipal Bond Trust

Investment Objective

BlackRock Municipal Bond Trust (BBK) (the Trust) seeks to provide current income exempt from regular federal income taxes. Under normal market conditions, the Trust will invest at least 80% of its managed assets in municipal bonds that are investment grade quality, or determined by the investment advisor to be of equivalent credit quality at time of purchase. The Trust may invest up to 20% of its total assets in municipal bonds that are rated, at the time of investment, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by BlackRock.

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

Performance

For the six months ended February 28, 2010, the Trust returned 8.01% based on market price and 10.31% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 9.67% on a market price basis and 8.84% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. Concentrations in lower-rated bonds and a focus on bonds with longer-dated maturities benefited Trust performance over the six months, as credit spreads continued to tighten and municipal rates declined across the yield curve. Within an overall context of being neutral to slightly long duration, we pursued opportunities to add positive convexity to the portfolio by adding discount-coupon bonds and greater call protection. This also proved advantageous as these bonds afforded the portfolio slightly greater capital appreciation as the market rallied. Moreover, in recognition that retail investors have become one of the prime drivers of municipal demand, we actively sought to diversify the portfolio into retail-attractive structures and names via the new-issue market; these purchases incrementally helped total return during the reporting period. On the other hand, the Trust's positions in zero-coupon bonds hindered performance as these issues have underperformed the broader municipal market. Also negatively affecting performance were the Trust's existing weighting in higher-coupon, cushion bonds, as well as its lack of exposure to education and essential service credits.

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Trust Information

Symbol on NYSE	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 28, 2010 (\$14.37) ¹	7.10%
Tax Equivalent Yield ²	10.92%
Current Monthly Distribution per Common Share ³	\$0.085
Current Annualized Distribution per Common Share ³	\$1.020
Leverage as of February 28, 2010 ⁴	37%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 14.37	\$ 13.80	4.13%	\$ 15.05	\$ 13.25
Net Asset Value	\$ 14.07	\$ 13.23	6.35%	\$ 14.48	\$ 13.23

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

Sector Allocations

	2/28/10	8/31/09
Health	23%	31%
Housing	17	16
County/City/Special District/School District	13	13
State	12	10
Corporate	9	8
Utilities	8	7
Education	8	5
Transportation	7	7
Tobacco	3	3

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	27%	25%
AA/Aa	22	20
A	23	24
BBB/Baa	19	17
BB/Ba		1
B	4	4
Not Rated ⁶	5	9

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- ⁵ Using the higher of S&P's or Moody's ratings.
- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$3,031,988 representing 1% and \$4,472,353 representing 2%, respectively, of the Trust's long-term investments.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2010

Trust Summary as of February 28, 2010

BlackRock Municipal Bond Investment Trust

Investment Objective

BlackRock Municipal Bond Investment Trust (BIE) (the Trust) seeks to provide current income exempt from regular federal income taxes and Florida intangible personal property tax. Under normal market conditions, the Trust will invest at least 80% of its managed assets in municipal bonds that are investment grade quality, or determined by the investment advisor to be of equivalent credit quality at time of purchase. The Trust may invest up to 20% of its managed assets in municipal bonds that are rated, at the time of purchase, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by BlackRock. The Trust may invest in municipal obligations regardless of geographic location.

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

Performance

For the six months ended February 28, 2010, the Trust returned 6.57% based on market price and 6.50% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 9.67% on a market price basis and 8.84% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust held a higher concentration in health care and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened during the last six months. Meanwhile, we continued to restructure the Trust's holdings in line with its transition from a Florida fund to a national portfolio. The process is not yet complete, however, and the higher concentration of Florida holdings detracted from recent performance.

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

Trust Information

Symbol on NYSE	BIE
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 28, 2010 (\$13.62) ¹	6.50%
Tax Equivalent Yield ²	10.00%
Current Monthly Distribution per Common Share ³	\$0.0738
Current Annualized Distribution per Common Share ³	\$0.8856
Leverage as of February 28, 2010 ⁴	38%

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

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

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³ A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was increased to \$0.0788. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 13.62	\$ 13.20	3.18%	\$ 14.40	\$ 12.65
Net Asset Value	\$ 14.60	\$ 14.16	3.11%	\$ 15.40	\$ 14.08

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

Sector Allocations

	2/28/10	8/31/09
Utilities	24%	21%
County/City/Special District/School District	20	20
Health	20	22
Transportation	15	13
Education	8	10
State	7	8
Housing	5	5
Corporate	1	1

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	13%	16%
AA/Aa	58	45
A	22	27
BBB/Baa	6	3
BB/Ba	1	1
Not Rated		8 ⁶

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2009, the market value of these securities was \$2,503,826 representing 3% of the Trust's long-term investments.

