

BLACKROCK MUNICIPAL INCOME TRUST II  
Form N-CSR  
November 01, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21126

Name of Fund: BlackRock Municipal Income Trust II

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Robert S. Kapito, President, BlackRock Municipal Income Trust II, 40 East 52nd Street, New York, NY 10022.

Registrant's telephone number, including area code: (888) 825-2257

Date of fiscal year end: 08/31/07

Date of reporting period: 09/01/06  08/31/07

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS



# Closed-End Funds Annual Report

AUGUST 31, 2007

[BlackRock Insured Municipal Income Trust \(BYM\)](#)  
[BlackRock Municipal Bond Trust \(BBK\)](#)  
[BlackRock Municipal Income Trust II \(BLE\)](#)  
[BlackRock California Insured Municipal Income Trust \(BCK\)](#)  
[BlackRock California Municipal Bond Trust \(BZA\)](#)  
[BlackRock California Municipal Income Trust II \(BCL\)](#)  
[BlackRock Florida Insured Municipal Income Trust \(BAF\)](#)  
[BlackRock Florida Municipal Bond Trust \(BIE\)](#)  
[BlackRock Maryland Municipal Bond Trust \(BZM\)](#)  
[BlackRock New Jersey Municipal Bond Trust \(BLJ\)](#)  
[BlackRock New York Insured Municipal Income Trust \(BSE\)](#)  
[BlackRock New York Municipal Bond Trust \(BQH\)](#)  
[BlackRock New York Municipal Income Trust II \(BFY\)](#)  
[BlackRock Virginia Municipal Bond Trust \(BHV\)](#)

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

---

---

## Table of Contents

|  | Page |
|--|------|
| <a href="#"><u>A Letter to Shareholders</u></a>                                | 2    |
| <a href="#"><u>Trust Summaries</u></a>   | 3    |
| Financial Statements   |      |
| <a href="#"><u>Portfolios of Investments</u></a>                               | 17   |
| <a href="#"><u>Statements of Assets and Liabilities</u></a>                    | 42   |
| <a href="#"><u>Statements of Operations</u></a>                                | 45   |
| <a href="#"><u>Statements of Changes in Net Assets</u></a>                     | 48   |
| <a href="#"><u>Financial Highlights</u></a>                                    | 51   |
| <a href="#"><u>Notes to Financial Statements</u></a>                           | 65   |
| <a href="#"><u>Report of Independent Registered Public Accounting Firm</u></a> | 71   |
| <a href="#"><u>Dividend Reinvestment Plans</u></a>                             | 72   |
| <a href="#"><u>Additional Information</u></a>                                  | 72   |
| <a href="#"><u>Trustees Information</u></a>                                    | 75   |

### 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 nonpublic 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 nonpublic 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 website.

BlackRock does not sell or disclose to nonaffiliated third parties any nonpublic personal information about its Clients, except as permitted by law or as is necessary to service Client accounts. These nonaffiliated 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 nonpublic 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 nonpublic personal information of its Clients, including procedures relating to the proper storage and disposal of such information.



## A Letter to Shareholders

### Dear Shareholder

We are pleased to report that during the annual period, the Trusts provided monthly income, as well as the opportunity to invest in various portfolios of municipal securities. This report contains the Trusts' audited financial statements and a listing of the portfolios' holdings.

The portfolio management team continuously monitors the municipal bond market and adjusts the Trusts' investments in order to gain exposure to various issuers, revenue sources and security types. This strategy enables the Trusts to move among different sectors, credit ratings and coupon levels to capitalize on changing market conditions.

The following table shows the Trusts' current yields, tax-equivalent yields, closing market prices per share and net asset values (NAV) per share as of August 31, 2007.

| Trust   | Ticker | Current Yield <sup>1</sup> | Tax-Equivalent Yield <sup>1</sup> | Closing Market Price | NAV      |
|---|--------|----------------------------|-----------------------------------|----------------------|----------|
| BlackRock Insured Municipal Income Trust            | BYM    | 5.10%                      | 7.85%                             | \$ 14.35             | \$ 14.82 |
| BlackRock Municipal Bond Trust                      | BBK    | 6.18                       | 9.51                              | 16.50                | 15.57    |
| BlackRock Municipal Income Trust II                 | BLE    | 6.06                       | 9.32                              | 15.05                | 15.08    |
| BlackRock California Insured Municipal Income Trust | BCK    | 4.87                       | 7.49                              | 14.30                | 14.66    |
| BlackRock California Municipal Bond Trust           | BZA    | 5.60                       | 8.62                              | 16.50                | 15.35    |
| BlackRock California Municipal Income Trust II      | BCL    | 5.44                       | 8.37                              | 14.44                | 14.96    |
| BlackRock Florida Insured Municipal Income Trust    | BAF    | 5.14                       | 7.91                              | 13.55                | 14.68    |
| BlackRock Florida Municipal Bond Trust              | BIE    | 5.90                       | 9.08                              | 15.82                | 15.45    |
| BlackRock Maryland Municipal Bond Trust             | BZM    | 4.91                       | 7.55                              | 17.43                | 14.91    |
| BlackRock New Jersey Municipal Bond Trust           | BLJ    | 5.58                       | 8.58                              | 16.90                | 15.38    |
| BlackRock New York Insured Municipal Income Trust   | BSE    | 4.93                       | 7.58                              | 14.12                | 14.58    |
| BlackRock New York Municipal Bond Trust             | BQH    | 5.67                       | 8.72                              | 16.32                | 15.39    |
| BlackRock New York Municipal Income Trust II        | BFY    | 5.27                       | 8.11                              | 14.22                | 14.84    |
| BlackRock Virginia Municipal Bond Trust             | BHV    | 4.87                       | 7.49                              | 17.85                | 15.57    |

<sup>1</sup> Yields are based on closing market price. Tax-equivalent yield assumes the maximum Federal tax rate of 35%. These yields may increase/decrease due to an increase/decrease in the monthly distributions per share. Past performance does not guarantee future results.

BlackRock, Inc. (BlackRock), a world leader in asset management, has a proven commitment to the municipal bond market. As of June 30, 2007, BlackRock managed over \$36 billion in municipal bonds, including 14 open-end and 68 closed-end municipal bond funds. BlackRock is recognized for its emphasis on risk management and proprietary analytics and for its reputation managing

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

money for the world's largest institutional investors. BlackRock Advisors, LLC, and its affiliate, BlackRock Financial Management, Inc., which manage the Trusts, are wholly owned subsidiaries of BlackRock.

We thank you for your continued trust and assure you that we remain committed to excellence in managing your assets.

Sincerely,

Laurence D. Fink  
Chief Executive Officer  
BlackRock Advisors, LLC

2

ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

BlackRock Insured Municipal Income Trust (BYM)

## Trust Information

|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange                                  | BYM              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$14.35) <sup>1</sup> | 5.10%            |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0610        |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.7320        |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%              |

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 14.35 | \$ 14.65 | (2.05)% | \$ 15.57 | \$ 13.36 |
| NAV          | \$ 14.82 | \$ 15.54 | (4.63)% | \$ 15.96 | \$ 14.42 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Transportation                 | 24%     | 24%     |
| Water & Sewer                  | 18      | 22      |
| City, County & State           | 13      | 8       |
| Tax Revenue                    | 12      | 10      |
| Power                          | 9       | 10      |
| Education                      | 8       | 10      |
| Hospitals                      | 7       | 5       |
| Tobacco                        | 6       | 6       |
| Lease Revenue                  | 2       | 2       |
| Industrial & Pollution Control | 1       | 3       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 92%     | 90%     |
| AA/Aa         | 2       | 2       |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|         |   |   |
|---------|---|---|
| A       | 2 |   |
| BBB/Baa | 4 | 8 |

4 Using the highest of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Ratings (Fitch's) ratings.

ANNUAL REPORT

AUGUST 31, 2007

3

---



## Trust Summary as of August 31, 2007

BlackRock Municipal Bond Trust (BBK)

## Trust Information

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange                                  | BBK            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$16.50) <sup>1</sup> | 6.18%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0850      |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 1.0200      |
| Leverage as of 8/31/07 <sup>3</sup>                                | 36%            |

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

<sup>2</sup> A change in the distribution rate was declared on September 4, 2007. The Monthly Distribution per Common Share was decreased to \$0.0825. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 16.50 | \$ 17.89 | (7.77)% | \$ 19.50 | \$ 14.50 |
| NAV          | \$ 15.57 | \$ 16.35 | (4.77)% | \$ 16.78 | \$ 15.25 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Hospitals                      | 26%     | 22%     |
| City, County & State           | 15      | 15      |
| Industrial & Pollution Control | 14      | 17      |
| Housing                        | 11      | 13      |
| Transportation                 | 8       | 7       |
| Tax Revenue                    | 7       | 7       |
| Power                          | 6       | 5       |
| Education                      | 5       | 6       |
| Water & Sewer                  | 4       | 5       |
| Tobacco                        | 3       | 3       |
| Lease Revenue                  | 1       |         |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
|---------------|---------|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |                |     |
|-----------|----------------|-----|
| AAA/Aaa   | 34%            | 35% |
| AA/Aa     | 16             | 8   |
| A         | 15             | 18  |
| BBB/Baa   | 18             | 21  |
| BB/Ba     | 6              | 6   |
| B         | 5              | 6   |
| Not Rated | 6 <sup>5</sup> | 6   |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2007 the market value of these securities was \$2,980,782 representing 1% of the Trust's long-term investments.

## Trust Summary as of August 31, 2007

BlackRock Municipal Income Trust II (BLE)

## Trust Information

|  |               |
|--|---------------|
| Symbol on American Stock Exchange                                  | BLE           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$15.05) <sup>1</sup> | 6.06%         |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0760     |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.9120     |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%           |

- 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.
- A change in the distribution rate was declared on September 4, 2007. The Monthly Distribution per Common Share was decreased to \$0.0735. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change   | High     | Low      |
|--------------|----------|----------|----------|----------|----------|
| Market Price | \$ 15.05 | \$ 17.22 | (12.60)% | \$ 17.95 | \$ 13.53 |
| NAV          | \$ 15.08 | \$ 15.82 | (4.68)%  | \$ 16.24 | \$ 14.75 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Hospitals                      | 26%     | 23%     |
| Industrial & Pollution Control | 16      | 20      |
| City, County & State           | 13      | 14      |
| Transportation                 | 10      | 9       |
| Tax Revenue                    | 8       | 8       |
| Housing                        | 7       | 7       |
| Water & Sewer                  | 6       | 6       |
| Power                          | 6       | 5       |
| Tobacco                        | 4       | 4       |
| Education                      | 3       | 3       |
| Lease Revenue                  | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

| Credit Rating          | 8/31/07 | 8/31/06 |
|------------------------|---------|---------|
| AAA/Aaa                | 33%     | 32%     |
| AA/Aa                  | 16      | 11      |
| A                      | 12      | 14      |
| BBB/Baa                | 20      | 24      |
| BB/Ba                  | 3       | 3       |
| B                      | 5       | 4       |
| CCC/Caa                |         | 2       |
| Not Rated <sup>5</sup> | 11      | 10      |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2007 and August 31, 2006, the market value of these securities was \$24,066,103 representing 4% and \$15,978,589 representing 3%, respectively, of the Trust's long-term investments.

## Trust Summary as of August 31, 2007

### BlackRock California Insured Municipal Income Trust (BCK)

#### Trust Information

|  |                  |
|--|------------------|
| Symbol on the New York Stock Exchange                              | BCK              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$14.30) <sup>1</sup> | 4.87%            |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0580        |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.6960        |
| Leverage as of 8/31/07 <sup>3</sup>                                | 38%              |

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> The distribution is not constant and is subject to change.
- <sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 14.30 | \$ 14.61 | (2.12)% | \$ 15.50 | \$ 13.76 |
| NAV          | \$ 14.66 | \$ 15.24 | (3.81)% | \$ 15.68 | \$ 14.32 |

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

#### Portfolio Composition

| Sector               | 8/31/07 | 8/31/06 |
|----------------------|---------|---------|
| Water & Sewer        | 31%     | 29%     |
| Education            | 25      | 25      |
| City, County & State | 13      | 15      |
| Power                | 10      | 10      |
| Lease Revenue        | 9       | 9       |
| Transportation       | 5       | 7       |
| Hospitals            | 3       | 3       |
| Housing              | 2       | 2       |
| Tax Revenue          | 2       |         |

#### Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
|---------------|---------|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|         |     |     |
|---------|-----|-----|
| AAA/Aaa | 98% | 98% |
| A       | 2   | 2   |

<sup>4</sup> Using the highest of S&P s, Moody s or Fitch s ratings.

6 ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

BlackRock California Municipal Bond Trust (BZA)

## Trust Information

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange                                  | BZA            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$16.50) <sup>1</sup> | 5.60%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0770      |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.9240      |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%            |

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> The distribution is not constant and is subject to change.
- <sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 16.50 | \$ 18.05 | (8.59)% | \$ 18.75 | \$ 14.91 |
| NAV          | \$ 15.35 | \$ 16.28 | (5.71)% | \$ 16.48 | \$ 15.09 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Education                      | 22%     | 26%     |
| Hospitals                      | 21      | 21      |
| Housing                        | 14      | 14      |
| City, County & State           | 13      | 12      |
| Tobacco                        | 8       | 4       |
| Transportation                 | 7       | 9       |
| Water & Sewer                  | 7       | 3       |
| Industrial & Pollution Control | 5       | 4       |
| Lease Revenue                  | 2       | 7       |
| Resource Recovery              | 1       |         |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
|---------------|---------|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |     |     |
|-----------|-----|-----|
| AAA/Aaa   | 32% | 37% |
| AA/Aa     | 12  | 10  |
| A         | 33  | 26  |
| BBB/Baa   | 15  | 20  |
| B         | 2   | 2   |
| Not Rated | 6   | 5   |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

ANNUAL REPORT

AUGUST 31, 2007

7

---



## Trust Summary as of August 31, 2007

BlackRock California Municipal Income Trust II (BCL)

## Trust Information

|  |               |
|--|---------------|
| Symbol on American Stock Exchange                                  | BCL           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$14.44) <sup>1</sup> | 5.44%         |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0655     |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.7860     |
| Leverage as of 8/31/07 <sup>3</sup>                                | 38%           |

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 14.44 | \$ 15.40 | (6.23)% | \$ 16.44 | \$ 14.12 |
| NAV          | \$ 14.96 | \$ 15.72 | (4.83)% | \$ 16.22 | \$ 14.65 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| City, County & State           | 25%     | 23%     |
| Education                      | 15      | 13      |
| Tobacco                        | 13      | 9       |
| Hospitals                      | 12      | 12      |
| Transportation                 | 10      | 14      |
| Water & Sewer                  | 6       | 4       |
| Industrial & Pollution Control | 5       | 4       |
| Housing                        | 5       | 5       |
| Power                          | 5       | 5       |
| Lease Revenue                  | 3       | 11      |
| Resource Recovery              | 1       |         |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
|---------------|---------|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |     |     |
|-----------|-----|-----|
| AAA/Aaa   | 55% | 51% |
| AA/Aa     | 5   | 4   |
| A         | 20  | 19  |
| BBB/Baa   | 7   | 12  |
| B         | 1   | 1   |
| Not Rated | 12  | 13  |

4 Using the highest of S&P s, Moody s or Fitch s ratings.

8

ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

BlackRock Florida Insured Municipal Income Trust (BAF)

## Trust Information

|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange                                  | BAF              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$13.55) <sup>1</sup> | 5.14%            |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0580        |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.6960        |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%              |

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 13.55 | \$ 13.88 | (2.38)% | \$ 14.80 | \$ 13.05 |
| NAV          | \$ 14.68 | \$ 15.24 | (3.67)% | \$ 15.44 | \$ 14.43 |

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

## Portfolio Composition

| Sector               | 8/31/07 | 8/31/06 |
|----------------------|---------|---------|
| Tax Revenue          | 25%     | 24%     |
| City, County & State | 20      | 20      |
| Education            | 16      | 16      |
| Power                | 11      | 12      |
| Transportation       | 9       | 8       |
| Hospitals            | 9       | 7       |
| Water & Sewer        | 6       | 7       |
| Lease Revenue        | 4       |         |
| Tobacco              |         | 5       |
| Housing              |         | 1       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
|---------------|---------|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                        |     |     |
|------------------------|-----|-----|
| AAA/Aaa                | 88% | 83% |
| AA/Aa                  | 7   | 3   |
| A                      | 1   | 5   |
| BBB/Baa                |     | 5   |
| Not Rated <sup>5</sup> | 4   | 4   |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2007 and August 31, 2006, the market value of these securities was \$3,995,690 representing 2% and \$4,363,040 representing 2%, respectively, of the Trust's long-term investments.

ANNUAL REPORT

AUGUST 31, 2007

9

---

## Trust Summary as of August 31, 2007

BlackRock Florida Municipal Bond Trust (BIE)

## Trust Information

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange                                  | BIE            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$15.82) <sup>1</sup> | 5.90%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.077808    |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.933696    |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%            |

- 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 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 15.82 | \$ 16.70 | (5.27)% | \$ 17.75 | \$ 15.54 |
| NAV          | \$ 15.45 | \$ 16.22 | (4.75)% | \$ 16.31 | \$ 15.22 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Hospitals                      | 34%     | 27%     |
| Tax Revenue                    | 18      | 17      |
| Education                      | 11      | 7       |
| City, County & State           | 11      | 15      |
| Power                          | 6       | 10      |
| Lease Revenue                  | 6       | 4       |
| Housing                        | 6       | 7       |
| Water & Sewer                  | 3       | 8       |
| Transportation                 | 3       | 3       |
| Industrial & Pollution Control | 2       | 2       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 40%     | 39%     |
| AA/Aa         | 20      | 17      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                        |    |    |
|------------------------|----|----|
| A                      | 14 | 18 |
| BBB/Baa                | 12 | 11 |
| BB/Ba                  | 2  | 2  |
| Not Rated <sup>5</sup> | 12 | 13 |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2007 and August 31, 2006, the market value of these securities was \$1,525,724 representing 2% and \$1,661,600 representing 2%, respectively, of the Trust's long-term investments.