Trust Summary as of February 28, 2010

BlackRock Municipal Income Trust II

Investment Objective

BlackRock Municipal Income Trust II (BLE) (the Trust) seeks to provide high current income exempt from regular federal income taxes. Under normal market conditions, the Trust will invest at least 80% of its managed assets in municipal bonds that are investment grade quality, or determined by the investment advisor to be of equivalent credit quality at time of purchase. The Trust may invest up to 20% of its total assets in municipal bonds that are rated, at the time of investment, Ba/BB or B by Moody's, S&P or Fitch or that are unrated but judged to be of comparable quality by BlackRock.

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

Performance

For the six months ended February 28, 2010, the Trust returned 4.36% based on market price and 10.57% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 9.67% on a market price basis and 8.84% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. Contributing factors to Trust performance included the portfolio's long duration posture throughout much of the period, concentrations in lower-rated bonds and a focus on bonds with longer-dated maturities. Additionally, declining municipal rates across the yield curve, coupled with the ongoing contraction in credit spreads, favored performance. Conversely, the Trust's positions in long-dated capital appreciation bonds (zeros) hindered performance as these issues underperformed the broader municipal market. We expect this underappreciated corner of the municipal market to regain its luster as the yield curve loses some of its current steepness and investors continue to reach for yield, ultimately helping to drive further gains for the Trust. The Trust's cash allocation (6% at period end) also hampered results as cash equivalents are currently trading at record-low yields and, consequently, detracted from income.

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

Trust Information

Symbol on NYSE Amex	BLE
Initial Offering Date	July 30, 2002
Yield on Closing Market Price as of February 28, 2010 (\$13.54) ¹	7.18%
Tax Equivalent Yield ²	11.05%
Current Monthly Distribution per Common Share ³	\$0.081
Current Annualized Distribution per Common Share ³	\$0.972
Leverage as of February 28, 2010 ⁴	37%

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

- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 13.54	\$ 13.45	0.67%	\$ 14.49	\$ 12.72
Net Asset Value	\$ 13.63	\$ 12.78	6.65%	\$ 14.05	\$ 12.78

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

Sector Allocations

	2/28/10	8/31/09
State	17%	15%
Health	16	20
Utilities	13	12
Corporate	13	11
County/City/Special District	12	8
Transportation	10	12
Education	8	10
Housing	7	8
Tobacco	4	4

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	18%	22%
AA/Aa	21	12
A	27	26
BBB/Baa	19	23
BB/Ba	1	1
B	7	6
CCC/Caa	1	1
Not Rated ⁶	6	9

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

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- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$11,535,337 representing 2% and \$16,290,531 representing 4%, respectively, of the Trust's long-term Investments.

Trust Summary as of February 28, 2010

BlackRock MuniHoldings Insured Investment Fund

Investment Objective

BlackRock MuniHoldings Insured Investment Fund (MFL) (the Trust) seeks to provide shareholders with current income exempt from federal income tax. The Trust also seeks to offer shareholders the opportunity to own shares, the value of which is exempt from Florida intangible personal property tax. Under normal circumstances, the Trust invests at least 80% of its assets in municipal bonds either (i) insured under an insurance policy purchased by the Trust or (ii) insured under an insurance policy obtained by the issuer of the municipal bond or any other party. Such municipal bonds will be insured by insurers or other entities with claims-paying abilities rated at least investment grade at time of purchase. The Trust may invest in municipal obligations regardless of geographic location.

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

Performance

For the six months ended February 28, 2010, the Fund returned 6.84% based on market price and 5.82% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 8.13% on a market price basis and 6.47% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust held a higher concentration in health care and housing bonds with maturities of 20 years and longer, which benefited performance as the municipal yield curve flattened during the last six months. On the downside, the lack of availability in the national insured market has made it difficult to fully transition the portfolio away from its holdings in Florida names. In addition, many of these issues have weaker underlying credits, thus reducing their liquidity at current market prices. As these Florida names underperformed the national market, this detracted from recent performance.

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Trust Information

Symbol on NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of February 28, 2010 (\$13.08) ¹	6.24%
Tax Equivalent Yield ²	9.60%
Current Monthly Distribution per Common Share ³	\$0.068
Current Annualized Distribution per Common Share ³	\$0.816
Leverage as of February 28, 2010 ⁴	38%

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

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- ² The equivalent yield assumes the maximum federal tax rate of 35%.
- ³ A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was increased to \$0.073. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 13.08	\$ 12.63	3.56%	\$ 13.53	\$ 12.24
Net Asset Value	\$ 13.92	\$ 13.57	2.58%	\$ 14.43	\$ 13.57

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

Sector Allocations

	2/28/10	8/31/09
Utilities	28%	32%
County/City/Special District/School District	24	21
Transportation	21	21
Health	11	10
State	9	6
Housing	5	4
Education	2	6

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	57%	56%
AA/Aa	22	16
A	19	25
Not Rated ⁶	2	3

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$12,972,106 representing 2% and \$20,244,144 representing 3%, respectively, of the Trust's long-term investments.

Trust Summary as of February 28, 2010

BlackRock MuniVest Fund, Inc.

Investment Objective

BlackRock MuniVest Fund, Inc. (MVF) (the Trust) seeks to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, investment grade municipal obligations, the interest on which is exempt from federal income taxes in the opinion of bond counsel to the issuer.

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

Performance

For the six months ended February 28, 2010, the Trust returned 11.91% based on market price and 8.97% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of 9.67% on a market price basis and 8.84% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The Trust benefited from our effort to increase the portfolio weighting in interest-rate-sensitive bonds as tax-exempt, thirty-year interest rates rallied 25 basis points (0.25%) lower for the six months. A low exposure to zero-coupon bonds also contributed to performance as these issues remained out of favor with investors and underperformed current coupon bonds throughout the period. Conversely, relative performance was negatively affected by the Trust's below-market exposure to weaker credits as credit spreads generally tightened during the period.

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

Trust Information

Symbol on NYSE Amex	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of February 28, 2010 (\$9.64) ¹	6.60%
Tax Equivalent Yield ²	10.15%
Current Monthly Distribution per Common Share ³	\$0.053
Current Annualized Distribution per Common Share ³	\$0.636
Leverage as of February 28, 2010 ⁴	39%

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

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

³ A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was increased to \$0.0545. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to

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change in the future.

- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 9.64	\$ 8.91	8.19%	\$ 9.89	\$ 8.76
Net Asset Value	\$ 9.46	\$ 8.98	5.35%	\$ 9.75	\$ 8.98

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

Sector Allocations

	2/28/10	8/31/09
Health	23%	20%
Corporate	15	13
Transportation	13	11
State	12	15
Utilities	12	15
County/City/Special District/School District	8	10
Education	6	6
Housing	6	5
Tobacco	5	5

Credit Quality Allocations⁵

	2/28/10	8/31/09
AAA/Aaa	21%	26%
AA/Aa	37	28
A	21	28
BBB/Baa	18	15
B	1	1
Not Rated ⁶	2	2

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

- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of February 28, 2010 and August 31, 2009, the market value of these securities was \$18,135,710 representing 2% and \$16,779,679 representing 2%, respectively, of the Trust's long-term investments.

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, the Trusts are permitted to issue Preferred Shares in an amount up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Trust anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of February 28, 2010, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage
BYM	35%
BAF	36%
BBK	37%
BIE	38%
BLE	37%
MFL	38%
MVF	39%

Derivative Financial Instruments

The Trusts may invest in various derivative instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Trusts' ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Trusts to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation the Trusts can realize on an investment or may cause the Trusts to hold a security that they might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments February 28, 2010 (Unaudited)

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

Municipal Bonds	Par (000)	Value
Alabama 1.3%		
Alabama Public School & College Authority, Refunding RB, Series A, 5.00%, 5/01/29	\$ 1,000	\$ 1,046,390
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	1,495	1,611,072
County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25	2,800	2,181,396
		4,838,858
Arizona 0.6%		
State of Arizona, COP, Department of Administration, Series A (AGM):		
5.00%, 10/01/27	1,500	1,541,370
5.25%, 10/01/28	650	675,805
		2,217,175
California 29.7%		
Arcadia Unified School District California, GO, CAB, Election of 2006, Series A (AGM), 4.96%, 8/01/39 (a)	2,000	283,000
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.75%, 7/01/39	625	645,006
California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, First Lien, Series A (AMBAC), 5.00%, 7/01/28 (b)	10,100	11,789,124
California State Department of Water Resources, RB, Series A, 5.38%, 5/01/12 (b)	2,500	2,779,225
Coast Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGM):		
5.58%, 8/01/13 (c)	7,450	6,327,955
5.40%, 8/01/36 (a)	4,200	752,976
Fresno Unified School District California, GO, Election of 2001, Series E (AGM), 5.00%, 8/01/30	1,100	1,121,153
Golden State Tobacco Securitization Corp., California, RB, Series 2003-A-1 (b):		
6.63%, 6/01/13	6,500	7,629,765
6.75%, 6/01/13	14,500	17,037,355
Los Angeles Municipal Improvement Corp., RB, Series B1 (NPFGC), 4.75%, 8/01/37	4,000	3,567,160
Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33	17,500	17,821,825
Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (a):		
5.15%, 8/01/31	13,575	3,560,180
5.16%, 8/01/32	14,150	3,464,345
Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31	2,500	2,609,950