10

ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

BlackRock Maryland Municipal Bond Trust (BZM)

## Trust Information

|  |                |
|--|----------------|
| Symbol on American Stock Exchange                                  | BZM            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$17.43) <sup>1</sup> | 4.91%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.071350    |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.856200    |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%            |

- 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 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 17.43 | \$ 17.45 | (0.11)% | \$ 19.60 | \$ 15.55 |
| NAV          | \$ 14.91 | \$ 15.98 | (6.70)% | \$ 16.13 | \$ 14.65 |

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

## Portfolio Composition

| Sector               | 8/31/07 | 8/31/06 |
|----------------------|---------|---------|
| City, County & State | 24%     | 21%     |
| Education            | 21      | 21      |
| Hospitals            | 18      | 17      |
| Water & Sewer        | 12      | 12      |
| Transportation       | 8       | 9       |
| Housing              | 6       | 5       |
| Lease Revenue        | 5       | 7       |
| Tobacco              | 3       | 4       |
| Power                | 3       | 4       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 37%     | 38%     |
| AA/Aa         | 10      | 8       |
| A             | 29      | 27      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |    |    |
|-----------|----|----|
| BBB/Baa   | 13 | 16 |
| Not Rated | 11 | 11 |

4 Using the highest of S&P's, Moody's or Fitch's ratings.

ANNUAL REPORT

AUGUST 31, 2007

11

---



## Trust Summary as of August 31, 2007

BlackRock New Jersey Municipal Bond Trust (BLJ)

## Trust Information

|  |                |
|--|----------------|
| Symbol on American Stock Exchange                                  | BLJ            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$16.90) <sup>1</sup> | 5.58%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.078582    |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.942984    |
| Leverage as of 8/31/07 <sup>3</sup>                                | 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.
- 2 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 16.90 | \$ 18.30 | (7.65)% | \$ 19.75 | \$ 15.70 |
| NAV          | \$ 15.38 | \$ 16.33 | (5.82)% | \$ 16.68 | \$ 15.09 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Hospitals                      | 32%     | 28%     |
| Education                      | 13      | 9       |
| Transportation                 | 12      | 11      |
| City, County & State           | 10      | 10      |
| Industrial & Pollution Control | 7       | 6       |
| Tobacco                        | 7       | 8       |
| Tax Revenue                    | 7       | 7       |
| Housing                        | 6       | 13      |
| Power                          | 4       | 4       |
| Water & Sewer                  | 1       |         |
| Lease Revenue                  | 1       | 4       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 38%     | 29%     |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |    |    |
|-----------|----|----|
| A         | 15 | 16 |
| BBB/Baa   | 39 | 46 |
| B         | 5  | 4  |
| Not Rated | 3  | 5  |

4 Using the highest of S&P's, Moody's or Fitch's ratings.

12 ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

## BlackRock New York Insured Municipal Income Trust (BSE)

## Trust Information

|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange                                  | BSE              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$14.12) <sup>1</sup> | 4.93%            |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0580        |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.6960        |
| Leverage as of 8/31/07 <sup>3</sup>                                | 37%              |

- 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 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 14.12 | \$ 14.70 | (3.95)% | \$ 15.25 | \$ 13.47 |
| NAV          | \$ 14.58 | \$ 15.34 | (4.95)% | \$ 15.66 | \$ 14.30 |

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

## Portfolio Composition

| Sector               | 8/31/07 | 8/31/06 |
|----------------------|---------|---------|
| Education            | 31%     | 30%     |
| Transportation       | 29      | 30      |
| Hospitals            | 13      | 14      |
| Tax Revenue          | 8       | 8       |
| City, County & State | 8       | 3       |
| Power                | 4       |         |
| Water & Sewer        | 4       | 2       |
| Tobacco              | 2       | 12      |
| Housing              | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 92%     | 85%     |
| AA/Aa         | 2       | 2       |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|         |   |   |
|---------|---|---|
| A       | 5 | 5 |
| BBB/Baa | 1 | 8 |

4 Using the highest of S&P's, Moody's or Fitch's ratings.

ANNUAL REPORT

AUGUST 31, 2007

13

---

## Trust Summary as of August 31, 2007

BlackRock New York Municipal Bond Trust (BQH)

## Trust Information

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange                                  | BQH            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$16.32) <sup>1</sup> | 5.67%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.077099    |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.925188    |
| Leverage as of 8/31/07 <sup>3</sup>                                | 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.
- 2 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 16.32 | \$ 16.81 | (2.91)% | \$ 18.59 | \$ 14.82 |
| NAV          | \$ 15.39 | \$ 16.02 | (3.93)% | \$ 16.28 | \$ 15.16 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Housing                        | 17%     | 13%     |
| Education                      | 14      | 14      |
| Transportation                 | 12      | 12      |
| Water & Sewer                  | 11      | 8       |
| Tobacco                        | 10      | 13      |
| City, County & State           | 9       | 9       |
| Industrial & Pollution Control | 9       | 9       |
| Tax Revenue                    | 8       | 8       |
| Lease Revenue                  | 5       | 4       |
| Power                          | 3       | 3       |
| Hospitals                      | 2       | 7       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 43%     | 38%     |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |    |    |
|-----------|----|----|
| AA/Aa     | 19 | 22 |
| A         | 12 | 10 |
| BBB/Baa   | 17 | 20 |
| BB/Ba     |    | 1  |
| B         | 8  | 4  |
| CCC/Caa   |    | 4  |
| Not Rated | 1  | 1  |

4 Using the highest of S&P's, Moody's or Fitch's ratings.

14

ANNUAL REPORT

AUGUST 31, 2007

---

## Trust Summary as of August 31, 2007

BlackRock New York Municipal Income Trust II (BFY)

## Trust Information

|  |               |
|--|---------------|
| Symbol on American Stock Exchange                                  | BFY           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$14.22) <sup>1</sup> | 5.27%         |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.0625     |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.7500     |
| Leverage as of 8/31/07 <sup>3</sup>                                | 38%           |

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 14.22 | \$ 14.38 | (1.11)% | \$ 15.74 | \$ 13.75 |
| NAV          | \$ 14.84 | \$ 15.47 | (4.07)% | \$ 15.81 | \$ 14.59 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Transportation                 | 20%     | 18%     |
| Education                      | 18      | 16      |
| Industrial & Pollution Control | 15      | 18      |
| Tobacco                        | 11      | 12      |
| Housing                        | 10      | 9       |
| City, County & State           | 9       | 7       |
| Water & Sewer                  | 6       | 5       |
| Tax Revenue                    | 5       | 4       |
| Hospitals                      | 4       | 10      |
| Power                          | 2       | 1       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 47%     | 35%     |
| AA/Aa         | 25      | 37      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|           |    |    |
|-----------|----|----|
| A         | 13 | 12 |
| BBB/Baa   | 8  | 8  |
| BB/Ba     |    | 1  |
| B         | 6  | 4  |
| CCC/Caa   |    | 3  |
| Not Rated | 1  |    |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

ANNUAL REPORT

AUGUST 31, 2007

15

---



## Trust Summary as of August 31, 2007

BlackRock Virginia Municipal Bond Trust (BHV)

## Trust Information

|  |                |
|--|----------------|
| Symbol on American Stock Exchange                                  | BHV            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of 8/31/07 (\$17.85) <sup>1</sup> | 4.87%          |
| Current Monthly Distribution per Common Share <sup>2</sup>         | \$ 0.072428    |
| Current Annualized Distribution per Common Share <sup>2</sup>      | \$ 0.869136    |
| Leverage as of 8/31/07 <sup>3</sup>                                | 36%            |

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

|              | 8/31/07  | 8/31/06  | Change  | High     | Low      |
|--------------|----------|----------|---------|----------|----------|
| Market Price | \$ 17.85 | \$ 18.45 | (3.25)% | \$ 20.76 | \$ 16.30 |
| NAV          | \$ 15.57 | \$ 16.35 | (4.77)% | \$ 16.64 | \$ 15.33 |

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

## Portfolio Composition

| Sector                         | 8/31/07 | 8/31/06 |
|--------------------------------|---------|---------|
| Transportation                 | 21%     | 18%     |
| Water & Sewer                  | 18      | 18      |
| Hospitals                      | 17      | 17      |
| Housing                        | 17      | 16      |
| City, County & State           | 10      | 14      |
| Industrial & Pollution Control | 6       | 4       |
| Education                      | 4       | 5       |
| Lease Revenue                  | 4       | 3       |
| Tobacco                        | 3       | 5       |

Credit Quality Allocations<sup>4</sup>

| Credit Rating | 8/31/07 | 8/31/06 |
|---------------|---------|---------|
| AAA/Aaa       | 50%     | 45%     |
| AA/Aa         | 12      | 12      |
| A             | 12      | 16      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                        |    |    |
|------------------------|----|----|
| BBB/Baa                | 14 | 13 |
| Not Rated <sup>5</sup> | 12 | 14 |

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's ratings.

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2007 and August 31, 2006, the market value of these securities was \$1,467,072 representing 4% and \$1,417,827 representing 4%, respectively, of the Trust's long-term investments.

## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 157.4%</b> |   |              |
| <b>Alabama 0.7%</b>                 |   |              |
| \$ 2,800                            | Jefferson Cnty. Ltd. Oblig., Sch. Impvts. Sales Tax RB, Ser. A, 4.75%, 1/01/25                                    | \$ 2,770,488 |
| <b>Arizona 3.9%</b>                 |   |              |
| 15,000                              | Phoenix Civic Impvt. Corp., Pub. Impvts. Sales Tax RB, Civic Plaza Expansion Proj., 5.00%, 7/01/41, FGIC          | 15,173,400   |
| <b>California 34.3%</b>             |   |              |
| 800 <sup>1</sup>                    | Antelope Valley Cmnty. Coll. Dist., Univ. & Coll. Impvts. Ad Valorem Ppty. Tax GO, Ser. B, 5.25%, 8/01/39, MBIA   | 838,728      |
| 2,000                               | Arcadia Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, Zero Coupon, 8/01/39, FSA                       | 356,620      |
| 3,380                               | Chabot Las Positas Cmnty. Coll. Dist., Univ. & Coll. Impvts. Ad Valorem GO, Zero Coupon, 8/01/25, AMBAC           | 1,337,939    |
| 14,000 <sup>2</sup>                 | Dept. of Wtr. Recs. Cash Flow Mgmt., Elec., Pwr. & Lt. RB, Ser. A, 5.375%, 5/01/12                                | 15,159,620   |
| 1,100                               | Fresno Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, Ser. E, 5.00%, 8/01/30, FSA                      | 1,135,090    |
|                                     | Golden St. Tobacco Sec. Corp., Misc. Purps. Tobacco Settlement Funded RB,   |              |
| 6,500 <sup>2</sup>                  | Ser. A-1, 6.625%, 6/01/13   | 7,422,675    |
| 14,500 <sup>2</sup>                 | Ser. A-1, 6.75%, 6/01/13  | 16,650,930   |
| 10,100 <sup>2</sup>                 | Infrastructure & Econ. Dev. Bank Hwy. Impvts. Tolls RB, Bay Area Toll Brdgs. Proj., Ser. A, 5.00%, 1/01/28, AMBAC | 10,767,509   |
| 4,000                               | Los Angeles Mun. Impvt. Corp. Lease, Pub. Pkg. Impvts. Lease Abatement RB, Ser. B1, 4.75%, 8/01/37, FGIC          | 3,875,640    |
| 17,500                              | Met. Wtr. Dist. of Southern California, Wtr. Util. Impvts. RB, Ser. B-1, 5.00%, 10/01/33, FGIC                    | 17,700,375   |
| 2,700                               | Sacramento City Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, 5.00%, 7/01/30, MBIA                    | 2,779,137    |
| 15,000                              | San Francisco City & Cnty. Pub. Utils. Comm., Wtr. Util. Impvts. RB, Ser. A, 5.00%, 11/01/31, FSA                 | 15,235,650   |
| 53,000                              | San Joaquin Hills Transp. Corridor Agcy., Hwy. Tolls RB, Ser. A, Zero Coupon, 1/15/31, MBIA                       | 16,371,170   |
| 10,000                              | Univ. of California, Univ. & Coll. Impvts. RB, Ser. C, 4.75%, 5/15/37, MBIA                                       | 9,858,300    |
| 3,330                               | Ser. G, 4.75%, 5/15/31, MBIA  | 3,311,019    |
| 10,000 <sup>2</sup>                 | Ser. O, 5.00%, 9/01/10, FGIC  | 10,494,200   |
|                                     |   | 133,294,602  |
| <b>District of Columbia 3.0%</b>    |   |              |
| 2,000                               | Dist. of Columbia, Ad Valorem Ppty. Tax GO, Ser. A, 4.75%, 6/01/36, FGIC  | 1,969,020    |
| 9,500                               | Tobacco Settlement Fing. Corp., Tobacco Settlement Funded RB, 6.75%, 5/15/40                                      | 9,826,515    |
|                                     |   | 11,795,535   |
| <b>Florida 8.6%</b>                 |   |              |
| 3,600                               |   | 3,431,160    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |   |           |
|-------|---|-----------|
|       | City of Tampa, Wtr. Util. Impvts. Wtr. RB, 4.625%,<br>10/01/36, MBIA  |           |
| 9,500 | Cnty. of Miami-Dade,<br>Florida Aviation Port, Arpt. & Marina RB, Miami Intl.<br>Arpt. Proj., Ser. B, 5.00%, 10/01/37, FGIC | 9,623,975 |

| Principal Amount (000)     | Description   | Value        |
|----------------------------|---|--------------|
| <b>Florida (concluded)</b> |   |              |
| \$ 25,520                  | Recreational Fac. Impvts. Misc. RB, Cap. Apprec. Proj.,<br>Ser. A, Zero Coupon, 10/01/38, MBIA  | \$ 4,915,152 |
| 4,225                      | Trans. Impvts. Sales Tax RB, 4.75%, 7/01/36, XLCA   | 4,102,010    |
| 5,485                      | Cnty. of Orange, Sales Tax RB, 4.75%, 10/01/32, XLCA  | 5,330,488    |
| 2,300 <sup>3</sup>         | Highlands Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Adventist Bolingbrook Hlth. Sys. Proj.,<br>5.125%, 11/15/32 | 2,259,888    |
| 2,000                      | Jacksonville Hlth. Facs. Auth., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Southern Baptist Hosp. Proj., Ser. A,<br>5.00%, 8/15/37, FSA   | 2,014,000    |
| 1,880                      | JEA, Wtr. Util. Impvts. Wtr. RB, Ser. A, 4.75%, 10/01/36,<br>MBIA   | 1,863,230    |
|                            |   | 33,539,903   |

| <b>Georgia 3.6%</b> |  |            |
|---------------------|--|------------|
| 8,555               | City of Atlanta,<br>Wtr. RB, Ser. A, 5.00%, 11/01/38, FGIC | 8,571,425  |
| 2,000               | Wtr. Util. Impvts. RB, 5.00%, 11/01/34, FSA                | 2,032,380  |
| 3,235               | Wtr. Util. Impvts. RB, 5.00%, 11/01/37, FSA                | 3,279,514  |
|                     |  | 13,883,319 |

| <b>Illinois 16.0%</b> |  |            |
|-----------------------|--|------------|
| 11,550                | City of Chicago, Hwy. Impvts. RB, 5.25%, 1/01/31, AMBAC<br>Met. Pier & Exposition Auth.,     | 12,002,067 |
| 24,010                | Pub. Impvts. Sales Tax RB, McCormick Place Expansion<br>Proj., Ser. A, 5.00%, 12/15/28, MBIA | 24,430,655 |
| 15,000                | Sales Tax RB, McCormick Place Expansion Proj., Ser. B,<br>Zero Coupon, 6/15/28, MBIA         | 5,438,850  |
| 6,165                 | Mun. Elec. Agcy., Elec., Pwr. & Lt. RB, 4.50%, 2/01/35,<br>FGIC                              | 5,742,204  |
| 14,875                | Vlg. of Bolingbrook, Ad Valorem Ppty. Tax GO, Ser. A,<br>4.75%, 1/01/38, MBIA                | 14,477,689 |
|                       |  | 62,091,465 |

| <b>Indiana 1.2%</b> |  |           |
|---------------------|--|-----------|
| 4,725               | Mun. Pwr. Agcy., Elec., Pwr. & Lt. Impvts. RB, Pwr. Sply. Sys.<br>Proj., Ser. A, 4.50%, 1/01/32, AMBAC | 4,489,979 |

| <b>Louisiana 4.5%</b> |  |            |
|-----------------------|--|------------|
| 12,100                | Louisiana,<br>Hwy. Impvts. Fuel Sales Tax RB, Ser. A, 4.75%, 5/01/39,<br>FSA | 11,885,225 |
| 5,450                 | Hwy. Impvts. Sales Tax RB, Ser. A, 5.00%, 5/01/35, FGIC                      | 5,550,389  |
|                       |  | 17,435,614 |

| <b>Massachusetts 8.7%</b> |  |           |
|---------------------------|--|-----------|
| 10,190                    | Bay Transp. Auth., Sales Tax RB,<br>Ser. A-2, Zero Coupon, 7/01/32 | 2,726,538 |
| 3,200                     | Ser. A-2, Zero Coupon, 7/01/35                                     | 723,840   |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|        |  |            |
|--------|--|------------|
| 24,000 | Tpke. Auth., Hwy. Impvts. Tolls RB, Ser. A, 5.00%, 1/01/39,<br>AMBAC | 24,103,200 |
| 5,985  | Wtr. Recs. Auth., Wtr. RB, Ser. A, 5.00%, 8/01/41                    | 6,062,087  |
|        |  | 33,615,665 |

### Portfolio Abbreviations

|              |   |
|--------------|---|
| <b>ACA</b>   | American Capital Access                 |
| <b>AMBAC</b> | American Municipal Bond Assurance Corp. |
| <b>AMT</b>   | Subject to Alternative Minimum Tax      |
| <b>CIFG</b>  | CDC IXIS Financial Guaranty             |
| <b>COP</b>   | Certificate of Participation            |
| <b>FGIC</b>  | Financial Guaranty Insurance Co.        |
| <b>FRDD</b>  | Floating Rate Daily Demand              |
| <b>FRWD</b>  | Floating Rate Weekly Demand             |
| <b>FSA</b>   | Financial Security Assurance            |
| <b>GO</b>    | General Obligation                      |
| <b>MBIA</b>  | Municipal Bond Insurance Assoc.         |
| <b>PSF</b>   | Public School Fund Guaranteed           |
| <b>RAA</b>   | Radian Asset Assurance                  |
| <b>RB</b>    | Revenue Bond                            |
| <b>SA</b>    | Special Assessment                      |
| <b>SO</b>    | Special Obligation                      |
| <b>ST</b>    | Special Tax                             |
| <b>TA</b>    | Tax Allocation                          |
| <b>XLCA</b>  | XL Capital Assurance                    |

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

17

Portfolio of Investments as of  
August 31, 2007

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

|                       | Principal<br>Amount<br>(000) | Description   | Value        |
|-----------------------|------------------------------|---|--------------|
| <b>Michigan</b>       | <b>1.6%</b>                  |   |              |
| \$                    | 6,250                        | Hosp. Fin. Auth., Hlth., Hosp. & Nursing Home Impvts. RB,<br>Henry Ford Hlth. Sys. Proj., Ser. A, 5.00%, 11/15/38                     | \$ 6,021,188 |
| <b>Missouri</b>       | <b>0.9%</b>                  |   |              |
|                       | 3,600                        | Joint Mun. Elec. Util. Comm., Elec., Pwr. & Lt. Impvts. RB,<br>Plum Point Proj., 4.60%, 1/01/36, MBIA                                 | 3,388,032    |
| <b>Nebraska</b>       | <b>2.1%</b>                  |   |              |
|                       | 4,280                        | Omaha Pub. Pwr. Dist., Elec., Pwr. & Lt. Impvts. RB,<br>Ser. A, 4.75%, 2/01/44  | 4,129,044    |
|                       | 4,000                        | Pub. Pwr. Generation Agcy., Elec., Pwr. & Lt. Impvts. RB,<br>Whelan Energy Ctr. Unit 2-A Proj., 5.00%, 1/01/32,<br>AMBAC              | 4,095,640    |
|                       |                              |   | 8,224,684    |
| <b>Nevada</b>         | <b>10.0%</b>                 |   |              |
|                       | 2,500                        | Clark Cnty., Pub. Impvts. Ad Valorem Ppty. Tax GO, 4.75%,<br>11/01/35, FGIC   | 2,469,225    |
|                       | 6,0002                       | Reno, Misc. Taxes RB, Reno Transp. Proj., 5.125%, 6/01/12,<br>AMBAC   | 6,360,900    |
|                       | 7,500                        | Truckee Meadows Wtr. Auth.,<br>Wtr. RB, 4.875%, 7/01/34, XLCA   | 7,518,225    |
|                       | 10,0002                      | Wtr. Util. Impvts. RB, Ser. A, 5.00%, 7/01/11, FSA  | 10,460,100   |
|                       | 6,5002                       | Wtr. Util. Impvts. RB, Ser. A, 5.125%, 7/01/11, FSA   | 6,827,860    |
|                       | 5,0002                       | Wtr. Util. Impvts. RB, Ser. A, 5.25%, 7/01/11, FSA  | 5,274,350    |
|                       |                              |   | 38,910,660   |
| <b>New York</b>       | <b>3.2%</b>                  |   |              |
|                       | 7,000                        | Met. Transp. Auth., Trans. Impvts. RB, Ser. A, 5.00%,<br>11/15/31, MBIA   | 7,202,440    |
|                       | 5,000                        | New York City Trust for Cultural Recs., Recreational RB,<br>American Museum of Natural History Proj., Ser. A,<br>5.00%, 7/01/44, MBIA | 5,054,450    |
|                       |                              |   | 12,256,890   |
| <b>Pennsylvania</b>   | <b>4.4%</b>                  |   |              |
|                       | 9,000                        | City of Philadelphia, Natural Gas Util. Impvts. RB,<br>5.00%, 10/01/32, AMBAC   | 9,171,000    |
|                       | 5,2002                       | Ser. 3, 5.125%, 8/01/11, FSA  | 5,462,496    |
|                       | 2,500                        | Lebanon Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing<br>Home RB, Good Samaritan Hosp. Proj., 6.00%, 11/15/35                       | 2,547,625    |
|                       |                              |   | 17,181,121   |
| <b>South Carolina</b> | <b>7.7%</b>                  |   |              |
|                       | 5,0002                       | Pub. Svc. Auth., Elec., Pwr. & Lt. RB, Ser. B, 5.50%,<br>1/01/12, FSA   | 5,359,100    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|         |  |            |
|---------|--|------------|
|         | Transp. Infrastructure Bank,                       |            |
| 12,750  | Fuel Sales Tax RB, Ser. A, 5.00%, 10/01/33, AMBAC  | 12,874,695 |
| 11,0002 | Trans. Impvts. RB, Ser. B, 5.125%, 10/01/11, AMBAC | 11,601,480 |
|         |  | 29,835,275 |

**Tennessee 4.8%**

|        |  |            |
|--------|--|------------|
|        | Knox Cnty. Hlth. Edl. & Hsg. Facs. Brd., Hlth., Hosp. & Nursing Home RB, Covenant Hlth. Proj., |            |
| 10,000 | Zero Coupon, 1/01/41   | 1,511,300  |
| 11,705 | Ser. A, Zero Coupon, 1/01/22, FSA  | 5,380,086  |
| 9,260  | Ser. A, Zero Coupon, 1/01/23, FSA  | 3,994,301  |
| 8,500  | Ser. A, Zero Coupon, 1/01/24, FSA  | 3,441,820  |
| 6,850  | Ser. A, Zero Coupon, 1/01/25, FSA  | 2,608,617  |
| 5,000  | Ser. A, Zero Coupon, 1/01/26, FSA  | 1,786,250  |
|        |  | 18,722,374 |

**Principal Amount (000)**

**Description**

**Value**

**Texas 25.8%**

|          |  |              |
|----------|--|--------------|
|          | City of San Antonio, Wtr. RB,  |              |
| \$ 9,350 | 5.125%, 5/15/29, FGIC  | \$ 9,581,599 |
| 10,000   | 5.125%, 5/15/34, FGIC  | 10,218,800   |
|          | Cnty. of Harris, Ad Valorem Ppty. Tax GO,  |              |
| 7,485    | Zero Coupon, 8/15/25, MBIA   | 3,138,311    |
| 10,915   | Zero Coupon, 8/15/28, MBIA   | 3,885,631    |
| 10,030   | Coppell Indpt. Sch. Dist., Ad Valorem Ppty. Tax GO, Zero Coupon, 8/15/30, PSF                                    | 3,220,934    |
| 2,3502   | Dallas Area Rapid Trans., Sales Tax RB, 5.00%, 12/01/11, AMBAC   | 2,467,101    |
| 5,510    | Harris Cnty., Hwy. Tolls RB, 5.00%, 8/15/30, FSA   | 5,582,181    |
|          | Harris Cnty.-Houston Sports Auth.,   |              |
| 5,785    | Hotel Occupancy Tax RB, Ser. H, Zero Coupon, 11/15/38, MBIA  | 1,056,052    |
| 6,160    | Hotel Occupancy Tax RB, Ser. H, Zero Coupon, 11/15/39, MBIA  | 1,053,853    |
| 26,890   | Lease RB, Ser. A-3, Zero Coupon, 11/15/38, MBIA  | 4,807,394    |
| 27,675   | Lease RB, Ser. A-3, Zero Coupon, 11/15/39, MBIA  | 4,649,953    |
| 5,315    | Lewisville Indpt. Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, Zero Coupon, 8/15/24, FGIC                   | 2,227,251    |
| 1,045    | Montgomery Cnty. Mun. Util. Dist. No. 46, Pub. Impvts. Ad Valorem Ppty. Tax GO, 4.75%, 3/01/30, MBIA             | 1,032,188    |
| 1,100    | North Texas Tollway Auth., Hwy. Impvts. RB, Ser. A, 5.00%, 1/01/35, FSA  | 1,116,786    |
| 9,500    | Northside Indpt. Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, 5.125%, 6/15/29, PSF                          | 9,737,785    |
| 3,000    | Pearland, Ad Valorem Ppty. Tax GO, 4.75%, 3/01/29, FGIC  | 2,968,110    |
| 30,145   | Tpke. Auth., Hwy. & Tolls Impvts. RB, Ser. A, 5.00%, 8/15/42, AMBAC  | 30,315,018   |
| 3,0002   | Tyler Cnty. Hlth. Facs. Dev., Hlth., Hosp. & Nursing Home Impvts. RB, Mother Frances Hosp. Proj., 6.00%, 7/01/12 | 3,288,750    |
|          |  | 100,347,697  |

**Virginia 1.9%**

|       |   |           |
|-------|---|-----------|
|       | Chesterfield Cnty. Incl. Dev. Auth.,                              |           |
| 3,000 | Incl. Impvts. RB, Elec. & Pwr. Co. Proj., Ser. A, 5.875%, 6/01/17 | 3,175,770 |
| 4,000 | Incl. RB, Elec. & Pwr. Co. Proj., Ser. B, 5.875%, 6/01/17         | 4,251,600 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

7,427,370

| Washington 10.2%     |   |            |
|----------------------|---|------------|
| 9,610                | Central Washington Univ., Coll. & Univ. RB, 5.00%,<br>5/01/34, FGIC   | 9,767,220  |
| 3,655                | Chelan Cnty. Pub. Util. Dist. 1, Elec., Pwr. & Lt. RB, Chelan<br>Hydro Sys. Proj., Ser. C, 5.125%, 7/01/33, AMBAC | 3,713,480  |
| 2,200                | Cnty. of King, Swr. RB, 5.00%, 1/01/36, FSA   | 2,238,852  |
|                      | Hlth. Care Facs. Auth., Hlth., Hosp. & Nursing Home RB,<br>Providence Hlth. Svcs. Proj.,                          |            |
| 2,000                | 4.50%, 10/01/35, FGIC   | 1,827,400  |
| 4,110                | 4.625%, 10/01/34, FGIC  | 3,853,536  |
| 4,500                | Port of Seattle, Port, Arpt. & Marina RB, Ser. A, 5.00%,<br>4/01/31, FGIC   | 4,539,465  |
| 7,000 <sup>2,4</sup> | Seattle, Pkg. Fac. Impvts. Ad Valorem Ppty. Tax GO,<br>Ser. F, 5.125%, 12/15/08, MBIA                             | 7,124,040  |
| 6,380                | Washington, Pub. Impvts. Misc. GO, Ser. A, 5.00%,<br>7/01/25, FSA   | 6,479,528  |
|                      |   | 39,543,521 |

See Notes to Financial Statements.



Portfolio of Investments as of  
August 31, 2007

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

| Principal Amount (000)                                  | Description  | Value        |
|---|--|--------------|
| <b>West Virginia 0.3%</b>                               |  |              |
| \$ 1,295  | Econ. Dev. Auth., Correctional Fac. Impvts. Lease RB, Correctional Juvenile Safety Proj., Ser. A, 5.00%, 6/01/29, MBIA | \$ 1,320,913 |
| <b>Total Long-Term Investments (Cost \$592,667,787)</b> |  | 611,269,695  |

| Shares (000)   | Description   | Value          |
|--|---|----------------|
| <b>MONEY MARKET FUND 0.6%</b>  |   |                |
| 2,3005,6   | Merrill Lynch Institutional Tax-Exempt Fund, 3.75% (Cost \$2,300,000) | 2,300,000      |
| <b>Total Investments 158.0% (Cost \$594,967,787)</b>                             |   | \$ 613,569,695 |
| <b>Other assets in excess of liabilities 1.0%</b>                                |   | 3,761,884      |
| <b>Preferred shares at redemption value, including dividends payable (59.0)%</b> |   | (229,056,339)  |
| <b>Net Assets Applicable to Common Shareholders 100%</b>                         |   | \$ 388,275,240 |

- 1 When-issued security.
- 2 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 3 Variable rate security. Rate shown is interest rate as of August 31, 2007.
- 4 Security, or a portion thereof, with a market value of \$741,031 has been pledged as collateral for swap contracts.
- 5 Represents an investment in an affiliate.
- 6 Represents current yield as of August 31, 2007.
- 7 Cost for federal income tax purposes is \$594,932,086. The net unrealized appreciation on a tax basis is \$18,637,609, consisting of \$22,085,240 gross unrealized appreciation and \$3,447,631 gross unrealized depreciation. The value (market value plus accrued interest) of securities that are covered by insurance, which ensures the payment of principal and interest, represents approximately 86.0% of the Trust's managed assets.

|       |       |
|-------|-------|
| AMBAC | 21.8% |
| FGIC  | 20.8% |
| FSA   | 16.7% |
| MBIA  | 21.4% |
| PSF   | 2.1%  |
| Other | 0.4%  |
| XLCA  | 2.8%  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

19

---

## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 150.7%</b> |   |              |
| <b>Alabama 6.3%</b>                 |   |              |
|                                     | Birmingham Spl. Care Facs. Fing. Auth., Hlth., Hosp. & Nursing Home RB, Ascension Hlth. Proj.,      |              |
| \$ 1,135                            | Ser. C-2, 5.00%, 11/15/36   | \$ 1,128,009 |
| 815                                 | Ser. C-2, 5.00%, 11/15/39   | 808,488      |
| 7,500 <sup>1</sup>                  | Huntsville Hlth. Care Auth., Hlth., Hosp. & Nursing Home RB, Ser. A, 5.75%, 6/01/11                 | 8,085,750    |
|                                     |   | 10,022,247   |
| <b>Arizona 0.8%</b>                 |   |              |
| 158 <sup>2</sup>                    | Pima Cnty. Incl. Dev. Auth., Local or Gtd. Hsg. RB, 5.23%, 2/04/12, AMT                             | 158,000      |
|                                     | San Luis Fac. Dev. Corp., Correctional Fac. Impvts. Misc. RB, Regl. Detention Ctr. Proj.,           |              |
| 300                                 | 6.25%, 5/01/15  | 297,042      |
| 300                                 | 7.00%, 5/01/20  | 295,248      |
| 600                                 | 7.25%, 5/01/27  | 592,986      |
|                                     |   | 1,343,276    |
| <b>California 8.4%</b>              |   |              |
| 1,800                               | California, GO, 5.00%, 6/01/34  | 1,805,940    |
| 2,890                               | California, Misc. Taxes GO, 5.00%, 6/01/32  | 2,905,750    |
|                                     | Cnty. Tobacco Sec. Agcy., Tobacco Settlement Funded RB,   |              |
| 850                                 | Ser. B, Zero Coupon, 6/01/46  | 59,092       |
| 4,500                               | Ser. C, Zero Coupon, 6/01/55  | 140,085      |
| 5,750                               | Stanislaus Cnty. Proj., Ser. D, Zero Coupon, 6/01/55  | 142,198      |
| 4,100                               | Hlth. Fac. Fing. Auth., Hlth., Hosp. & Nursing Home RB, Sutter Hlth. Proj., Ser. A, 5.25%, 11/15/46 | 4,173,349    |
| 2,660                               | Univ. of California, Univ. & Coll. Impvts. RB, Ser. B, 4.75%, 5/15/38                               | 2,576,290    |
| 1,585                               | Val Verde Unified Sch. Dist., ST, 6.25%, 10/01/28   | 1,667,975    |
|                                     |   | 13,470,679   |
| <b>Colorado 0.8%</b>                |   |              |
| 635                                 | City of Colorado Springs, Mult. Util. Impvts. RB, Ser. C, 5.00%, 11/15/45, FSA                      | 643,484      |
| 635                                 | Pk. Creek Met. Dist., Ppty. Tax Misc. RB, 5.50%, 12/01/37   | 640,886      |
|                                     |   | 1,284,370    |
| <b>District of Columbia 11.5%</b>   |   |              |
|                                     | Dist. of Columbia,  |              |
| 6,000                               | Econ. Impvts. TA, Gallery Place Proj., 5.40%, 7/01/31, FSA  | 6,222,600    |
| 595                                 | Misc. RB, Friendship Pub. Charter Sch. Proj., 5.25%, 6/01/33, ACA                                   | 569,855      |
| 33,450 <sup>1</sup>                 | Univ. & Coll. Impvts. RB, Georgetown Univ. Proj., Ser. A, Zero Coupon, 4/01/11, MBIA                | 5,879,506    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |   |            |
|-------|---|------------|
| 5,580 | Tobacco Settlement Fing. Corp., Tobacco Settlement<br>Funded RB, 6.75%, 5/15/40 | 5,771,785  |
|       |   | 18,443,746 |

**Florida 19.9%**

|       |   |           |
|-------|---|-----------|
| 1,845 | Cnty. of Orange, Sales Tax RB, 4.75%, 10/01/32, XLCA  | 1,793,026 |
| 1,535 | Halifax Hosp. Med. Ctr., Hlth., Hosp. & Nursing Home RB,<br>Ser. A, 5.00%, 6/01/38                                      | 1,405,952 |
| 6,200 | Martin Cnty. Incl. Dev. Auth., Incl. RB, Indiantown<br>Cogeneration Proj., Ser. A, 7.875%, 12/15/25, AMT                | 6,260,264 |
| 2,810 | Miami Beach Hlth. Facs. Auth., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Mt. Sinai Med. Ctr. Proj., 6.75%,<br>11/15/21 | 3,056,381 |

**Principal  
Amount  
(000)**

**Description**

**Value**

**Florida (concluded)**

|                        |  |               |
|------------------------|--|---------------|
| \$ 10,000 <sup>1</sup> | Orange Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Adventist Hlth. Sys. Proj., 5.625%,<br>11/15/12 | \$ 10,911,400 |
| 7,255                  | Palm Beach Cnty. Hsg. Fin. Auth., Multi-Fam. Hsg. RB,<br>Indian Trace Apts. Proj., Ser. A, 5.625%, 1/01/44, FSA,<br>AMT    | 7,281,989     |
| 980                    | Stevens Plantation Cmnty. Dev. Dist., Pub. Impvts. SA,<br>Ser. A, 7.10%, 5/01/35   | 1,025,276     |
|                        |  | 31,734,288    |

**Georgia 3.8%**

|       |  |           |
|-------|--|-----------|
|       | City of Atlanta,   |           |
| 940   | Port, Arpt. & Marina Impvts. RB, Ser. J, 5.00%, 1/01/34, FSA | 952,605   |
| 5,000 | Wtr. Util. Impvts. RB, 5.00%, 11/01/37, FSA                  | 5,068,800 |
|       |  | 6,021,405 |

**Illinois 17.8%**

|                      |   |            |
|----------------------|---|------------|
| 1,150 <sup>2,3</sup> | Centerpoint Intermodal Ctr. Prog. Trust, TA, Ser. A, 8.00%,<br>6/15/23  | 1,142,364  |
| 4,285 <sup>1</sup>   | City of Chicago, Ad Valorem Ppty. Tax GO,<br>5.50%, 1/01/11, MBIA   | 4,568,024  |
| 1,540 <sup>4</sup>   | 5.50%, 1/01/38, MBIA  | 1,609,777  |
| 55 <sup>1</sup>      | Ser. A, 5.50%, 1/01/11, MBIA<br>Fin. Auth.,   | 58,633     |
| 420                  | Hlth., Hosp. & Nursing Home RB, Friendship Vlg.<br>Schaumburg Proj., Ser. A, 5.625%, 2/15/37  | 390,688    |
| 525                  | Univ. & Coll. Impvts. RB, MJH Ed. Asst. LLC Proj., Ser. A,<br>5.125%, 6/01/35   | 487,951    |
| 425                  | Univ. & Coll. Impvts. RB, MJH Ed. Asst. LLC Proj., Ser. B,<br>5.375%, 6/01/35   | 398,523    |
| 6,000                | Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Lake<br>Forest Hosp. Proj., Ser. A, 5.75%, 7/01/29<br>Met. Pier & Exposition Auth., Pub. Impvts. Sales Tax RB,<br>McCormick Place Expansion Proj., | 6,169,920  |
| 10,000               | Ser. A, Zero Coupon, 6/15/35, MBIA  | 2,494,200  |
| 10,000               | Ser. A, Zero Coupon, 12/15/36, MBIA   | 2,307,500  |
| 10,000               | Ser. A, Zero Coupon, 12/15/37, MBIA   | 2,194,800  |
| 2,535                | Mun. Elec. Agcy., Elec., Pwr. & Lt. RB, 4.50%, 2/01/35,<br>FGIC   | 2,361,150  |
| 23,065               | Vlg. of Bolingbrook, Pub. Impvts. Ad Valorem Ppty. Tax GO,<br>Ser. B, Zero Coupon, 1/01/36, FGIC  | 4,344,754  |
|                      |   | 28,528,284 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                      |  |           |
|----------------------|--|-----------|
| <b>Indiana 2.4%</b>  |  |           |
| 1,940 <sup>2</sup>   | Multi-Fam. Hsg., Local Hsg. RB, Canterbury House Apts. Proj., Ser. 1, 5.90%, 12/01/34, AMT                         | 1,952,086 |
| 1,950                | Mun. Pwr. Agcy., Elec., Pwr. & Lt. Impvts. RB, Pwr. Sply. Sys. Proj., Ser. A, 4.50%, 1/01/32, AMBAC                | 1,853,007 |
|                      |  | 3,805,093 |
| <b>Kansas 3.2%</b>   |  |           |
| 5,000                | Wichita Arpt. Auth., Port, Arpt. & Marina Impvts. RB, Cessna Citation Svc. Ctr. Proj., Ser. A, 6.25%, 6/15/32, AMT | 5,175,750 |
| <b>Maryland 3.3%</b> |  |           |
| 1,250                | City of Baltimore, Pub. Impvts. Tax Incr./Alloc. ST, Harborview Lot No. 2 Proj., 6.50%, 7/01/31                    | 1,300,800 |
| 2,955                | Frederick Cnty., Pub. Impvt. ST, Urbana Cmnty. Dev. Auth. Proj., Ser. B, 6.25%, 7/01/30                            | 2,977,015 |

See Notes to Financial Statements.

## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)      | Description  | Value        |
|-----------------------------|--|--------------|
| <b>Maryland (concluded)</b> |  |              |
| \$ 1,040                    | Hlth. & Higher Ed. Facs. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Medstar Hlth., Inc. Proj., 5.50%, 8/15/33        | \$ 1,046,531 |
|                             |  | 5,324,346    |
| <b>Massachusetts 0.9%</b>   |  |              |
| 1,450                       | Wtr. Recs. Auth., Wtr. RB, Ser. A, 5.00%, 8/01/41  | 1,468,676    |
| <b>Michigan 0.7%</b>        |  |              |
| 1,065                       | Hosp. Fin. Auth., Hlth., Hosp. & Nursing Home RB, Henry Ford Hlth. Sys. Proj., Ser. A, 5.25%, 11/15/46                   | 1,053,211    |
| <b>Mississippi 0.9%</b>     |  |              |
| 1,605 <sup>2</sup>          | Business Fin. Comm., Incl. Impvts. RB, Northrop Grumman Ship Sys. Proj., 4.55%, 12/01/28                                 | 1,425,112    |
| <b>Multi-State 7.4%</b>     |  |              |
| 10,500 <sup>3,5</sup>       | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52   | 11,844,735   |
| <b>Nebraska 1.1%</b>        |  |              |
| 1,760                       | Omaha Pub. Pwr. Dist., Elec., Pwr. & Lt. Impvts. RB, Ser. A, 4.75%, 2/01/44  | 1,697,925    |
| <b>Nevada 1.7%</b>          |  |              |
| 1,325                       | Cnty. of Clark, Private Schs. RB, Alexander Dawson Sch. Rainbow Proj., 5.00%, 5/15/29                                    | 1,332,340    |
| 1,385                       | Las Vegas Spec. Dist. No. 809, Pub. Impvts. SA, Summerlin Area Proj., 5.65%, 6/01/23                                     | 1,365,001    |
|                             |  | 2,697,341    |
| <b>New Jersey 9.7%</b>      |  |              |
|                             | Econ. Dev. Auth.,  |              |
| 1,500                       | Econ. Impvts. RB, Cigarette Tax Proj., 5.50%, 6/15/31  | 1,527,045    |
| 1,500                       | Hlth., Hosp. & Nursing Home RB, Marcus L. Ward Home Proj., Ser. A, 5.80%, 11/01/31                                       | 1,512,630    |
| 3,000                       | Port, Arpt. & Marina Impvts. RB, Contl. Airlines, Inc. Proj., 7.20%, 11/15/30, AMT                                       | 3,138,720    |
| 7,500                       | SA, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/28   | 8,396,925    |
| 915                         | Middlesex Cnty. Impvt. Auth., Pub. Impvts. Hotel Occupancy Tax RB, Heldrich Associates LLC Proj., Ser. B, 6.25%, 1/01/37 | 935,935      |
|                             |  | 15,511,255   |
| <b>New York 11.5%</b>       |  |              |
| 455 <sup>6</sup>            | Albany Incl. Dev. Agcy., Sch. Impvts. Lease Approp. RB, New Covenant Charter Sch. Proj., Ser. A, 7.00%, 5/01/35          | 377,818      |
| 2,900                       |  | 2,968,991    |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |  |   |            |
|-------|--|---|------------|
|       |  | City of New York, Pub. Impvts. Ad Valorem Ppty. Tax GO,<br>Ser. I-1, 5.00%, 4/01/25   |            |
| 1,330 |  | Env. Facs. Corp., Swr. Impvts. Misc. RB, NYC Mun. Wtr.<br>Proj., Ser. B, 5.00%, 6/15/31   | 1,353,115  |
| 2,610 |  | Liberty Dev. Corp., Incl. Impvts. Misc. RB, Goldman Sachs<br>Grp., Inc. Proj., 5.25%, 10/01/35  | 2,723,927  |
| 1,760 |  | Met. Transp. Auth., Misc. RB, Ser. A, 5.00%, 7/01/30,<br>AMBAC  | 1,793,141  |
|       |  | Nanuet Union Free Sch. Dist., Sch. Impvts. Ad Valorem<br>Ppty. Tax GO,  |            |
| 1,085 |  | 4.30%, 6/15/29, FSA   | 1,018,262  |
| 1,130 |  | 4.30%, 6/15/30, FSA   | 1,056,019  |
| 6,165 |  | New York City Incl. Dev. Agcy., Port, Arpt. & Marina Impvts.<br>RB, American Airlines, Inc./JFK Intl. Arpt. Proj., 7.75%,<br>8/01/31, AMT | 7,071,193  |
|       |  |   | 18,362,466 |

### North Carolina 1.9%

|       |  |  |           |
|-------|--|--|-----------|
| 2,945 |  | Gaston Cnty. Incl. Facs. & Poll. Ctrl. Fing. Auth., Incl.<br>Impvts. RB, 5.75%, 8/01/35, AMT | 2,980,782 |
|-------|--|--|-----------|

### Ohio 2.6%

|       |  |  |           |
|-------|--|--|-----------|
| 4,220 |  | Air Qual. Dev. Auth., Rec. Recovery RB, Dayton Pwr. & Lt.<br>Co. Proj., 4.80%, 1/01/34, FGIC | 4,153,999 |
|-------|--|--|-----------|

**Principal  
Amount  
(000)**

**Description**

**Value**

### Oklahoma 2.0%

|                    |  |  |              |
|--------------------|--|--|--------------|
| \$ 1,355           |  | Dev. Fin. Auth., Hlth., Hosp. & Nursing Home RB, St. John<br>Hlth. Sys., Inc. Proj., 5.00%, 2/15/42      | \$ 1,333,076 |
| 1,725 <sup>2</sup> |  | Tulsa Mun. Arpt. Trust, Port, Arpt. & Marina Impvts. RB,<br>AMR Corp. Proj., Ser. A, 7.75%, 6/01/35, AMT | 1,915,112    |
|                    |  |  | 3,248,188    |

### Oregon 0.3%

|                  |  |  |         |
|------------------|--|--|---------|
| 545 <sup>2</sup> |  | Multi-Fam. Hsg., Local Hsg. RB, Pacific Tower Apts. Proj.,<br>Ser. 6, 6.05%, 11/01/34, AMT | 551,654 |
|------------------|--|--|---------|

### Pennsylvania 2.6%

|                    |  |   |           |
|--------------------|--|---|-----------|
| 3,870 <sup>2</sup> |  | Econ. Dev. Fing. Auth., Elec., Pwr. & Lt. Impvts. RB, Reliant<br>Energy, Inc. Proj., Ser. A, 6.75%, 12/01/36, AMT | 4,203,401 |
|--------------------|--|---|-----------|

### Puerto Rico 1.3%

|       |  |  |           |
|-------|--|--|-----------|
|       |  | Hwy. & Transp. Auth., Hwy. Impvts. Tolls RB, |           |
| 1,070 |  | Ser. N, 5.25%, 7/01/34                       | 1,155,718 |
| 900   |  | Ser. N, 5.25%, 7/01/36                       | 970,200   |
|       |  |  | 2,125,918 |

### South Carolina 0.7%

|                    |  |  |           |
|--------------------|--|--|-----------|
| 1,000 <sup>1</sup> |  | Jobs-Econ. Dev. Auth., Hlth., Hosp. & Nursing Home<br>RB, Palmetto Hlth. Proj., Ser. C, 7.00%, 8/01/13 | 1,162,057 |
|--------------------|--|--|-----------|

### Texas 19.3%

|        |  |   |           |
|--------|--|---|-----------|
| 11,690 |  | Harris Cnty.-Houston Sports Auth., Hotel Occupancy Tax<br>RB, Ser. G, Zero Coupon, 11/15/41, MBIA | 1,763,904 |
| 605    |  | Lower Colorado River Auth., Misc. RB, Ser. A, 5.00%,<br>5/15/31, MBIA                             | 613,645   |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                           |  |             |
|---------------------------|--|-------------|
| 430                       | Montgomery Cnty. Mun. Util. Dist. No. 46, Pub. Impvts. Ad Valorem Ppty. Tax GO, 4.75%, 3/01/30, MBIA                   | 424,728     |
| 2,560 <sup>2</sup>        | Multi-Fam. Hsg., Local Hsg. RB, Copperwood Ranch Apts. Proj., Ser. 9, 5.95%, 11/01/35, AMT                             | 2,581,274   |
| 1,775                     | San Antonio Energy Acquisition Pub. Fac. Corp., Natural Gas Util. Impvts. RB, 5.50%, 8/01/23                           | 1,853,650   |
| 1,620                     | 5.50%, 8/01/24   | 1,689,028   |
| 2,115                     | Tpke. Auth., Hwy. & Tolls Impvts. RB, Ser. A, 5.00%, 8/15/42, AMBAC  | 2,126,929   |
| 60,000                    | Zero Coupon, 8/15/35, AMBAC  | 12,280,200  |
| 6,840 <sup>1</sup>        | Tyler Cnty. Hlth. Facs. Dev., Hlth., Hosp. & Nursing Home Impvts. RB, Mother Frances Hosp. Proj., 6.00%, 7/01/12       | 7,498,350   |
|                           |  | 30,831,708  |
| <b>Washington 1.9%</b>    |  |             |
| 905                       | Cnty. of King, Swr. RB, 5.00%, 1/01/36, FSA  | 920,982     |
| 2,220                     | Hlth. Care Facs. Auth., Hlth., Hosp. & Nursing Home RB, Providence Hlth. Sys. Proj., Ser. A, 4.625%, 10/01/34, FGIC    | 2,081,472   |
|                           |  | 3,002,454   |
| <b>West Virginia 0.3%</b> |  |             |
| 520                       | Econ. Dev. Auth., Correctional Fac. Impvts. Lease RB, Correctional Juvenile Safety Proj., Ser. A, 5.00%, 6/01/29, MBIA | 530,405     |
| <b>Wisconsin 5.7%</b>     |  |             |
| 1,350                     | Hlth. & Edl. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Aurora Hlth. Care Proj., 6.40%, 4/15/33                      | 1,410,224   |
| 7,000 <sup>1</sup>        | Wheaton Franciscan Svcs. Proj., 5.75%, 2/15/12   | 7,625,730   |
|                           |  | 9,035,954   |
|                           | <b>Total Long-Term Investments<br/>(Cost \$228,944,779)</b>  | 241,040,725 |

See Notes to Financial Statements.



## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)   | Description   | Value                 |
|--|---|-----------------------|
| <b>SHORT-TERM INVESTMENTS 5.2%</b>   |   |                       |
| <b>Texas 0.4%</b>  |   |                       |
| \$ 700 <sup>7</sup>  | Harris Cnty. Hlth. Facs. Dev. Corp., Hlth., Hosp. & Nursing Home Impvts. RB, Children's Hosp. Proj., Ser. B-1, 3.95%, 9/04/07, MBIA, FRDD | \$ 700,000            |
| <b>Shares (000)</b>  |   |                       |
| <b>Money Market Fund 4.8%</b>  |   |                       |
| 7,600 <sup>8,9</sup>   | Merrill Lynch Institutional Tax-Exempt Fund, 3.75%  | 7,600,000             |
| <b>Total Short-Term Investments (Cost \$8,300,000)</b>                           |   | <b>8,300,000</b>      |
| <b>Total Investments 155.9% (Cost \$237,244,779)</b>                             |   | <b>\$ 249,340,725</b> |
| <b>Other assets in excess of liabilities 0.7%</b>                                |   | <b>1,077,861</b>      |
| <b>Preferred shares at redemption value, including dividends payable (56.6)%</b> |   | <b>(90,519,031)</b>   |
| <b>Net Assets Applicable to Common Shareholders 100%</b>                         |   | <b>\$ 159,899,555</b> |

<sup>1</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>2</sup> Variable rate security. Rate shown is interest rate as of August 31, 2007.

<sup>3</sup> Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 8.1% of its net assets, with a current market value of \$12,987,099, in securities restricted as to resale.

<sup>4</sup> Security, or a portion thereof, with a market value of \$650,506 has been pledged as collateral for swap contracts.

<sup>5</sup> Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.

<sup>6</sup> Illiquid security. As of August 31, 2007, the Trust held 0.2% of its net assets, with a current market value of \$377,818, in these securities.

<sup>7</sup> For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of August 31, 2007.

<sup>8</sup> Represents an investment in an affiliate.

<sup>9</sup> Represents current yield as of August 31, 2007.

<sup>10</sup> Cost for federal income tax purposes is \$236,702,414. The net unrealized appreciation on a tax basis is \$12,638,311, consisting of \$14,710,272 gross unrealized appreciation and \$2,071,961 gross unrealized depreciation.

See Notes to Financial Statements.



## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description  | Value        |
|-------------------------------------|--|--------------|
| <b>LONG-TERM INVESTMENTS 157.2%</b> |  |              |
| <b>Alabama 1.2%</b>                 |  |              |
|                                     | Birmingham Spl. Care Facs. Fing. Auth., Hlth., Hosp. & Nursing Home RB, Ascension Hlth. Proj.,                       |              |
| \$ 2,525                            | Ser. C-2, 5.00%, 11/15/36  | \$ 2,509,446 |
| 1,825                               | Ser. C-2, 5.00%, 11/15/39  | 1,810,418    |
|                                     |  | 4,319,864    |
| <b>Arizona 0.1%</b>                 |  |              |
| 393 <sup>1</sup>                    | Pima Cnty. Incl. Dev. Auth., Local or Gtd. Hsg. RB, 5.23%, 2/04/12, AMT  | 393,000      |
| <b>California 11.6%</b>             |  |              |
| 2,250 <sup>2</sup>                  | Agua Caliente Band of Cahuilla Indians, Casinos Parimutuel Betting RB, 6.00%, 7/01/18                                | 2,357,235    |
| 2,700                               | California, GO, 5.00%, 6/01/34   | 2,708,910    |
| 6,425                               | California, Misc. Taxes GO, 5.00%, 6/01/32   | 6,460,016    |
|                                     | Cnty. Tobacco Sec. Agcy., Tobacco Settlement Funded RB,  |              |
| 1,840                               | Ser. B, Zero Coupon, 6/01/46   | 127,917      |
| 9,710                               | Ser. C, Zero Coupon, 6/01/55   | 302,272      |
| 12,410                              | Stanislaus Cnty. Proj., Ser. D, Zero Coupon, 6/01/55   | 306,900      |
| 9,100                               | Hlth. Fac. Fing. Auth., Hlth., Hosp. & Nursing Home RB, Sutter Hlth. Proj., Ser. A, 5.25%, 11/15/46                  | 9,262,799    |
| 3,500                               | Mobilehome Pk. Fing. Auth., St. Sngl. Fam. Hsg. RB, Millenium Hsg. Corp. Proj., Ser. A, 5.25%, 3/15/34, ACA          | 3,354,960    |
| 4,620                               | San Francisco City & Cnty. Redev. Agcy., Pub. Impvts. ST, Mission Bay South Pub. Proj., 6.625%, 8/01/27              | 4,822,402    |
| 5,000                               | Statewide Cmnty. Dev. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Mem. Hlth. Svcs. Proj., Ser. A, 5.50%, 10/01/33 | 5,088,600    |
| 5,755                               | Univ. of California, Univ. & Coll. Impvts. RB, Ser. B, 4.75%, 5/15/38  | 5,573,890    |
|                                     |  | 40,365,901   |
| <b>Colorado 5.0%</b>                |  |              |
| 1,375                               | City of Colorado Springs, Mult. Util. Impvts. RB, Ser. C, 5.00%, 11/15/45, FSA                                       | 1,393,370    |
| 10,000 <sup>3</sup>                 | Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Catholic Hlth. Initiatives Proj., Ser. A, 5.50%, 3/01/32  | 10,549,000   |
| 4,000                               | Northwest Pkwy. Pub. Hwy. Auth., Hwy. Tolls RB, Ser. A, 5.25%, 6/15/41, FSA  | 4,074,960    |
| 1,375                               | Pk. Creek Met. Dist., Pty. Tax Misc. RB, 5.50%, 12/01/37   | 1,387,746    |
|                                     |  | 17,405,076   |
| <b>District of Columbia 6.1%</b>    |  |              |
| 1,265                               | Dist. of Columbia, Misc. RB, Friendship Pub. Charter Sch. Proj., 5.25%, 6/01/33, ACA                                 | 1,211,541    |
|                                     | Tobacco Settlement Fing. Corp., Tobacco Settlement Funded RB,  |              |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|        |                |            |
|--------|----------------|------------|
| 7,500  | 6.50%, 5/15/33 | 8,206,800  |
| 11,500 | 6.75%, 5/15/40 | 11,895,255 |
|        |                | 21,313,596 |

Florida 14.6%

|       |   |           |
|-------|---|-----------|
| 2,650 | City of Leesburg, Hlth., Hosp. & Nursing Home Impvts. RB, Leesburg Regl. Med. Ctr. Proj., 5.50%, 7/01/32          | 2,646,210 |
| 3,990 | Cnty. of Orange, Sales Tax RB, 4.75%, 10/01/32, XLCA  | 3,877,602 |
| 5     | Fishhawk Cmnty. Dev. Dist. II, Pub. Impvts. SA TA, Ser. B, 5.00%, 11/01/07  | 4,995     |
| 4,735 | Lakes by the Bay South Cmnty. Dev. Dist., Pub. Impvts. SA RB, Ser. A, 6.25%, 5/01/34                              | 4,856,074 |
| 3,125 | Live Oak Cmnty. Dev. Dist. No. 1, Pub. Impvts. SA, Ser. A, 6.30%, 5/01/34   | 3,204,875 |
| 6,230 | Miami Beach Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Mt. Sinai Med. Ctr. Proj., 6.75%, 11/15/21 | 6,776,246 |

Principal Amount (000)

Description

Value

Florida (concluded)

|                       |   |              |
|-----------------------|---|--------------|
| \$ 6,850 <sup>4</sup> | Orange Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Adventist Hlth. Sys. Proj., 5.625%, 11/15/12    | \$ 7,474,309 |
| 14,000 <sup>4</sup>   | Pinellas Cnty. Hlth. Fac. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Baycare Hlth. Sys., Inc. Proj., 5.50%, 5/15/13 | 15,164,800   |
| 2,040                 | Stevens Plantation Cmnty. Dev. Dist., Pub. Impvts. SA, Ser. A, 7.10%, 5/01/35   | 2,134,248    |
| 4,465                 | Sumter Cnty. Ind. Dev. Auth., Indl. Impvts. RB, North Sumter Util. Co. LLC Proj., 6.90%, 10/01/34, AMT                  | 4,546,665    |
|                       |   | 50,686,024   |

Georgia 1.6%

|                    |   |           |
|--------------------|---|-----------|
| 5,000 <sup>4</sup> | Milledgeville-Baldwin Cnty. Dev. Auth., Univ. & Coll. Impvts. RB, Georgia Coll. & St. Univ. Fndtn. Proj., 5.625%, 9/01/14 | 5,575,100 |
|--------------------|---|-----------|