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Municipal Bonds	Par (000)	Value
California (concluded)		
Sacramento Unified School District California, GO, Election of 2002 (NPFGC), 5.00%, 7/01/30	\$ 2,700	\$ 2,717,442
San Francisco City & County Public Utilities Commission, Refunding RB, Series A (AGM), 5.00%, 11/01/31	15,000	15,109,500
San Joaquin Hills Transportation Corridor Agency California, Refunding RB, CAB, Series A (NPFGC), 5.49%, 1/15/31 (a)	53,000	9,315,280
San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29	2,350	2,415,095
		108,946,336
District of Columbia 2.6%		
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40	9,500	9,518,050
Florida 13.3%		
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33	2,000	2,052,860
City of Tallahassee Florida, RB (NPFGC), 5.00%, 10/01/32	3,000	3,045,330
County of Broward Florida, RB, Series A, 5.25%, 10/01/34	950	983,839
County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33	2,800	2,773,176
County of Miami-Dade Florida, RB: CAB, Sub-Series A (NPFGC), 5.25%, 10/01/38 (a)	25,520	3,528,395
Jackson Health System (AGC), 5.75%, 6/01/39	2,300	2,401,476
County of Miami Dade, Florida, RB, Miami Dade County Water & Sewer System (AGM), 5.00%, 10/01/39 (d)	10,100	10,068,589
County of Miami-Dade Florida, Refunding RB (AGM), 5.00%, 7/01/35	1,300	1,314,950
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 3 (GNMA), 5.45%, 7/01/33	4,715	4,849,472
Florida State Department of Environmental Protection, RB, Series B (NPFGC), 5.00%, 7/01/27	7,500	7,816,425
Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.25%, 5/01/31	3,600	3,713,184
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	5,590	5,909,860
Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	300	305,763
		48,763,319
Portfolio Abbreviations		

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

ACA	American Capital Access Corp.
AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
ARS	Auction Rate Securities
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FHA	Federal Housing Administration
FGIC	Financial Guaranty Insurance Co.
GAN	Grant Anticipation Notes
GARB	General Airport Revenue Bonds
GNMA	Government National Mortgage Association
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDRB	Industrial Development Revenue Bond
ISD	Independent School District
M/F	Multi-Family
MRB	Mortgage Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
PSF-GTD	Permanent School Fund Guaranteed
RAN	Revenue Anticipation Notes
RB	Revenue Bonds
S/F	Single Family
VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Municipal Bonds	Par (000)	Value
Georgia 0.3%		
Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41	\$ 900	\$ 907,785
Illinois 4.9%		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	2,500	2,807,650
City of Chicago Illinois, GO, Refunding, Series A (AGM), 5.00%, 1/01/25	1,000	1,056,970
City of Chicago Illinois, RB, Series A (AGC), 5.00%, 1/01/38	7,310	7,447,282
Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/27	4,800	5,035,440
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,400	1,440,376
		17,787,718
Indiana 0.7%		
Indiana Municipal Power Agency, RB: Indiana Municipal Power Agency, Series B, 5.75%, 1/01/34	450	462,757
Series A (NPFGC), 5.00%, 1/01/37	2,050	2,017,118
		2,479,875
Iowa 1.4%		
Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37	5,000	5,195,100
Kentucky 0.4%		
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29	1,500	1,609,305
Louisiana 2.1%		
State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/31	7,500	7,728,450
Michigan 4.9%		
City of Detroit Michigan, RB: Senior Lien, Series A (NPFGC), 5.00%, 7/01/30	1,000	972,560
Senior Lien, Series A (NPFGC), 5.00%, 7/01/34	2,810	2,698,977
System, Second Lien, Series A (BHAC), 5.50%, 7/01/36	2,900	3,005,763
	4,000	3,871,280

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System, Second Lien, Series B (NPFGC), 5.00%,
7/01/33

System, Second Lien, Series B (NPFGC), 5.00%,
7/01/36

City of Detroit Michigan, Refunding RB, Second Lien,
Series E (BHAC), 5.75%, 7/01/31

4,400

4,201,384

3,000

3,208,800

17,958,764

Nevada 8.6%

City of Reno Nevada, Refunding RB, Senior Lien,
ReTrac-Reno, Transportation Project (AMBAC), 5.13%,
6/01/32 (b)