Illinois 16.2%

|                      |  |            |
|----------------------|--|------------|
| 2,470 <sup>1,2</sup> | Centerpoint Intermodal Ctr. Prog. Trust, TA, Ser. A, 8.00%, 6/15/23  | 2,453,599  |
| 4,290                | Chicago O Hare Intl. Arpt., Port, Arpt. & Marina RB, Ser. C-2, 5.25%, 1/01/30, FSA, AMT                                    | 4,335,688  |
| 910                  | Hlth., Hosp. & Nursing Home RB, Friendship Vlg. Schaumburg Proj., Ser. A, 5.625%, 2/15/37                                  | 846,491    |
| 1,880                | Hlth., Hosp. & Nursing Home RB, Northwestern Mem. Hosp. Proj., Ser. A, 5.50%, 8/15/43                                      | 1,935,385  |
| 1,125                | Univ. & Coll. Impvts. RB, MJH Ed. Asst. LLC Proj., Ser. A, 5.125%, 6/01/35   | 1,045,609  |
| 900                  | Univ. & Coll. Impvts. RB, MJH Ed. Asst. LLC Proj., Ser. B, 5.375%, 6/01/35   | 843,930    |
| 8,000                | Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Elmhurst Mem. Hosp. Proj., 5.50%, 1/01/22                               | 8,214,800  |
| 45,190               | Met. Pier & Exposition Auth., Pub. Impvts. St. Tax RB, McCormick Place Expansion Proj., Ser. A, Zero Coupon, 6/15/33, MBIA | 12,518,534 |
| 5,000                | Ser. A, Zero Coupon, 6/15/40, MBIA   | 965,200    |
| 5,490                | Mun. Elec. Agcy., Elec., Pwr. & Lt. RB, 4.50%, 2/01/35, FGIC   | 5,113,496  |
| 15,000 <sup>5</sup>  | Sports Facs. Auth., Ded. St. Tax Supported RB, 5.483%, 6/15/30, AMBAC  | 13,819,800 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                       |  |            |
|-----------------------|--|------------|
| 4,000 <sup>4</sup>    | Vlg. of Bolingbrook, Pub. Impvts. Ad Valorem Ppty. Tax<br>GO, Ser. A, 5.375%, 1/01/12, FGIC                                    | 4,267,440  |
|                       |  | 56,359,972 |
| <b>Indiana 8.8%</b>   |  |            |
| 5,000                 | Hlth. Fac. Fin. Auth., Hlth., Hosp. & Nursing Home Impvts.<br>RB, Ascension Hlth. Proj., Ser. F, 5.375%, 11/15/25              | 5,354,600  |
| 19,735 <sup>4,6</sup> | Indianapolis Local Pub. Impvt. Bd. Bank, Wtr. Util. Impvts.<br>RB, Wtr. Wks. Proj., Ser. A, 5.25%, 7/01/12, MBIA               | 21,085,466 |
| 4,200                 | Mun. Pwr. Agcy., Elec., Pwr. & Lt. Impvts. RB, Pwr. Sply. Sys.<br>Proj., Ser. A, 4.50%, 1/01/32, AMBAC                         | 3,991,092  |
|                       |  | 30,431,158 |
| <b>Maryland 2.3%</b>  |  |            |
| 1,800                 | City of Baltimore, Swr. Impvts. RB, Ser. D, 5.00%, 7/01/37,<br>AMBAC   | 1,846,296  |
| 3,000                 | Frederick Cnty., Pub. Impvts. ST, Urbana Cmnty. Dev. Auth.<br>Proj., Ser. A, 5.95%, 7/01/30<br>Hlth. & Higher Ed. Facs. Auth., | 3,005,880  |
| 2,240                 | Hlth., Hosp. & Nursing Home Impvts. RB, Medstar Hlth.,<br>Inc. Proj., 5.50%, 8/15/33   | 2,254,067  |
| 1,000                 | Hlth., Hosp. & Nursing Home Impvts. RB, Union Hosp.<br>of Cecil Cnty. Proj., 5.625%, 7/01/32                                   | 1,018,310  |
|                       |  | 8,124,553  |

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

23

## Portfolio of Investments as of

August 31, 2007

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

| Principal Amount (000)    | Description   | Value        |
|---------------------------|---|--------------|
| <b>Massachusetts 0.9%</b> |   |              |
| \$ 3,145                  | Wtr. Recs. Auth., Wtr. RB, Ser. A, 5.00%, 8/01/41   | \$ 3,185,508 |
| <b>Michigan 0.7%</b>      |   |              |
| 2,305                     | Hosp. Fin. Auth., Hlth., Hosp. & Nursing Home RB, Henry Ford Hlth. Sys. Proj., Ser. A, 5.25%, 11/15/46      | 2,279,484    |
| <b>Mississippi 1.6%</b>   |   |              |
| 4,950                     | Lowndes Cnty., Incl. RB, Weyerhaeuser Co. Proj., Ser. A, 6.80%, 4/01/22                                     | 5,672,799    |
| <b>Missouri 1.9%</b>      |   |              |
| 6,000                     | 370 Missouri Bottom Rd. Taussig Rd. Transp. Dev. Dist. Hazelwood, Pub. Impvts. Sales Tax RB, 7.20%, 5/01/33 | 6,448,560    |
| <b>Multi-State 3.8%</b>   |   |              |
|                           | Charter Mac Equity Issuer Trust,  |              |
| 1,0002,7                  | Ser. A-4-1, 5.75%, 4/30/15  | 1,058,970    |
| 3,5002,7                  | Ser. A-4-2, 6.00%, 4/30/19  | 3,750,985    |
| 5,0002,7                  | Ser. B-3-1, 6.00%, 4/30/15  | 5,257,950    |
| 3,0002,7                  | Ser. B-3-2, 6.30%, 4/30/19  | 3,201,030    |
|                           |   | 13,268,935   |
| <b>Nevada 1.6%</b>        |   |              |
| 2,855                     | Cnty. of Clark, Private Schs. RB, Alexander Dawson Sch. Rainbow Proj., 5.00%, 5/15/29                       | 2,870,817    |
| 2,565                     | Henderson Local Impvt. Dist. No. T-14, Pub. Impvts. SA, 5.80%, 3/01/23                                      | 2,641,950    |
|                           |   | 5,512,767    |
| <b>New Jersey 12.4%</b>   |   |              |
|                           | Econ. Dev. Auth.,   |              |
| 10,000                    | Econ. Impvts. Elec., Pwr. & Lt. RB, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/31, AMT                       | 11,002,400   |
| 4,000                     | Econ. Impvts. Misc. RB, Cigarette Tax Proj., 5.75%, 6/15/34   | 4,156,560    |
| 9,000                     | Econ. Impvts. RB, Cigarette Tax Proj., 5.50%, 6/15/31   | 9,162,270    |
| 10,100 <sup>1</sup>       | Port, Arpt. & Marina Impvts. RB, Contl. Airlines, Inc. Proj., 7.20%, 11/15/30, AMT                          | 10,567,024   |
| 7,475                     | SA, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/28  | 8,368,935    |
|                           |   | 43,257,189   |
| <b>New Mexico 1.7%</b>    |   |              |
| 5,200 <sup>4</sup>        | Hsg. Auth., St. Multi-Fam. Hsg. RB, Villa Delaware Oso Apts. Proj., Ser. A, 6.00%, 1/01/13                  | 5,824,312    |
| <b>New York 9.2%</b>      |   |              |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |   |            |
|--------------------|---|------------|
| 985 <sup>8</sup>   | Albany Invl. Dev. Agcy., Sch. Impvts. Lease Approp. RB, New Covenant Charter Sch. Proj., Ser. A, 7.00%, 5/01/35                     | 817,914    |
| 6,450              | City of New York, Pub. Impvts. Ad Valorem Ppty. Tax GO, Ser. I-1, 5.00%, 4/01/25  | 6,603,446  |
| 2,845              | Env. Facs. Corp., Swr. Impvts. Misc. RB, NYC Mun. Wtr. Proj., Ser. B, 5.00%, 6/15/31  | 2,894,446  |
| 2,725              | Liberty Dev. Corp., Invl. Impvts. Misc. RB, Goldman Sachs Grp., Inc. Proj., 5.25%, 10/01/35   | 2,843,946  |
| 3,775              | Met. Transp. Auth., Misc. RB, Ser. A, 5.00%, 7/01/30, AMBAC   | 3,846,083  |
| 6,700 <sup>1</sup> | New York City Invl. Dev. Agcy., Port, Arpt. & Marina Impvts. RB, American Airlines, Inc./JFK Intl. Arpt. Proj., 7.75%, 8/01/31, AMT | 7,684,833  |
| 7,325              | Port Auth. of New York & New Jersey, Port, Arpt. & Marina Impvts. RB, Contl./Eastn. LaGuardia Proj., 9.00%, 12/01/10, AMT           | 7,425,719  |
|                    |   | 32,116,387 |

North Carolina 2.2%

|       |   |           |
|-------|---|-----------|
| 7,500 | Gaston Cnty. Invl. Facs. & Poll. Ctrl. Fing. Auth., Invl. Impvts. RB, 5.75%, 8/01/35, AMT | 7,591,125 |
|-------|---|-----------|

**Principal Amount (000)**

**Description**

**Value**

Ohio 2.6%

|          |   |              |
|----------|---|--------------|
| \$ 9,140 | Air Qual. Dev. Auth., Rec. Recovery RB, Dayton Pwr. & Lt. Co. Proj., 4.80%, 1/01/34, FGIC | \$ 8,997,051 |
|----------|---|--------------|

Oklahoma 2.1%

|                    |   |           |
|--------------------|---|-----------|
| 3,000              | Dev. Fin. Auth., Hlth., Hosp. & Nursing Home RB, St. John Hlth. Sys., Inc. Proj., 5.00%, 2/15/42      | 2,951,460 |
| 3,925 <sup>1</sup> | Tulsa Mun. Arpt. Trust, Port, Arpt. & Marina Impvts. RB, AMR Corp. Proj., Ser. A, 7.75%, 6/01/35, AMT | 4,357,574 |
|                    |   | 7,309,034 |

Pennsylvania 5.8%

|                    |  |            |
|--------------------|--|------------|
| 8,425 <sup>1</sup> | Econ. Dev. Fing. Auth., Elec., Pwr. & Lt. Impvts. RB, Reliant Energy, Inc. Proj., Ser. A, 6.75%, 12/01/36, AMT | 9,150,814  |
| 5,175              | Trans. Impvts. Lease Renewal RB, Amtrak Proj., Ser. A, 6.375%, 11/01/41, AMT                                   | 5,359,747  |
| 5,000 <sup>4</sup> | Monroe Cnty. Hosp. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Pocono Med. Ctr. Proj., 6.00%, 1/01/14       | 5,575,000  |
|                    |  | 20,085,561 |

Puerto Rico 2.6%

|       |  |           |
|-------|--|-----------|
| 4,000 | Elec. Pwr. Auth., Elec., Pwr. & Lt. RB, Ser. UU, 5.00%, 7/01/22, FSA | 4,209,240 |
| 4,370 | Hwy. & Transp. Auth., Hwy. Impvts. Tolls RB, Ser. N, 5.25%, 7/01/36  | 4,710,860 |
|       |  | 8,920,100 |

South Carolina 5.4%

|       |   |           |
|-------|---|-----------|
| 3,280 | Greenwood Cnty., Hlth., Hosp. & Nursing Home Impvts. RB, Self Mem. Hosp. Facs. Proj., 5.50%, 10/01/26 | 3,337,334 |
|-------|---|-----------|

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                       |  |            |
|-----------------------|--|------------|
| 3,250                 | 5.50%, 10/01/31<br>Jobs-Econ. Dev. Auth.,  | 3,293,648  |
| 3,750                 | Hlth., Hosp. & Nursing Home Impvts. RB, Georgetown<br>Mem. Hosp. Proj., 5.375%, 2/01/30, RAA                   | 3,750,487  |
| 5,000 <sup>4</sup>    | Hlth., Hosp. & Nursing Home RB, Palmetto Hlth. Alliance<br>Proj., 6.875%, 8/01/13                              | 5,778,987  |
| 2,640                 | Hlth., Hosp. & Nursing Home RB, Palmetto Hlth. Alliance<br>Proj., Ser. A, 6.25%, 8/01/31                       | 2,756,292  |
|                       |  | 18,916,748 |
| <b>Tennessee 2.9%</b> |  |            |
| 20,405                | Knox Cnty. Hlth., Edl. & Hsg. Facs. Brd., Hlth., Hosp. &<br>Nursing Home RB, Ser. A, Zero Coupon, 1/01/21, FSA | 10,014,978 |
| <b>Texas 19.3%</b>    |  |            |
| 20,000                | Gulf Coast Wst. Disp. Auth., Incl. RB, Intl. Paper Co. Proj.,<br>Ser. A, 6.10%, 8/01/24, AMT                   | 20,596,400 |
| 25,375                | Harris Cnty.-Houston Sports Auth., Lease RB, Ser. A-3,<br>Zero Coupon, 11/15/36, MBIA                          | 5,115,854  |
| 5 <sup>4</sup>        | Lower Colorado River Auth., Misc. RB,<br>Ser. A, 5.00%, 5/15/13, MBIA  | 5,300      |
| 1,300                 | Ser. A, 5.00%, 5/15/31, MBIA   | 1,318,577  |
| 930                   | Montgomery Cnty. Mun. Util. Dist. No. 46, Pub. Impvts.<br>Ad Valorem Pty. Tax GO, 4.75%, 3/01/30, MBIA         | 918,598    |
| 3,600                 | San Antonio Energy Acquisition Pub. Fac. Corp.,<br>Natural Gas Util. Impvts. RB, 5.50%, 8/01/24                | 3,753,396  |
| 73,370                | Tpke. Auth., Hwy. Impvts. Hwy. Tolls RB,<br>Zero Coupon, 8/15/36, AMBAC  | 14,139,866 |
| 65,000                | Zero Coupon, 8/15/37, AMBAC  | 11,770,850 |
| 27,600                | Zero Coupon, 8/15/38, AMBAC  | 4,703,040  |
| 4,575                 | Ser. A, 5.00%, 8/15/42, AMBAC  | 4,600,803  |
|                       |  | 66,922,684 |

See Notes to Financial Statements.



## Portfolio of Investments as of

August 31, 2007

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

| Principal Amount (000)    | Description  | Value              |
|---------------------------|--|--------------------|
| <b>Virginia 6.6%</b>      |  |                    |
| \$ 12,980                 | Alexandria Redev. & Hsg. Auth., Local Hsg. RB, 3001 Pk. Ctr. Apts. Proj., Ser. A, 6.375%, 4/01/34                      | \$ 13,270,103      |
| 9,000                     | Halifax Cnty. Indl. Dev. Auth., Indl. RB, Old Dominion Elec. Coop. Proj., 5.625%, 6/01/28, AMBAC, AMT                  | 9,485,640          |
|                           |  | 22,755,743         |
| <b>Washington 1.9%</b>    |  |                    |
| 1,960                     | Cnty. of King, Swr. RB, 5.00%, 1/01/36, FSA  | 1,994,614          |
| 4,820                     | Hlth. Care Facs. Auth., Hlth., Hosp. & Nursing Home RB, Providence Hlth. Sys. Proj., Ser. A, 4.625%, 10/01/34, FGIC    | 4,519,232          |
|                           |  | 6,513,846          |
| <b>West Virginia 1.8%</b> |  |                    |
| 1,115                     | Econ. Dev. Auth., Correctional Fac. Impvts. Lease RB, Correctional Juvenile Safety Proj., Ser. A, 5.00%, 6/01/29, MBIA | 1,137,311          |
| 5,000 <sup>1</sup>        | Mason Cnty. Poll. Ctrl., Rec. Recovery Impvts. RB, Appalachian Pwr. Co. Proj., Ser. L, 5.50%, 10/01/22                 | 5,006,950          |
|                           |  | 6,144,261          |
| <b>Wisconsin 2.7%</b>     |  |                    |
| 3,930                     | Hlth. & Edl. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Aurora Hlth. Care Proj., 6.40%, 4/15/33                      | 4,105,317          |
| 5,000 <sup>4</sup>        | Wheaton Franciscan Svcs. Proj., 5.75%, 2/15/12   | 5,416,750          |
|                           |  | 9,522,067          |
|                           | <b>Total Long-Term Investments (Cost \$520,773,791)</b>  | <b>546,233,383</b> |

Shares  
(000)

## MONEY MARKET FUND 0.9%

|                       |  |           |
|-----------------------|--|-----------|
| 3,200 <sup>9,10</sup> | Merrill Lynch Institutional Tax-Exempt Fund, 3.75%<br>(Cost \$3,200,000) | 3,200,000 |
|-----------------------|--|-----------|

|  |                                    |                       |
|--|------------------------------------|-----------------------|
| <b>Total Investments</b>   | <b>158.1% (Cost \$523,973,791)</b> | <b>\$ 549,433,383</b> |
| <b>Other assets in excess of liabilities</b>                                     | <b>1.1%</b>                        | <b>3,733,612</b>      |
| <b>Preferred shares at redemption value, including dividends payable (59.2)%</b> |                                    | <b>(205,604,086)</b>  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

**Net Assets Applicable to Common Shareholders 100%** \$ 347,562,909

- 1 Variable rate security. Rate shown is interest rate as of August 31, 2007.
- 2 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 5.2% of its net assets, with a current market value of \$18,079,769, in securities restricted as to resale.
- 3 Security is collateralized by municipal or U.S. Treasury obligations.
- 4 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 5 Represents a step bond; the interest rate shown reflects the effective yield at the time of purchase.
- 6 Security, or a portion thereof, with a market value of \$646,332 has been pledged as collateral for swap contracts.
- 7 Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. Although they are not subject to mandatory redemption, each series is subject to remarketing on their respective stated maturity date.
- 8 Illiquid security. As of August 31, 2007, the Trust held 0.2% of its net assets, with a current market value of \$817,914, in these securities.
- 9 Represents an investment in an affiliate.
- 10 Represents current yield as of August 31, 2007.
- 11 Cost for federal income tax purposes is \$523,417,392. The net unrealized appreciation on a tax basis is \$26,015,991, consisting of \$29,396,874 gross unrealized appreciation and \$3,380,883 gross unrealized depreciation.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

25

## Portfolio of Investments as of August 31, 2007

**BlackRock California Insured Municipal Income Trust (BCK)**  
 (Percentages shown are based on Net Assets)

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 157.3%</b> |   |              |
| <b>California 157.3%</b>            |   |              |
| \$ 6,500                            | Benicia Unified Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO, Ser. B, Zero Coupon, 8/01/23, MBIA             | \$ 3,059,875 |
| 4,000                               | <b>California, GO, 5.00%, 6/01/31, AMBAC</b>  | 4,085,040    |
| 1,000                               | California St. Univ., Coll. & Univ. RB, Ser. C, 5.00%, 11/01/38, MBIA   | 1,022,810    |
|                                     | Ceres Unified Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO,  |              |
| 3,055                               | Ser. B, Zero Coupon, 8/01/30, FGIC  | 852,651      |
| 3,180                               | Ser. B, Zero Coupon, 8/01/31, FGIC  | 836,181      |
| 3,300                               | Ser. B, Zero Coupon, 8/01/32, FGIC  | 817,509      |
| 3,440                               | Ser. B, Zero Coupon, 8/01/33, FGIC  | 802,896      |
| 3,575                               | Ser. B, Zero Coupon, 8/01/34, FGIC  | 794,544      |
| 3,275                               | Ser. B, Zero Coupon, 8/01/35, FGIC  | 685,752      |
|                                     | City of Los Angeles, Swr. RB,   |              |
| 5,000                               | Ser. A, 5.00%, 6/01/27, MBIA  | 5,092,100    |
| 6,025                               | Ser. A, 5.00%, 6/01/32, FGIC  | 6,085,370    |
| 11,125                              | City of Santa Rosa, Swr. Impvts. RB, Ser. B, Zero Coupon, 9/01/27, AMBAC  | 4,087,102    |
| 2,000                               | Coachella Valley Unified Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO, Ser. B, 5.00%, 8/01/27, FSA           | 2,072,740    |
| 6,500 <sup>1</sup>                  | Dept. of Wtr. Res., Elec., Pwr. & Lt. RB, Ser. A, 5.25%, 5/01/12  | 7,003,815    |
| 2,385                               | Edl. Facs. Auth., Univ. & Coll. Impvts. RB, Scripps Coll. Proj., 5.00%, 8/01/31, MBIA                           | 2,417,889    |
| 2,915                               | Eureka Unified Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO, Election 2002 Proj., Zero Coupon, 8/01/34, MBIA | 759,445      |
| 4,500                               | Infrastructure & Econ. Dev. Bank Pub. Impvts., Misc. RB, Rand Corp. Proj., Ser. A, 5.25%, 4/01/42, AMBAC        | 4,604,535    |
| 2,600 <sup>1</sup>                  | Kaweah Delta Hlth. Care Dist., Hlth., Hosp. & Nursing Home RB, 6.00%, 8/01/12                                   | 2,914,912    |
| 2,000                               | Long Beach Unified Sch. Dist., Sch. Impvts. Ad Valorem Tax GO, Ser. D, 5.00%, 8/01/31, FSA                      | 2,016,880    |
|                                     | Los Angeles Dept. of Wtr. & Pwr.,   |              |
| 5,000                               | Wtr. RB, Ser. A, 5.00%, 7/01/43, FGIC   | 5,050,750    |
| 5,000                               | Wtr. Util. Impvts RB, Ser. A, 5.125%, 7/01/41, FGIC   | 5,069,900    |
| 3,000 <sup>1</sup>                  |   | 3,202,530    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |  |           |
|-------|--|-----------|
|       | Los Angeles Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, Ser. E, 5.125%, 7/01/12, MBIA  |           |
| 3,000 | Napa Wtr., Wtr. Util. Impvts. RB, 5.00%, 5/01/35, AMBAC  | 3,090,240 |
| 5,000 | Northern California Pwr. Agcy., Elec., Pwr. & Lt. RB, Hydroelec. Proj., Ser. A, 5.00%, 7/01/28, MBIA | 5,041,700 |
| 1,715 | Placentia-Yorba Linda Unified Sch. Dist., Sch. Impvts. Lease Abatement COP, 5.00%, 10/01/30, FGIC    | 1,741,137 |
| 5,000 | Pub. Wks. Brd., Pub. Impvts. Lease Abatement RB, Ser. A, 5.00%, 12/01/27, AMBAC                      | 5,085,000 |
| 1,235 | Rio Elementary Sch. Dist., Ad Valorem Ppty. Tax GO, 5.00%, 8/01/29, AMBAC                            | 1,278,917 |
| 5,000 | Riverside Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty. Tax GO, Ser. A, 5.00%, 2/01/27, FGIC     | 5,087,550 |

| Principal Amount (000)                                  | Description  | Value              |
|---|--|--------------------|
| <b>California (concluded)</b>                           |  |                    |
| \$ 2,125  | Sacramento Area Fld. Ctrl. Agcy., SA, Ser. A, 5.00%, 10/01/32, FGIC  | \$ 2,189,940       |
| 5,295   | San Diego Cnty. Wtr. Auth., Wtr. Util. Impvts. Wtr. COP, Ser. A, 5.00%, 5/01/32, MBIA  | 5,357,110          |
| 4,805   | San Diego Redev. Agcy., TA, Ctr. City Proj., Ser. A, 5.00%, 9/01/28, MBIA  | 4,899,755          |
| 4,000   | San Diego St. Univ., RB, Ser. A, 5.00%, 3/01/37, MBIA  | 4,030,440          |
| 20,000  | San Joaquin Hills Transp. Corridor Agcy., Hwy. Tolls RB, Ser. A, Zero Coupon, 1/15/31, MBIA  | 6,177,800          |
| 6,000   | San Jose Fin. Auth., Lease Abatement RB, Civic Ctr. Proj., Ser. B, 5.00%, 6/01/37, AMBAC   | 6,070,320          |
| 1,130   | Sierra Joint Cmnty. Coll. Dist. Sch. Facs. Dist. No. 1, Univ. & Coll. Impvts. Ad Valorem Ppty. Tax GO, Tahoe Truckee Proj., 5.00%, 8/01/25, MBIA | 1,174,759          |
| 3,000   | Tustin Unified Sch. Dist., Sch. Impvts. ST, Cmnty. Facs. Dist. 97-1 Proj., Ser. A, 5.00%, 9/01/38, FSA   | 3,037,020          |
| 4,000   | Westlands Wtr. Dist., Wtr. Util. Impvts. Wtr. COP, 5.00%, 9/01/34, MBIA  | 4,038,600          |
| <b>Total Long-Term Investments (Cost \$118,574,479)</b> |  | <b>121,635,514</b> |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Shares  
(000)

|  |                                       |    |              |
|--|---------------------------------------|----|--------------|
| <b>MONEY MARKET FUND 1.9%</b>  |                                       |    |              |
| 1,443 <sup>2,3</sup>   | CMA California Mun. Money Fund, 3.43% |    |              |
|  | (Cost \$1,443,458)                    |    | 1,443,458    |
| <b>Total Investments</b>   | <b>159.2% (Cost \$120,017,997)</b>    | \$ | 123,078,972  |
| <b>Other assets in excess of liabilities</b>                             | <b>1.0%</b>                           |    | 779,777      |
| <b>Preferred shares at redemption value, including dividends payable</b> | <b>(60.2)%</b>                        |    | (46,520,704) |
| <b>Net Assets Applicable to Common Shareholders</b>                      | <b>100%</b>                           | \$ | 77,338,045   |

<sup>1</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>2</sup> Represents an investment in an affiliate.

<sup>3</sup> Represents current yield as of August 31, 2007.

<sup>4</sup> Cost for federal income tax purposes is \$120,017,671. The net unrealized appreciation on a tax basis is \$3,061,301, consisting of \$3,233,995 gross unrealized appreciation and \$172,694 gross unrealized depreciation.

The value (market value plus accrued interest) of securities that are covered by insurance, which ensures the payment of principal and interest, represent approximately 92.3% of the Trust's managed assets.

|       |       |
|-------|-------|
| AMBAC | 23.1% |
| FGIC  | 24.4% |
| FSA   | 5.8%  |
| MBIA  | 37.8% |
| Other | 1.2%  |

See Notes to Financial Statements.

## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description  | Value        |
|-------------------------------------|--|--------------|
| <b>LONG-TERM INVESTMENTS 155.9%</b> |  |              |
| <b>California 148.3%</b>            |  |              |
| \$ 5,000                            | Anaheim Pub. Fing. Auth., Recreational Fac. Impvts. Lease Abatement RB, Pub. Impvt. Proj., Ser. C, Zero Coupon, 9/01/32, FSA | \$ 1,395,650 |
| 2,000                               | Bay Area Toll Auth., Hwy. Tolls RB, Ser. F, 5.00%, 4/01/31   | 2,050,440    |
| 2,740                               | California, Misc. Tax GO, 5.00%, 6/01/37   | 2,746,083    |
| 1,175                               | City of Chula Vista, RB, San Diego Gas & Elec. Proj., 5.00%, 12/01/27, AMT   | 1,155,812    |
| 4,000                               | Edl. Facs. Auth., Univ. & Coll. Impvts. RB, Univ. of San Diego Proj., Ser. A, 5.25%, 10/01/30                                | 4,065,760    |
| 2,055                               | Eureka Union Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO, Zero Coupon, 8/01/37, MBIA                                     | 458,162      |
| 3,845                               | Foothill Eastn. Transp. Corridor Agcy., Hwy. Tolls RB, 5.75%, 1/15/40  | 3,884,296    |
| 2,000 <sup>1</sup>                  | Golden St. Tobacco Sec. Corp., Misc. Purps. Tobacco Settlement Funded RB, Ser. A-1, 6.625%, 6/01/13                          | 2,283,900    |
| 2,500 <sup>1</sup>                  | Misc. Purps. Tobacco Settlement Funded RB, Ser. B, 5.50%, 6/01/13  | 2,697,675    |
| 1,300 <sup>1</sup>                  | Misc. Purps. Tobacco Settlement Funded RB, Ser. B, 5.625%, 6/01/13   | 1,411,085    |
| 550                                 | Misc. RB, Ser. A, 5.75%, 6/01/47   | 534,067      |
| 3,270 <sup>1</sup>                  | Hlth. Facs. Fin. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Valleycare Med. Ctr. Proj., Ser. A, 5.375%, 5/01/12          | 3,508,841    |
| 3,750                               | Infrastructure & Econ. Dev. Bank, Hlth., Hosp. & Nursing Home Impvts. RB, The J. David Gladstone Proj., 5.25%, 10/01/34      | 3,783,075    |
| 3,500                               | Pub. Impvts. Misc. RB, Rand Corp. Proj., Ser. A, 5.25%, 4/01/42, AMBAC   | 3,581,305    |
| 1,745 <sup>1</sup>                  | Kaweah Delta Hlth. Care Dist., Hlth., Hosp. & Nursing Home RB, 6.00%, 8/01/12  | 1,956,354    |
| 655                                 | Lathrop Fing. Auth., Wtr. Util. Impvts. Wtr. RB, 5.90%, 6/01/27  | 654,928      |
| 1,180                               | 6.00%, 6/01/35   | 1,180,437    |
| 705                                 | Live Oak Unified Sch. Dist., Sch. Impvts. Ad Valorem Pty. Tax GO, Ser. B, Zero Coupon, 8/01/29, XLCA                         | 229,682      |
| 795                                 | Ser. B, Zero Coupon, 8/01/30, XLCA   | 244,963      |
| 830                                 | Ser. B, Zero Coupon, 8/01/31, XLCA   | 240,053      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |   |                   |
|---|---|-------------------|
| 865   | Ser. B, Zero Coupon, 8/01/32, XLCA  | 236,266           |
| 905   | Ser. B, Zero Coupon, 8/01/33, XLCA  | 233,915           |
| 945   | Ser. B, Zero Coupon, 8/01/34, XLCA  | 230,589           |
| Los Angeles Regl. Arpts. Impvt. Corp., Port, Arpt. & Marina<br>Impvts. RB, American Airlines, Inc. Proj.,                         |   |                   |
| 1,000 <sup>2</sup>  | Ser. B, 7.50%, 12/01/24, AMT  | 1,090,210         |
| 680 <sup>2</sup>  | Ser. C, 7.50%, 12/01/24, AMT  | 741,343           |
| Met. Wtr. Dist. of Southern California, Wtr. Utils. Impvt. RB,<br>Ser A, 5.00%, 7/01/37   |   |                   |
| 2,700   |   | 2,778,030         |
| Multi-Fam. Hsg. Pass-Through Certs., Local Hsg. RB,<br>San Lucas Apts. LP Proj., Ser. 5, 5.95%, 11/01/34, AMT                     |   |                   |
| 2,165 <sup>2</sup>  |   | 2,183,446         |
| Westgate Courtyard Apts. LP Proj., Ser. 3, 5.80%,<br>11/01/34, AMT  |   |                   |
| 2,350 <sup>2</sup>  |   | 2,355,006         |
| Orange Cnty. Cmnty. Facs. Dist., Pub. Impvts. ST,<br>Ladera Ranch Proj., Ser. A, 6.00%, 8/15/10                                   |   |                   |
| 2,400 <sup>1</sup>  |   | 2,584,128         |
| Palm Springs, Local Hsg. RB, Millenium Hsg. Corp. Proj.,<br>5.75%, 5/15/37  |   |                   |
| 3,000   |   | 3,011,280         |
| <b>Principal<br/>Amount<br/>(000)</b>   | <b>Description</b>  | <b>Value</b>      |
| <b>California (concluded)</b>   |   |                   |
| Poll. Ctrl. Fing. Auth.,  |   |                   |
| \$ 530  | Rec. Recovery Impvts. RB, Central Valley Wst. Svc. Proj.,<br>Ser. A-2, 5.40%, 4/01/25, AMT  | \$ 513,029        |
| 1,000 <sup>2</sup>  | Rec. Recovery Impvts. RB, Chemical Wst. Mgmt., Inc.<br>Proj., Ser. C, 5.125%, 11/01/23, AMT | 946,780           |
| 500   | Rec. Recovery RB, Republic Svcs., Inc. Proj., Ser. C,<br>5.25%, 6/01/23                     | 509,530           |
| San Francisco City & Cnty. Redev. Agcy., Pub. Impvts. ST,<br>Cmnty. Facs. Dist. No. 6, Mission Bay South Proj., 6.25%,<br>8/01/33 |   |                   |
| 2,500   |   | 2,559,175         |
| Santa Ana Unified Sch. Dist., Sch. Impvts. Ad Valorem Ppty.<br>Tax COP, Zero Coupon, 4/01/29, FSA                                 |   |                   |
| 15,000  |   | 5,005,050         |
| Santa Clara Valley Wtr. Dist., Wtr. Util. Impvts. RB, Ser. A,<br>5.125%, 6/01/10, FGIC  |   |                   |
| 2,500 <sup>1</sup>  |   | 2,599,500         |
| Statewide Cmnty. Dev. Auth., Hlth., Hosp. & Nursing<br>Home Impvts. RB,   |   |                   |
| 1,500   | Daughters of Charity Proj., Ser. A, 5.25%, 7/01/30  | 1,459,050         |
| 5,000   | Kaiser Hosp. Asset Mgmt. Proj., Ser. A, 5.50%, 11/01/32                                     | 5,084,900         |
| 3,250   | Sutter Hlth. Oblig. Grp. Proj., Ser. B, 5.625%, 8/15/42                                     | 3,366,935         |
| Torrance, Hlth., Hosp. & Nursing Home RB, Torrance Mem.<br>Med. Ctr. Proj., Ser. A, 5.50%, 6/01/31                                |   |                   |
| 1,500   |   | 1,524,270         |
|   |   | 77,075,000        |
| <b>Multi-State 7.6%</b>   |   |                   |
| 3,500 <sup>3,4</sup>  | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52                                  | 3,948,245         |
|   | <b>Total Long-Term Investments<br/>(Cost \$76,992,535)</b>                                  | <b>81,023,245</b> |

Shares  
(000)

|  |                                       |    |              |
|--|---------------------------------------|----|--------------|
| <b>MONEY MARKET FUND 0.6%</b>  |                                       |    |              |
| 336 <sup>5,6</sup>   | CMA California Mun. Money Fund, 3.43% |    |              |
|  | (Cost \$335,534)                      |    | 335,534      |
| <b>Total Investments</b>   | <b>156.5% (Cost \$77,328,069)</b>     | \$ | 81,358,779   |
| <b>Other assets in excess of liabilities</b>                                     | <b>1.2%</b>                           |    | 609,721      |
| <b>Preferred shares at redemption value, including dividends payable (57.7)%</b> |                                       |    | (29,985,266) |
| <b>Net Assets Applicable to Common Shareholders</b>                              | <b>100%</b>                           | \$ | 51,983,234   |

- 1 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 2 Variable rate security. Rate shown is interest rate as of August 31, 2007.
- 3 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 7.6% of its net assets, with a current market value of \$3,948,245, in securities restricted as to resale.
- 4 Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.
- 5 Represents an investment in an affiliate.
- 6 Represents current yield as of August 31, 2007.
- 7 Cost for federal income tax purposes is \$77,141,807. The net unrealized appreciation on a tax basis is \$4,216,972, consisting of \$4,654,769 gross unrealized appreciation and \$437,797 gross unrealized depreciation.

See Notes to Financial Statements.



## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description  | Value        |
|-------------------------------------|--|--------------|
| <b>LONG-TERM INVESTMENTS 155.9%</b> |  |              |
| <b>California 152.3%</b>            |  |              |
|                                     | Anaheim Pub. Fing. Auth., Recreational Fac. Impvts.<br>Lease Abatement RB, Pub. Impvt. Proj.,<br>Ser. C, Zero Coupon, 9/01/34, FSA | \$ 3,770,700 |
| \$ 15,000                           |  |              |
| 10,000                              | Ser. C, Zero Coupon, 9/01/36, FSA  | 2,256,600    |
|                                     | California,<br>Cash Flow Mgmt. Ad Valorem Pty. Tax GO,<br>5.50%, 11/01/33  | 8,369,120    |
| 8,000                               |  |              |
| 5,475                               | Misc. Tax GO, 5.00%, 6/01/37   | 5,487,155    |
|                                     | Chabot-Las Positas Cmnty. Coll. Dist., Univ. & Coll. Impvts.<br>Ad Valorem Pty. Tax GO, 5.00%, 8/01/31, AMBAC                      | 2,060,860    |
| 2,000                               |  |              |
| 2,690                               | City of Chula Vista, RB, San Diego Gas & Elec. Proj.,<br>5.00%, 12/01/27, AMT  | 2,646,072    |
|                                     | City of Vernon, Elec., Pwr. & Lt. Impvts. RB, Malburg<br>Generating Station Proj., 5.50%, 4/01/08                                  | 2,022,360    |
| 2,0001                              |  |              |
| 6,000                               | Cnty. of San Bernardino, Pub. Impvts. ST, 5.90%, 9/01/33   | 6,148,380    |
|                                     | Corona Norco Unified Sch. Dist., Sch. Impvts. ST, Cmnty.<br>Facs. Dist. No. 98-1 Proj., 5.10%, 9/01/32, AMBAC                      | 6,112,020    |
| 6,000                               |  |              |
| 6,0001                              | Dept. of Wtr. Recs., Elec., Pwr. & Lt. RB, Ser. A,<br>5.375%, 5/01/12  | 6,496,980    |
|                                     | Foothill Eastn. Transp. Corridor Agcy., Hwy. Impvts. Tolls RB,<br>Zero Coupon, 1/15/30   | 1,770,924    |
| 6,550                               |  |              |
| 15,4702                             | Ser. A, Zero Coupon, 1/01/26   | 6,425,929    |
| 4,8902                              | Ser. A, Zero Coupon, 1/01/30   | 1,644,311    |
|                                     | Golden St. Tobacco Sec. Corp., Misc. Purps. Tobacco<br>Settlement Funded RB,<br>Ser. A-1, 6.625%, 6/01/13                          | 3,311,655    |
| 2,9001                              |  |              |
| 9,0001                              | Ser. A-1, 6.75%, 6/01/13   | 10,335,060   |
|                                     | Ser. B, 5.50%, 6/01/13   | 6,096,745    |
| 5,6501                              |  |              |
| 3,0001                              | Ser. B, 5.625%, 6/01/13  | 3,256,350    |
|                                     | Infrastructure & Econ. Dev. Bank,<br>Hlth., Hosp. & Nursing Home Impvts. RB, Kaiser Asst.<br>Corp. Proj., Ser. A, 5.55%, 8/01/31   | 1,774,194    |
| 1,735                               |  |              |
| 2,500                               | Pub. Impvts. Misc. RB, Rand Corp. Proj., Ser. A,<br>5.25%, 4/01/42, AMBAC  | 2,558,075    |
|                                     | La Quinta Redev. Agcy., Pub. Impvts. TA, Redev. Area No. 1<br>Proj., 5.125%, 9/01/32, AMBAC  | 5,132,400    |
| 5,000                               |  |              |
| 5,500                               |  | 5,576,890    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|        |   |           |
|--------|---|-----------|
|        | Los Angeles Dept. of Wtr. & Pwr., Wtr. Util. Impvts RB,<br>Ser. A, 5.125%, 7/01/41, FGIC  |           |
| 1,7853 | Los Angeles Regl. Arpts. Impvt. Corp., Port, Arpt. & Marina<br>Impvts. RB, American Airlines, Inc. Proj., Ser. C, 7.50%,<br>12/01/24, AMT | 1,946,025 |
| 5,000  | Los Angeles Unified Sch. Dist., Ad Valorem Ppty. Tax GO,<br>Ser. A-1, 4.50%, 1/01/28, MBIA  | 4,806,300 |
| 4,400  | Met. Wtr. Dist. of Southern California, Wtr. Util. Impvts. RB,<br>Ser A, 5.00%, 7/01/37   | 4,527,160 |
| 3,500  | Mobilehome Pk. Fing. Auth., St. Sngl. Fam. Hsg. RB,<br>Millenium Hsg. Corp. Proj., Ser. A, 5.25%, 3/15/34, ACA                            | 3,354,960 |
|        | Oxnard, Pub. Impvt. SA, 1 Rice Ave. Proj.,  |           |
| 1,905  | 5.625%, 9/02/27   | 1,918,602 |
| 1,900  | 5.70%, 9/02/32  | 1,915,257 |