5,000

5,483,300

County of Clark Nevada, RB:

Las Vegas-McCarran International Airport, Series A
(AGC), 5.25%, 7/01/39

4,100

4,112,218

Subordinate Lien, Series A2 (BHAC),
5.00%, 7/01/30

2,500

2,548,700

System, Subordinate Lien, Series C (AGM),
5.00%, 7/01/26

1,650

1,708,459

Truckee Meadows Water Authority, RB, Series A
(AGM) (b):

5.00%, 7/01/25

10,000

10,617,400

5.13%, 7/01/30

6,500

6,912,230

31,382,307

Municipal Bonds

Par
(000)

Value

New York 0.4%

New York State Dormitory Authority, ERB, Series B,
5.75%, 3/15/36

\$

1,300

\$

1,451,450

Pennsylvania 1.5%

City of Philadelphia Pennsylvania, RB, Third Series
(AGM), 5.13%, 8/01/11 (b)

5,200

5,544,916

Puerto Rico 1.7%

Puerto Rico Electric Power Authority, Refunding RB,
Series VV (NPFGC), 5.25%, 7/01/30

625

634,362

Puerto Rico Sales Tax Financing Corp., RB, First
Sub-Series A, 6.38%, 8/01/39

5,300

5,677,731

6,312,093

Rhode Island 0.8%

Rhode Island Health & Educational Building Corp.,
Refunding RB, Public Schools Financing Program,
Series E (AGC), 6.00%, 5/15/29

2,625

2,896,320

South Carolina 2.9%

South Carolina Transportation Infrastructure Bank,
RB, Junior Lien, Series B (AMBAC), 5.13%,
10/01/26 (b)

10,000

10,733,100

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Tennessee 5.6%

Knox County Health Educational & Housing Facilities

Board Tennessee, Refunding RB (AGM), Series A (a):

CAB, 5.84%, 1/01/22	11,705	6,104,977
CAB, 5.88%, 1/01/23	9,260	4,516,750
CAB, 5.90%, 1/01/24	8,500	3,893,340
CAB, 5.91%, 1/01/25	6,850	2,950,363
CAB, 5.93%, 1/01/26	5,000	2,021,000
Covenant, 4.71%, 1/01/41	8,250	1,195,178

20,681,608

Texas 30.0%

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

4,165 4,457,883

City of San Antonio Texas, Refunding RB (NPFGC):

5.13%, 5/15/29 9,250 9,623,885

5.13%, 5/15/34 10,000 10,237,100

Coppell ISD Texas, GO, Refunding, CAB (PSF-GTD),

5.64%, 8/15/30 (a) 10,030 3,883,115

County of Harris Texas, GO (NPFGC) (a):

5.56%, 8/15/25 7,485 3,970,942

5.59%, 8/15/28 10,915 4,876,822

County of Harris Texas, Refunding RB, Senior Lien,

Toll Road (AGM), 5.00%, 8/15/30 5,510 5,711,005

Harris County-Houston Sports Authority, Texas,

Refunding RB (NPFGC) (a):

CAB, Junior Lien, Series H, 5.92%, 11/15/38 5,785 727,811

CAB, Junior Lien, Series H, 5.93%, 11/15/39 6,160 720,966

Third Lien, Series A-3, 5.97%, 11/15/38 26,890 3,383,031

Third Lien, Series A-3, 5.98%, 11/15/39 27,675 3,235,484

Lewisville ISD Texas, GO, Refunding, CAB, School

Building (NPFGC), 4.67%, 8/15/24 (a) 5,315 2,701,880

Mansfield ISD Texas, GO, School Building (PSF-GTD),

5.00%, 2/15/33 2,980 3,137,433

North Texas Tollway Authority, Refunding RB:

CAB, System, First Tier (AGC), 5.32%, 1/01/29 (a) 5,000 1,708,300

CAB, System, First Tier (AGC), 5.44%, 1/01/30 (a) 1,750 558,303

First Tier, Series A, 6.00%, 1/01/28 625 674,294

System, First Tier (NPFGC), 5.75%, 1/01/40 23,050 23,736,890

Texas State Turnpike Authority, RB, First Tier, Series A

(AMBAC), 5.00%, 8/15/42 28,145 26,634,739

109,979,883

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Municipal Bonds	Par (000)	Value
Washington 6.7%		
Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series C (AMBAC), 5.13%, 7/01/33	\$ 3,655	\$ 3,697,837
County of King Washington, Refunding RB (AGM), 5.00%, 1/01/36	2,200	2,255,880
Port of Seattle Washington, RB, Series A (NPFGC), 5.00%, 4/01/31	4,500	4,529,970
State of Washington, GO, Various Purpose, Series 02-A (AGM), 5.00%, 7/01/25	6,380	6,488,141
Washington Health Care Facilities Authority, RB, MultiCare Health Care, Series C (AGC), 5.50%, 8/15/43	6,600	6,706,986
Washington Health Care Facilities Authority, Refunding RB, MultiCare Health System, Series A (AGM), 5.50%, 8/15/38	700	716,632
		24,395,446
Total Municipal Bonds 120.4%		441,327,858

Municipal Bonds Transferred to
Tender Option Bond Trusts (e)

Arizona 0.4%		
Phoenix Civic Improvement Corp, RB, Junior Lien, Series A, 5.00%, 7/01/34	1,300	1,352,091
California 5.6%		
Los Angeles Community College District, California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	5,000	5,043,050
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	449	462,497
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33	4,870	4,954,689
University of California, RB, Series C (NPFGC), 4.75%, 5/15/37	10,000	10,022,100
		20,482,336
District of Columbia 0.3%		
District of Columbia, RB, Series A, 5.50%, 12/01/30	1,080	1,210,745

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Florida 2.2%

City of Tallahassee Florida, RB (NPFGC), 5.00%, 10/01/37	5,000	5,024,850
Florida State Board of Education, GO, Series D, 5.00%, 6/01/37	2,999	3,084,345
		8,109,195

Illinois 8.0%

Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	4,499	4,818,269
Metropolitan Pier & Exposition Authority, Illinois, RB, McCormick Place Expansion, Series A (NPFGC), 5.00%, 12/15/28	24,010	24,520,933
		29,339,202

Massachusetts 3.7%

Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30	12,987	13,522,568
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Nevada 1.8%

City of Las Vegas, Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39	4,197	4,571,641
Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34	2,024	2,228,551
		6,800,192

Municipal Bonds Transferred to Tender Option Bond Trusts (e)

Par
(000) Value

New York 4.6%

Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28	\$ 4,494	\$ 4,908,021
Metropolitan Transportation Authority, RB, Series A (NPFGC), 5.00%, 11/15/31	7,002	7,227,073
Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34	4,500	4,784,265
		16,919,359

Ohio 0.2%

State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34	620	650,944
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South Carolina 0.2%

South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38	600	647,898
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Texas 2.8%

Northside ISD, Texas, GO, School Building (PSF-GTD), 5.13%, 6/15/29	9,500	10,100,079
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Utah 1.4%

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Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36	5,000	5,231,250
Virginia 0.1%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	400	417,621
Washington 1.0%		
Central Puget Sound Regional Transportation Authority, Washington, RB, Series A (AGM), 5.00%, 11/01/32	3,494	3,650,348
Total Municipal Bonds Transferred to Tender Option Bond Trusts 32.3%		118,433,828
Total Long-Term Investments (Cost \$556,910,090) 152.7%		559,761,686

Short-Term Securities

New York 0.5%		
City of New York New York, GO, VRDN, Sub-Series A-6 (AGM), 0.14%, 3/01/10 (f)	1,700	1,700,000
	Shares	
Money Market Fund 1.8%		
FFI Institutional Tax-Exempt Fund, 0.16% (g)(h)	6,590,771	6,590,771
Total Short-Term Securities (Cost \$8,290,771) 2.3%		8,290,771
Total Investments (Cost \$565,200,861*) 155.0%		568,052,457
Liabilities in Excess of Other Assets (0.2)%		(761,996)
Liability for Trust Certificates, Including Interest Expense and Fees Payable (17.3)%		(63,513,572)
Preferred Shares, at Redemption Value (37.5)%		(137,257,176)
Net Assets Applicable to Common Shares 100.0%		\$ 366,519,713

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 502,327,457
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Gross unrealized appreciation	\$ 22,859,100
Gross unrealized depreciation	(20,610,097)
Net unrealized appreciation	
	<u>\$ 2,249,003</u>

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2010

Schedule of Investments (concluded)

BlackRock Insured Municipal Income Trust (BYM)

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

Counterparty	Value	Unrealized Depreciation
Barclays Capital	\$ 299,067	\$ (424)
Raymond C. Forbes & Co., Inc.	\$ 9,769,522	\$ (13,856)

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

Affiliate	Net Activity	Income
FFI Institutional Tax-Exempt Fund	\$ 2,189,027	\$ 2,101

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

Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:

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

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

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

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

The following table summarizes the inputs used as of February 28, 2010 in determining the fair valuation of the Trust's investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments ¹		\$ 559,761,686		\$ 559,761,686
Short-Term Securities	\$ 6,590,771	1,700,000		8,290,771
Total	\$ 6,590,771	\$ 561,461,686		\$ 568,052,457

¹ See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 28, 2010

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Schedule of Investments February 28, 2010 (Unaudited)

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

Municipal Bonds	Par (000)	Value
Alabama 1.7%		
Birmingham Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):		
6.13%, 6/01/34	\$ 1,000	\$ 1,079,430
6.00%, 6/01/39	1,000	1,077,640
		<hr/> 2,157,070
Arizona 0.5%		
State of Arizona, COP, Department of Administration, Series A (AGM):		
5.25%, 10/01/28	465	483,460
5.00%, 10/01/29	125	126,803
		<hr/> 610,263
California 7.7%		
California State Public Works Board, RB, Various Capital Projects, Series G-1 (AGC), 5.25%, 10/01/24	2,000	2,010,380
County of Sacramento California, RB, Senior, Series A (AGC), 5.50%, 7/01/41	1,400	1,460,788
Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	1,000	1,007,370
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/39	3,810	3,967,467
San Diego Public Facilities Financing Authority, Refunding RB, Series B (AGC), 5.38%, 8/01/34	1,125	1,178,775
		<hr/> 9,624,780
Colorado 1.3%		
Colorado Health Facilities Authority, RB, Hospital, NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26	1,425	1,584,743
Florida 30.4%		
City of Jacksonville Florida, RB, Series B (AMBAC), 5.00%, 10/01/26	2,500	2,561,625
City of Miami Florida, RB (NPFGC), 5.25%, 1/01/28	5,035	5,275,270
City of Palm Bay Florida, RB, Improvement (NPFGC), 5.51%, 10/01/28 (a)	1,845	656,193
City of Sunrise Florida, Refunding RB (AMBAC), 5.00%, 10/01/28	5,000	5,147,650
County of Orange Florida, Refunding RB: (AMBAC), 5.00%, 10/01/29	1,600	1,636,736
Series B (NPFGC), 5.13%, 1/01/32	5,630	5,668,847

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Hillsborough County Aviation Authority Florida, Refunding RB, Series D (AGC), 5.50%, 10/01/26	1,295	1,421,263
Lake County School Board, COP, Series A (AMBAC), 5.00%, 7/01/28	3,500	3,501,890
Pasco County School Board, COP, Series A (NPFGC), 5.00%, 8/01/27	2,765	2,833,848
Tohopekaliga Water Authority, RB, Series B (AGM), 5.00%, 10/01/23	1,000	1,045,360
Village Center Community Development District, RB, Series A (NPFGC), 5.00%, 11/01/32	10,000	8,211,800
		<hr/>
		37,960,482

Georgia 2.7%

Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41	1,350	1,361,678
Metropolitan Atlanta Rapid Transit Authority, RB, Third Indenture, Series B (AGM), 5.00%, 7/01/34	1,890	1,960,421
		<hr/>
		3,322,099

Municipal Bonds	Par (000)	Value
Illinois 8.1%		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	\$ 900	\$ 1,010,754
Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	1,300	1,488,461
City of Chicago Illinois, GO, Refunding, Projects, Series A (AGM):		
5.00%, 1/01/28	920	969,698
5.00%, 1/01/29	1,425	1,488,014
5.00%, 1/01/30	570	590,600
City of Chicago Illinois, Refunding RB, Second Lien (NPFGC), 5.50%, 1/01/30	975	1,074,889
Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/28	1,560	1,628,000
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/28	1,750	1,847,387
		<hr/>
		10,097,803

Indiana 1.2%

Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	1,415	1,523,672
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Iowa 0.9%

Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29	1,125	1,156,568
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Kentucky 0.8%

	1,000	1,033,830
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Kentucky Municipal Power Agency, RB, Prairie State
Project, Series A (BHAC), 5.25%, 9/01/42

Louisiana 2.7%

Louisiana State Citizens Property Insurance Corp., RB, Series C-3 (AGC), 6.13%, 6/01/25	2,510	2,836,576
New Orleans Aviation Board Louisiana, Refunding RB (AGC), Restructuring GARB:		
Series A-1, 6.00%, 1/01/23	375	427,999
Series A-2, 6.00%, 1/01/23	150	171,199
		<hr/>
		3,435,774