**Principal  
Amount  
(000)**

**Description**

**Value**

**California (concluded)**

|    |        |   |    |           |
|----|--------|---|----|-----------|
| \$ | 1,180  | Poll. Ctrl. Fing. Auth., Rec. Recovery Impvts. RB,<br>Central Valley Wst. Svc. Proj., Ser. A-2, 5.40%,<br>4/01/25, AMT            | \$ | 1,142,216 |
|    | 3,0003 | Chemical Wst. Mgmt., Inc. Proj., Ser. C, 5.125%,<br>11/01/23, AMT   |    | 2,840,340 |
|    |        | Poway Unified Sch. Dist., Pub. Impvts. ST, Cmnty. Facs.<br>Dist. No. 6 Proj.,   |    |           |
|    | 1,500  | 5.50%, 9/01/25  |    | 1,506,405 |
|    | 1,700  | 5.60%, 9/01/33  |    | 1,710,149 |
|    | 2,470  | Rohnert Pk. Fing. Auth., Local Hsg. RB, Millenium Hsg.<br>Corp. Proj., Ser. A, 5.625%, 9/15/28                                    |    | 2,496,355 |
|    | 2,400  | Sacramento Cnty. San. Dist. Fing. Auth., Swr. Impvts. RB,<br>Sacramento Regl. Cnty. San. Proj., 5.00%, 12/01/36, FGIC             |    | 2,468,352 |
|    |        | San Diego Unified Sch. Dist.,   |    |           |
|    | 2,000  | Ad Valorem Ppty. Tax GO, Ser. F-1, 4.50%, 7/01/29, FSA  |    | 1,914,040 |
|    | 8,665  | Sch. Impvts. Ad Valorem Ppty. Tax GO, Ser. D, 5.25%,<br>7/01/23, FGIC   |    | 9,298,671 |
|    | 5,000  | San Francisco City & Cnty. Redev. Agcy., Pub. Impvts. ST,<br>Cmnty. Facs. Dist. No. 6, Mission Bay South Proj.,<br>6.25%, 8/01/33 |    | 5,118,350 |
|    | 30,000 | San Joaquin Hills Transp. Corridor Agcy., Hwy. Tolls RB,<br>Ser. A, Zero Coupon, 1/15/34, MBIA                                    |    | 7,990,200 |
|    |        | Santa Clarita, Cmnty. Facs. Dist. ST, Valencia Town Ctr. Proj.,   |    |           |
|    | 1,640  | 5.80%, 11/15/25   |    | 1,664,813 |
|    | 1,500  | 5.85%, 11/15/32   |    | 1,522,665 |
|    | 2,685  | Santa Rosa Wstwr., Swr. Impvts. RB, Ser. B, Zero Coupon,<br>9/01/25, AMBAC  |    | 1,101,843 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |  |             |
|--------------------|--|-------------|
| 2,200              | South Tahoe, Joint Pwr. Fin. Auth. TA, South Tahoe Redev. Proj.,<br>5.45%, 10/01/33                              | 2,213,464   |
|                    | Statewide Cmnty. Dev. Auth., Hlth., Hosp. & Nursing Home<br>Impvts. RB,  |             |
| 5,000              | Kaiser Hosp. Asset Mgmt. Proj., Ser. A, 5.50%, 11/01/32  | 5,084,900   |
| 7,000              | Mem. Hlth. Svcs. Proj., Ser. A, 5.50%, 10/01/33  | 7,124,040   |
| 8,000              | Sutter Hlth. Oblig. Corp. Proj., Ser. B, 5.50%, 8/15/34  | 8,265,520   |
| 1,6001             | Tobacco Sec. Auth. of Southern California, Misc. Purps.<br>Tobacco Settlement Funded RB, Ser. A, 5.625%, 6/01/12 | 1,738,160   |
| 2,000              | Tustin Unified Sch. Dist., Sch. Impvts. ST, Cmnty. Facs.<br>Dist. 97-1 Proj., Ser. B, 5.60%, 9/01/29             | 2,011,920   |
| 2,000              | Univ. of California, Coll. & Univ. RB, Ser. A, 5.00%,<br>5/15/33, AMBAC  | 2,021,600   |
| 1,170              | Val Verde Unified Sch. Dist., ST, 6.25%, 10/01/28  | 1,231,250   |
|                    |  | 182,186,337 |
| <b>Multi-State</b> | <b>3.6%</b>  |             |
|                    | Charter Mac Equity Issuer Trust,   | 529,485     |
| 5004,5             | Ser. A-4-1, 5.75%, 4/30/15   | 1,071,710   |
| 1,0004,5           | Ser. A-4-2, 6.00%, 4/30/19   | 1,577,385   |
| 1,5004,5           | Ser. B-3-1, 6.00%, 4/30/15   | 1,067,010   |
| 1,0004,5           | Ser. B-3-2, 6.30%, 4/30/19   | 4,245,590   |
|                    | <b>Total Long-Term Investments</b><br><b>(Cost \$176,478,890)</b>  | 186,431,927 |

See Notes to Financial Statements.

**Portfolio of  
Investments** as of August  
31, 2007

**BlackRock California Municipal Income Trust II (BCL) (concluded)**  
(Percentages shown are based on Net Assets)

| Principal Amount (000)             | Description   | Value          |
|------------------------------------|---|----------------|
| <b>SHORT-TERM INVESTMENTS 3.1%</b> |   |                |
| <b>California 3.1%</b>             |   |                |
|                                    | Hsg. Fin. Agcy.,  |                |
| \$ 2,5106                          | Local or Gtd. Hsg. RB, Home Mtg. Proj., Ser. N, 3.95%, 9/04/07, FRDD                | \$ 2,510,000   |
| 1,2506                             | Sngl. Fam. Local Hsg. RB, Home Mtg. Proj., Ser. F, 3.95%, 9/04/07, AMBAC, FRDD, AMT | 1,250,000      |
|                                    |   | 3,760,000      |
| <b>Shares</b>                      |   |                |
| <b>Money Market Fund 0.0%</b>      |   |                |
| 2377,8                             | CMA California Mun. Money Fund, 3.43%   | 237            |
|                                    | <b>Total Short-Term Investments (Cost \$3,760,237)</b>                              | 3,760,237      |
|                                    | <b>Total Investments 159.0% (Cost \$180,239,127)</b>                                | \$ 190,192,164 |
|                                    | <b>Other assets in excess of liabilities 1.2%</b>                                   | 1,375,276      |
|                                    | <b>Preferred shares at redemption value, including dividends payable (60.2)%</b>    | (71,964,487)   |
|                                    | <b>Net Assets Applicable to Common Shareholders 100%</b>                            | \$ 119,602,953 |

- 1 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 2 Security is collateralized by municipal or U.S. Treasury obligations.
- 3 Variable rate security. Rate shown is interest rate as of August 31, 2007.
- 4 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 3.6% of its net assets, with a current market value of \$4,245,590, in securities restricted as to resale.
- 5 Securities represent a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. Although they are not subject to mandatory redemption, each series is subject to remarketing on their respective stated maturity date.
- 6 For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of August 31, 2007.
- 7 Represents an investment in an affiliate.
- 8 Represents current yield as of August 31, 2007.
- 9 Cost for federal income tax purposes is \$180,044,771. The net unrealized appreciation on a tax basis is \$10,147,393, consisting of \$10,617,921 gross unrealized appreciation and \$470,528 gross unrealized depreciation.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

29

---

## Portfolio of Investments as of

August 31, 2007

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

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 154.9%</b> |   |              |
| <b>Florida 154.9%</b>               |   |              |
|                                     | Brd. of Ed.,  |              |
| \$ 9,000                            | Sch. Impvts. Misc. Tax GO, Ser. A, 5.00%, 6/01/27, FSA                        | \$ 9,165,780 |
| 8,640                               | Sch. Impvts. Misc. RB, Ser. C, 5.00%, 1/01/22, MBIA                           | 8,894,448    |
| 8,6951                              | City of Gainesville, Mult. Util. Impvts. RB, Ser. A, 5.00%, 10/01/13, FSA     | 9,256,697    |
|                                     | City of Jacksonville,   |              |
| 9,500                               | Pub. Impvts. Sales Tax RB, 5.00%, 10/01/27, MBIA                              | 9,684,110    |
| 9,500                               | Pub. Impvts. Sales Tax RB, 5.00%, 10/01/31, MBIA                              | 9,586,830    |
| 8,000                               | Pub. Impvts. Sales Tax RB, Ser. B, 5.00%, 10/01/26, AMBAC                     | 8,128,800    |
| 2,865                               | Recreational Fac. Impvts. RB, Ser. A, 5.00%, 10/01/30, AMBAC                  | 2,899,466    |
|                                     | City of Palm Bay, Wtr. Util. Impvts. Wtr. RB,                                 |              |
| 4,015                               | Zero Coupon, 10/01/28, FGIC   | 1,392,282    |
| 5,570                               | Zero Coupon, 10/01/31, FGIC   | 1,639,084    |
|                                     | Cnty. of Miami-Dade,  |              |
| 10,000                              | Recreational Fac. Impvts. Misc. RB, Ser. A, Zero Coupon, 10/01/39, MBIA       | 1,820,900    |
| 10,000                              | Recreational Fac. Impvts. Misc. RB, Ser. A, Zero Coupon, 10/01/40, MBIA       | 1,726,700    |
| 26,935                              | Recreational Fac. Impvts. Misc. Taxes RB, Ser. B, Zero Coupon, 10/01/31, MBIA | 7,342,481    |
|                                     | Cnty. of Orange,  |              |
| 1,600                               | Misc. Tax RB, 5.00%, 10/01/29, AMBAC  | 1,634,064    |
| 9,2501                              | Recreational Fac. Impvts. Misc. RB, 5.125%, 4/01/12, AMBAC                    | 9,804,722    |
| 7,975                               | Sales Tax RB, Ser. B, 5.125%, 1/01/32, FGIC                                   | 8,102,680    |
| 9,500                               | Cnty. of Pinellas, Swr. Impvts. RB, 5.00%, 10/01/32, FSA                      | 9,618,845    |
| 5,000                               | Cnty. of Polk, Wtr. Util. Impvts. Wtr. RB, 5.00%, 10/01/29, FGIC              | 5,078,350    |
| 2,945                               | Cnty. of Sarasota, Wtr. RB, Ser. C, 5.25%, 10/01/22, FGIC                     | 3,089,187    |
| 1,500                               | Collier Cnty. Sch. Brd., Sch. Impvts. Lease Renewal COP, 5.00%, 2/15/27, FSA  | 1,534,005    |
| 3,785                               | Colonial Cntry. Club Cmnty. Dev. Dist., Econ. Impvts. SA, 6.40%, 5/01/33      | 3,919,292    |
| 1,415                               | Dept. of Transp., Fuel Sales Tax GO, 5.00%, 7/01/25, MBIA                     | 1,447,220    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|        |   |           |
|--------|---|-----------|
| 7,000  | 5.00%, 7/01/27, FSA   | 7,130,620 |
|        | Highlands Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Adventist Hlth. Sys./Sunbelt Proj.,                            |           |
| 8,5001 | Ser. A, 6.00%, 11/15/11   | 9,306,395 |
| 1,500  | Ser. C, 5.25%, 11/15/36   | 1,495,425 |
| 7,580  | Hillsborough Cnty. Sch. Brd., Lease Renewal COP, Ser. A, 5.00%, 7/01/25, MBIA   | 7,665,199 |
| 1,000  | Jacksonville Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Southern Baptist Hosp. Proj., Ser. A, 5.00%, 8/15/37, FSA | 1,007,000 |
| 2,000  | JEA, Wtr. Util. Impvts. Wtr. RB, Ser. A, 4.75%, 10/01/41, MBIA  | 1,941,420 |
| 1,480  | Julington Creek Plantation Cmnty., Dev. Dist. SA, 5.00%, 5/01/29, MBIA  | 1,501,031 |
| 9,000  | Lake Cnty. Sch. Brd., Sch. Impvts. Lease Renewal COP, Ser. A, 5.00%, 7/01/28, AMBAC   | 9,071,820 |
| 1,3352 | Orange Cnty. Edl. Facs Auth., Univ. & Coll. Impvts. RB, Rollins Coll. Proj., 5.25%, 12/01/27, AMBAC                               | 1,396,290 |
| 1,000  | Orange Cnty. Sch. Brd., Sch. Impvts. Lease Approp. COP, Ser. A, 5.00%, 8/01/32, FGIC  | 1,015,120 |

| Principal Amount (000)     | Description   | Value        |
|----------------------------|---|--------------|
| <b>Florida (concluded)</b> |   |              |
| \$ 2,000                   | Sch. Impvts. Lease Renewal COP, Ser. A, 5.00%, 8/01/27, MBIA  | \$ 2,022,480 |
| 9,200                      | Palm Beach Cnty. Sch. Brd., Lease Renewal COP, Ser. D, 5.00%, 8/01/28, FSA  | 9,307,456    |
| 5,815                      | Pasco Cnty. Sch. Brd., Sch. Impvts. Lease Renewal RB, Ser. A, 5.00%, 8/01/27, FGIC                                      | 5,933,277    |
| 5,0001                     | Pinellas Cnty. Hlth. Fac. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Baycare Hlth. Sys., Inc. Proj., 5.50%, 5/15/13 | 5,416,000    |
| 8251                       | Port St. Lucie, Swr. Impvts. Mult. Util. RB, 5.125%, 9/01/11, MBIA  | 868,560      |
| 950                        | South Florida Wtr. Mgmt. Dist., Wtr. Util. Impvts. Lease Approp. COP, 5.00%, 10/01/36, AMBAC                            | 961,723      |
| 1,000                      | Tohopekaliga Wtr. Auth., Wtr. Util. Impvts. Wtr. RB, Ser. B, 5.00%, 10/01/23, FSA                                       | 1,027,380    |
| 1,600                      | Univ. of North Florida Fing. Corp., Univ. & Coll. Impvts. Lease RB, Hsg. Proj., 5.00%, 11/01/32, FGIC                   | 1,630,816    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |   |             |
|---|---|-------------|
| 3,745   | Vlg. Cmnty. Dev. Dist. No. 5, Pub. Impvts. SA, Ser. A,<br>6.50%, 5/01/33                    | 3,995,690   |
| 10,000  | Vlg. Ctr. Cmnty. Dev. Dist., Recreational Fac. Impvts. RB,<br>Ser. A, 5.00%, 11/01/32, MBIA | 10,138,800  |
| <b>Total Long-Term Investments<br/>(Cost \$194,583,484)</b> |   | 198,598,445 |

**Shares  
(000)**

**MONEY MARKET FUND 3.9%**

|          |  |           |
|----------|--|-----------|
| 5,0693,4 | CMA Florida Mun. Money Fund, 3.47%<br>(Cost \$5,069,378) | 5,069,378 |
|----------|--|-----------|

|  |                                    |                       |
|--|------------------------------------|-----------------------|
| <b>Total Investments</b>   | <b>158.8% (Cost \$199,652,862)</b> | <b>\$ 203,667,823</b> |
| <b>Other assets in excess of liabilities</b>                             | <b>0.5%</b>                        | <b>579,876</b>        |
| <b>Preferred shares at redemption value, including dividends payable</b> | <b>(59.3)%</b>                     | <b>(76,032,902)</b>   |
| <b>Net Assets Applicable to Common Shareholders</b>                      | <b>100%</b>                        | <b>\$ 128,214,797</b> |

- 1 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 2 When-issued security.
- 3 Represents an investment in an affiliate.
- 4 Represents current yield as of August 31, 2007.
- 5 Cost for federal income tax purposes is \$199,652,845. The net unrealized appreciation on a tax basis is \$4,014,978, consisting of \$4,266,774 gross unrealized appreciation and \$251,796 gross unrealized depreciation.

The value (market value plus accrued interest) of securities that are covered by insurance, which ensures the payment of principal and interest, represent approximately 89.0% of the Trust's managed assets.

|       |       |
|-------|-------|
| AMBAC | 16.9% |
| FGIC  | 13.8% |
| FSA   | 23.8% |
| MBIA  | 32.0% |
| Other | 2.5%  |

See Notes to Financial Statements.