Michigan 15.8%

City of Detroit Michigan, RB:		
Second Lien, Series B (AGM), 6.25%, 7/01/36	1,700	1,847,730
Second Lien, Series B (AGM), 7.00%, 7/01/36	200	229,238
Second Lien, Series B (NPFGC), 5.50%, 7/01/29	1,790	1,799,684
Senior Lien, Series B (AGM), 7.50%, 7/01/33	1,000	1,198,850
Senior Lien, Series B (BHAC), 5.50%, 7/01/35	4,750	4,910,122
System, Second Lien, Series A (BHAC), 5.50%, 7/01/36	2,330	2,414,975
City of Detroit Michigan, Refunding RB:		
Second Lien, Series E (BHAC), 5.75%, 7/01/31	2,300	2,460,080
Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27	1,800	2,104,920
Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26	365	373,957
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):		
5.25%, 10/15/24	565	608,059
5.25%, 10/15/25	300	320,370
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,205	1,417,996
		<hr/>
		19,685,981

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Municipal Bonds	Par (000)	Value
Minnesota 5.1%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	\$ 5,680	\$ 6,330,871
Nevada 1.8%		
County of Clark Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39	2,295	2,301,839
New Jersey 5.0%		
New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	1,000	1,126,780
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	1,300	1,362,816
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,575	1,623,163
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGC), 5.50%, 12/15/38	2,000	2,159,000
		6,271,759
New York 2.9%		
New York City Transitional Finance Authority, RB, Fiscal 2009:		
Series S-3, 5.25%, 1/15/39	900	942,228
Series S-4 (AGC), 5.50%, 1/15/29	2,465	2,725,526
		3,667,754
Oregon 0.4%		
Medford Hospital Facilities Authority, RB, Asante Health System, Series A (AGC), 5.00%, 8/15/40	490	485,296
Puerto Rico 1.2%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	1,350	1,446,215
Texas 15.4%		
City of Dallas Texas, Refunding RB (AGC), 5.25%, 8/15/38	800	816,744
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC):		
6.00%, 11/15/35	2,600	2,948,140
6.00%, 11/15/36	2,215	2,506,162
5.38%, 11/15/38	1,000	1,063,040
Frisco ISD Texas, GO, School Building (AGC):		

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5.38%, 8/15/39	1,415	1,510,710
5.50%, 8/15/41	3,365	3,624,778
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	500	561,390
Lower Colorado River Authority, Refunding RB, LCRA Transmission Services Project (AGC), 5.50%, 5/15/36	1,270	1,327,798
Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42	500	533,155
North Texas Tollway Authority, RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38	1,500	1,622,985
North Texas Tollway Authority, Refunding RB, System, First Tier, Series A (AGC), 5.75%, 1/01/40	1,500	1,607,355
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37	1,000	1,102,350
		<hr/>
		19,224,607

Municipal Bonds	Par (000)	Value
Utah 1.3%		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	\$ 1,625	\$ 1,632,280
Virginia 0.9%		
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35	1,000	1,148,910
Washington 2.2%		
Washington Health Care Facilities Authority, Refunding RB, Providence Health, Series C (AGM), 5.25%, 10/01/33	2,650	2,720,225
Total Municipal Bonds 110.0%		137,422,821

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

District of Columbia 0.7%		
District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35	760	850,967
Florida 33.4%		
City of Jacksonville Florida, RB (NPFGC):		
5.00%, 10/01/31	9,500	9,563,335
Better Jacksonville, 5.00%, 10/01/27	3,930	4,029,822
County of Pinellas Florida, RB (AGM), 5.00%, 10/01/32	9,500	9,564,857
Florida State Board of Education, GO, Public Education, Series A (AGM), 5.00%, 6/01/27	9,000	9,277,830
Palm Beach County School District, COP, Series D (AGM), 5.00%, 8/01/28	9,190	9,285,944

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		41,721,788
Illinois 2.5%		
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	3,000	3,212,180
Kentucky 0.8%		
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	898	972,374
Nevada 1.8%		
Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38	2,000	2,222,880
Total Municipal Bonds Transferred to Tender Option Bond Trusts 39.2%		48,980,189
Total Long-Term Investments		
(Cost \$181,363,142) 149.2%		186,403,010
Short-Term Securities		
	Shares	
FFI Institutional Tax-Exempt Fund, 0.16% (c)(d)	6,303,277	6,303,277
Total Short-Term Securities		
(Cost \$6,303,277) 5.0%		6,303,277
Total Investments		
(Cost \$187,666,419*) 154.2%		192,706,287
Other Assets Less Liabilities 2.6%		3,267,326
Liability for Trust Certificates, Including		
Interest Expense and Fees Payable (23.0)%		(28,720,147)
Preferred Shares, at Redemption Value (33.8)%		(42,277,543)
Net Assets Applicable to Common Shares 100.0%	\$	124,975,923