**Portfolio of Investments** as of August 31,  
2007

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

| Principal Amount (000)              | Description  | Value      |
|-------------------------------------|--|------------|
| <b>LONG-TERM INVESTMENTS 155.2%</b> |  |            |
| <b>Florida 143.3%</b>               |  |            |
| \$ 1,000                            | Boynton Beach, Local Hsg. RB, C/HP Cove, Inc. Proj., 5.30%, 1/01/23, ACA   | \$ 994,740 |
| 3,000 <sup>1</sup>                  | City of Lakeland, Hlth., Hosp. & Nursing Home RB, Lakeland Regl. Hlth. Sys. Proj., 5.50%, 11/15/12                             | 3,269,250  |
| 3,630                               | City of Palm Bay, Wtr. Util. Impvts. Wtr. RB, Zero Coupon, 10/01/28, FGIC  | 1,258,775  |
| 1,250 <sup>1</sup>                  | Cnty. of Bay, Pub. Impvts. Sales Tax RB, 5.125%, 9/01/12, AMBAC  | 1,331,225  |
| 865                                 | Cnty. of Madison, Correctional Fac. Impvts. RB, Twin Oaks Juvenile Dev. Proj., Ser. A, 6.00%, 7/01/25                          | 873,356    |
| 5,500                               | Cnty. of Miami-Dade, Misc. Tax RB, Ser. A, Zero Coupon, 10/01/26, MBIA   | 1,993,640  |
| 10,000                              | Recreational Fac. Impvts. Misc. Taxes RB, Ser. B, Zero Coupon, 10/01/30, MBIA  | 2,882,500  |
| 5,410                               | Recreational Fac. Impvts. Misc. Taxes RB, Ser. B, Zero Coupon, 10/01/32, MBIA  | 1,391,452  |
| 3,350 <sup>1</sup>                  | Cnty. of Orange, Recreational Fac. Impvts. Misc. RB, 5.125%, 4/01/12, AMBAC  | 3,550,900  |
| 3,105                               | Cnty. of Osceola, Recreational Fac. Impvts. RB, Ser. A, 5.00%, 10/01/32, FGIC  | 3,138,596  |
| 1,000                               | Collier Cnty. Sch. Brd., Sch. Impvts. Lease Renewal COP, 5.00%, 2/15/27, FSA   | 1,022,670  |
| 1,605                               | Colonial Cntry. Club Cmnty. Dev. Dist., Econ. Impvts. SA, 6.40%, 5/01/33   | 1,661,946  |
| 35                                  | Gateway Svcs. Cmnty. Dev. Dist., Pub. Impvts. SA, Stonybrook Proj., 5.50%, 7/01/08   | 35,055     |
| 2,100                               | Greater Orlando Aviation Auth., Port, Arpt. & Marina RB, Orlando Arpt. Facs. Proj., Ser. A, 5.125%, 10/01/32, FSA              | 2,126,880  |
| 1,000                               | Halifax Hosp. Med. Ctr., Hlth., Hosp. & Nursing Home RB, Ser. A, 5.25%, 6/01/26  | 981,210    |
| 4,900 <sup>1</sup>                  | Highlands Cnty. Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home RB, Adventist Hlth. Sys./Sunbelt Proj., Ser. A, 6.00%, 11/15/11 | 5,364,863  |
| 1,000                               | Ser. C, 5.25%, 11/15/36  | 996,950    |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |   |           |
|--------------------|---|-----------|
| 1,810              | Hillsborough Cnty. Incl. Dev. Auth., Elec., Pwr. & Lt. RB,<br>Tampa Elec. Co. Proj., 5.50%, 10/01/23                                    | 1,830,670 |
| 3,500              | Jacksonville Econ. Dev. Comm., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Mayo Clinic Jacksonville Proj., Ser. B,<br>5.50%, 11/15/36    | 3,612,105 |
| 1,390              | Jacksonville Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home<br>Impvts. RB, Southern Baptist Hosp. Proj., Ser. A, 5.00%,<br>8/15/37, FSA | 1,399,730 |
| 2,000 <sup>1</sup> | JEA, Elec., Pwr. & Lt. Impvts. RB, Ser. A, 5.50%, 10/01/07  | 2,002,740 |
| 1,000              | Lee Cnty. Incl. Dev. Auth., Hlth., Hosp. & Nursing Home RB,<br>Shell Point/Alliance Oblig. Grp. Proj., 5.125%, 11/15/36                 | 905,440   |
| 750                | Lee Mem. Hlth. Sys., Hosp., Hlth., Hosp. & Nursing Home<br>Impvts. RB, Ser. A, 5.00%, 4/01/32, AMBAC                                    | 756,795   |
| 1,500              | Miami Beach Hlth. Facs. Auth., Hlth., Hosp. & Nursing Home<br>Impvts. RB, Mt. Sinai Med. Ctr. Proj., 6.75%, 11/15/21                    | 1,631,520 |
| 3,150              | Mun. Loan Council, Ad Valorem Ppty. Tax RB, Ser. A,<br>5.125%, 5/01/32, MBIA  | 3,203,172 |
| 750                | New River Cmnty. Dev. Dist., Pub. Impvts. SA, Ser. B,<br>5.00%, 5/01/13   | 719,565   |
| 1,000 <sup>2</sup> | Orange Cnty. Edl. Facs. Auth., Univ. & Coll. Impvts. RB,<br>Rollins Coll. Proj., 5.25%, 12/01/37, AMBAC                                 | 1,038,480 |

| Principal<br>Amount<br>(000) | Description   | Value        |
|------------------------------|---|--------------|
| <b>Florida (concluded)</b>   |   |              |
| \$ 5,000 <sup>1</sup>        | Orange Cnty. Hlth. Facs. Auth.,<br>Hlth., Hosp. & Nursing Home Impvts. RB, Orlando Regl.<br>Healthcare Proj., 5.75%, 12/01/12 | \$ 5,464,750 |
| 340                          | Misc. RB, Orlando Lutheran Towers Proj., 5.375%, 7/01/20  | 328,511      |
| 305                          | Misc. RB, Orlando Lutheran Towers Proj., 5.70%, 7/01/26   | 299,111      |
| 1,000                        | Orange Cnty. Sch. Brd., Sch. Impvts. Lease COP, Ser. A,<br>5.00%, 8/01/32, FGIC   | 1,015,120    |
| 3,000 <sup>1</sup>           | Palm Beach Cnty. Sch. Brd., Sch. Impvts. Lease Approp.<br>COP, Ser. C, 5.00%, 8/01/12, FSA                                    | 3,165,480    |
| 1,500 <sup>1</sup>           | Port St. Lucie, Swr. Impvts. Mult. Util. RB, 5.125%, 9/01/11, MBIA  | 1,579,200    |
| 1<br>2,000                   | South Broward Hosp. Dist., Hlth., Hosp. & Nursing Home<br>Impvts. RB, 5.60%, 5/01/12  | 2,175,560    |
| 1,560                        | Stevens Plantation Impvt. Proj. Dependent Spl. Dist., Pub.<br>Impvts. Misc. RB, 6.375%, 5/01/13                               | 1,583,930    |
| 2,700                        |   | 2,745,225    |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|  |  |            |
|--|--|------------|
| Sumter Cnty. Incl. Dev. Auth., Incl. Impvts. RB, North<br>Sumter Util. Co. LLC Proj., 6.80%, 10/01/32, AMT |  |            |
| 1,000  | Univ. of North Florida Fing. Corp., Univ. & Coll. Impvts.<br>Lease RB, Hsg. Proj., 5.00%, 11/01/32, FGIC             | 1,019,260  |
| 1,430  | Vlg. Cmnty. Dev. Dist. No. 5, Pub. Impvts. SA, Ser. A,<br>6.50%, 5/01/33   | 1,525,724  |
| 1,250  | Volusia Cnty. Edl. Fac. Auth., Univ. & Coll. Impvts. RB,<br>Embry-Riddle Aeronautical Proj.,<br>5.20%, 10/15/26, RAA | 1,220,625  |
| 1,610  | 5.20%, 10/15/33, RAA   | 1,532,237  |
|  |  | 73,628,958 |
| <b>Multi-State 6.6%</b>  |  |            |
| 3,000 <sup>3,4</sup>   | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52   | 3,384,210  |
| <b>Puerto Rico 5.3%</b>  |  |            |
| 2,565 <sup>1</sup>   | Pub. Bldgs. Auth., Pub. Impvts. Lease RB, Ser. D, 5.25%, 7/01/12   | 2,726,518  |
| <b>Total Long-Term Investments<br/>(Cost \$75,611,249)</b>   |  | 79,739,686 |

### Shares (000)

|  |  |               |
|--|--|---------------|
| <b>MONEY MARKET FUND 3.0%</b>  |  |               |
| 1,520 <sup>5,6</sup>   | CMA Florida Mun. Money Fund, 3.47%<br>(Cost \$1,519,954) | 1,519,954     |
| <b>Total Investments 158.2% (cost \$77,131,203)</b>                              |  | \$ 81,259,640 |
| <b>Liabilities in excess of other assets (0.2)%</b>                              |  | (94,460)      |
| <b>Preferred shares at redemption value, including dividends payable (58.0)%</b> |  | (29,781,527)  |
| <b>Net Assets Applicable to Common Shareholders 100%</b>                         |  | \$ 51,383,653 |

- 1 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 2 When-issued security.
- 3 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 6.6% of its net assets, with a current market value of \$3,384,210, in securities restricted as to resale.
- 4 Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.
- 5 Represents an investment in an affiliate.
- 6 Represents current yield as of August 31, 2007.
- 7 Cost for federal income tax purposes is \$76,918,088. The net unrealized appreciation on a tax basis is \$4,341,552, consisting of \$4,706,571 gross unrealized appreciation and \$365,019 gross unrealized depreciation.

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

31

---

## Portfolio of Investments as of August 31, 2007

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

| Principal Amount (000)              | Description   | Value      |
|-------------------------------------|---|------------|
| <b>LONG-TERM INVESTMENTS 157.2%</b> |   |            |
| <b>Maryland 133.3%</b>              |   |            |
| \$ 500                              | Annapolis, Pkg. Fac. Impvts. Tax Incr./Alloc. RB, Pk. Place Proj., Ser. A, 5.35%, 7/01/34           | \$ 469,530 |
| 2,870                               | Anne Arundel Cnty., Univ. & Coll. Impvts. RB, Anne Arundel Cmnty. Coll. Proj., 5.25%, 9/01/28       | 2,923,813  |
| 1,000                               | City of Baltimore, Pub. Impvts. Tax Incr./Alloc. ST, Harborview Lot No. 2 Proj., 6.50%, 7/01/31     | 1,040,640  |
| 500                                 | Recreational Fac. Impvts. Misc. RB, Baltimore Hotel Corp. Proj., Ser. A, 5.25%, 9/01/39, XLCA       | 515,920    |
| 2,000                               | Swr. RB, Wstwtr. Proj., Ser. A, 5.125%, 7/01/42, FGIC   | 2,022,360  |
| 3,500                               | Swr. RB, Wstwtr. Proj., Ser. A, 5.20%, 7/01/32, FGIC  | 3,591,630  |
| 1,000                               | Cmnty. Dev. Admin., St. Sngl.-Fam. Hsg. RB, Ser. D, 4.85%, 9/01/37, AMT                             | 934,620    |
| 2,000                               | Cnty. of Baltimore, Ad Valorem Ppty. Tax GO, Met. 67th Dist., 5.00%, 6/01/22                        | 2,057,920  |
| 1,000                               | Hlth., Hosp. & Nursing Home RB, Oak Crest Vlg. Proj., Ser. A, 5.00%, 1/01/37                        | 934,410    |
| 2,000                               | SA GO, Met. 68th Dist., 5.00%, 8/01/28  | 2,027,740  |
| 500                                 | Cnty. of Howard, Hlth., Hosp. & Nursing Home RB, Vantage House Fac. Proj., Ser. A, 5.25%, 4/01/33   | 455,495    |
| 500                                 | Cnty. of Montgomery, Trans. Impvts. Lease Abatement RB, Metrorail Garage Proj., 5.00%, 6/01/23      | 510,980    |
| 1,435                               | 5.00%, 6/01/24  | 1,464,044  |
| 1,500                               | Cnty. of Prince Georges, Port, Arpt. & Marina Impvts. ST SO, 5.20%, 7/01/34                         | 1,359,300  |
| 1,000                               | Frederick Cnty., Pub. Impvts. ST, Urbana Cmnty. Dev. Auth. Proj., 6.625%, 7/01/25                   | 1,016,310  |
| 2,000                               | Hlth. & Higher Ed. Facs. Auth., Coll. & Univ. RB, Johns Hopkins Univ. Proj., Ser. B, 5.00%, 7/01/41 | 2,013,720  |
| 1,990                               | Hlth., Hosp. & Nursing Home Impvts. RB, Carroll Cnty. Gen. Hosp. Proj., 6.00%, 7/01/37              | 2,043,432  |
| 2,000                               | Hlth., Hosp. & Nursing Home Impvts. RB, Union Hosp. of Cecil Cnty. Proj., 5.625%, 7/01/32           | 2,036,620  |
| 2,000                               | Hlth., Hosp. & Nursing Home Impvts. RB, Univ. of Maryland Med. Sys. Proj., 5.25%, 7/01/34           | 1,999,840  |
| 2,000                               | Pub. Impvts. Misc. RB, Brd. of Child Care Proj., 5.375%, 7/01/32                                    | 2,000,260  |
| 2,000                               | Univ. & Coll. Impvts. RB, Loyola Coll. Issue Proj., 5.00%, 10/01/39                                 | 1,959,200  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |   |           |
|-------|---|-----------|
| 1,000 | Incl. Dev. Fin. Auth.,<br>Private Primary Sch. RB, Our Lady of Good Counsel Sch.<br>Proj., Ser. A, 6.00%, 5/01/35         | 1,016,470 |
| 1,905 | Recreational Fac. Impvts. RB, Nat. Aquarium Baltimore<br>Fac. Proj., Ser. B, 5.20%, 11/01/26                              | 1,936,756 |
| 1,000 | St. Mary's Coll. of Maryland, Univ. & Coll. Impvts. RB,<br>Academic & Auxil. Fees Proj.,<br>Ser. A, 5.00%, 9/01/27, AMBAC | 1,019,190 |
| 1,000 | Ser. A, 5.00%, 9/01/32, AMBAC   | 1,012,400 |

| Principal Amount (000)      | Description   | Value             |
|-----------------------------|---|-------------------|
| <b>Maryland (concluded)</b> |   |                   |
| \$ 2,000                    | Transp. Auth., Port, Arpt. & Marina Impvts. Auto Pkg. RB,<br>Baltimore/Washington Intl. Arpt. Proj., Ser. B, 5.125%,<br>3/01/24, AMBAC, AMT | \$ 2,030,360      |
|                             |   | 40,392,960        |
| <b>Multi-State 7.4%</b>     |   |                   |
| 2,000 <sup>1,2</sup>        | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | 2,256,140         |
| <b>Puerto Rico 16.5%</b>    |   |                   |
| 1,500                       | Children's Trust Fund, Tobacco Settlement Funded RB,<br>5.50%, 5/15/39  | 1,447,575         |
| 1,250 <sup>3</sup>          | Elec. Pwr. Auth., Elec., Pwr. & Lt. Impvts. RB, Ser. HH,<br>5.25%, 7/01/10, FSA   | 1,316,325         |
| 1,750 <sup>3</sup>          | Hwy. & Transp. Auth., Hwy. Impvts. Hwy. Tolls RB, Ser. D,<br>5.25%, 7/01/12   | 1,867,355         |
| 350                         | Pub. Bldgs. Auth., Pub. Impvts. Lease RB, Gov't. Facs. Proj.,<br>Ser. D, 5.375%, 7/01/33  | 357,808           |
|                             |   | 4,989,063         |
|                             | <b>Total Long-Term Investments<br/>(Cost \$46,502,691)</b>  | <b>47,638,163</b> |

Shares (000)

|  |  |                      |
|--|--|----------------------|
| <b>MONEY MARKET FUND 0.7%</b>  |  |                      |
| 200 <sup>4,5</sup>   | Merrill Lynch Institutional Tax-Exempt Fund, 3.75%<br>(Cost \$200,000) | 200,000              |
| <b>Total Investments</b>   | <b>157.9% (Cost \$46,702,691)</b>                                      | <b>\$ 47,838,163</b> |
| <b>Other assets in excess of liabilities</b>                                     | <b>1.5%</b>  | <b>465,822</b>       |
| <b>Preferred shares at redemption value, including dividends payable (59.4)%</b> |  | <b>(18,001,924)</b>  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

**Net Assets Applicable to Common Shareholders 100%** \$ 30,302,061

- 1 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 7.4% of its net assets, with a current market value of \$2,256,140, in securities restricted as to resale.
- 2 Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.
- 3 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 4 Represents an investment in an affiliate.
- 5 Represents current yield as of August 31, 2007.
- 6 Cost for federal income tax purposes is \$46,594,657. The net unrealized appreciation on a tax basis is \$1,243,506, consisting of \$1,633,188 gross unrealized appreciation and \$389,682 gross unrealized depreciation.

See Notes to Financial Statements.

32 ANNUAL REPORT

AUGUST 31, 2007

---

**Portfolio of Investments** as of August 31,  
2007

**BlackRock New Jersey Municipal Bond Trust (BLJ)**  
(Percentages shown are based on Net Assets)

| Principal<br>Amount<br>(000)        | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 153.3%</b> |   |              |
| <b>Multi-State 6.4%</b>             |   |              |
| \$ 2,000 <sup>1,2</sup>             | Charter Mac Equity Issuer Trust, Ser. B-2,<br>7.20%, 10/31/52                           | \$ 2,256,140 |
| <b>New Jersey 131.8%</b>            |   |              |
|                                     | City of Vineland, Elec., Pwr. & Lt. Impvts. Ad Valorem<br>Ppty. Tax GO,                 |              |
| 1,000                               | 5.30%, 5/15/29, MBIA, AMT   | 1,020,730    |
| 1,500                               | 5.375%, 5/15/32, MBIA, AMT  | 1,533,750    |
|                                     | Econ. Dev. Auth.,   |              |
| 2,000                               | Econ. Impvts. Misc. RB, Cigarette Tax Proj., 5.75%, 6/15/34                             | 2,078,280    |
| 150                                 | Hlth., Hosp. & Nursing Home Impvts. RB, Lions Gate Proj.,<br>Ser. A, 5.75%, 1/01/25     | 148,850      |
| 265                                 | Hlth., Hosp. & Nursing Home Impvts. RB, Lions Gate Proj.,<br>Ser. A, 5.875%, 1/01/37    | 258,963      |
| 2,500                               | Hlth., Hosp. & Nursing Home RB, Winchester Gardens<br>Proj., Ser. A, 5.80%, 11/01/31    | 2,521,050    |
| 470                                 | Hlth., Hosp. & Nursing Home RB, Seabrook Vlg., Inc. Proj.,<br>5.25%, 11/15/36           | 428,259      |
| 2,000                               | Local Hsg. RB, Fellowship Vlg. Proj., Ser. A, 5.50%, 1/01/25                            | 1,999,840    |
| 1,700                               | Local Hsg. RB, Victoria Hlth. Corp. Proj., Ser. A, 5.20%,<br>12/20/36                   | 1,742,398    |
| 2,335 <sup>3</sup>                  | Port, Arpt. & Marina Impvts. RB, Contl. Airlines, Inc. Proj.,<br>7.00%, 11/15/30, AMT   | 2,429,497    |
| 250                                 | Pub. Impvts. Misc. RB, Newark Downtown Dist. Mgmt.<br>Corp. Proj., 5.125%, 6/15/37      | 237,370      |
| 1,000 <sup>3</sup>                  | Rec. Recovery Impvts. RB, Wst. Mgmt., Inc. Proj., Ser. A,<br>5.30%, 6/01/15, AMT        | 1,011,790    |
| 2,250                               | SA, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/28  | 2,519,077    |
|                                     | Edl. Facs. Auth.,   |              |
| 150                                 | Coll. & Univ. RB, Georgian Court Univ. Proj., Ser. D,<br>5.00%, 7/01/33                 | 143,697      |
| 500                                 | Local Hsg. RB, Fairleigh Dickinson Univ. Proj., Ser. C,<br>5.50%, 7/01/23               | 504,775      |
| 1,000                               | Local Hsg. RB, Fairleigh Dickinson Univ. Proj., Ser. C,<br>6.00%, 7/01/20               | 1,051,300    |
| 100                                 | Univ. & Coll. Impvts. Lease RB, Kean Univ. Proj., Ser. D,<br>5.00%, 7/01/32, FGIC       | 103,089      |
| 500                                 | Univ. & Coll. Impvts. Lease RB, Kean Univ. Proj., Ser. D,<br>5.00%, 7/01/39, FGIC       | 513,495      |
| 1,000                               | Univ. & Coll. Impvts. RB, Fairleigh Dickinson Univ. Proj.,<br>Ser. D, 6.00%, 7/01/25    | 1,045,350    |
| 630 <sup>4</sup>                    | Univ. & Coll. Impvts. RB, Georgian Court Coll. Proj.,<br>Ser. C, 6.50%, 7/01/13         | 713,979      |
| 1,250                               | Univ. & Coll. Impvts. RB, Richard Stockton Coll. Proj.,<br>Ser. F, 5.00%, 7/01/31, MBIA | 1,285,888    |
| 350                                 | Univ. & Coll. RB, Rowan Univ. Proj., Ser. B, 4.25%,<br>7/01/34, FGIC                    | 322,546      |
| 4,000                               |   | 1,500,960    |



## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Garden St. Presvtn. Trust, Recreational Fac. Impvts. RB,  
Open Space & Farmland Presvtn. Proj., Ser. B,  
Zero Coupon, 11/01/27, FSA

|                    |  |  |           |
|--------------------|--|--|-----------|
|                    | Hlth. Care Facs. Fing. Auth.,  |  |           |
| 2,000 <sup>4</sup> | Hlth., Hosp. & Nursing Home Impvts. RB, Catholic Hlth. East. Proj., Ser. A, 5.375%, 11/15/12 |  | 2,155,220 |
| 2,000              | Hlth., Hosp. & Nursing Home Impvts. RB, Kennedy Hlth. Sys. Proj., 5.625%, 7/01/31            |  | 2,035,980 |

| Principal Amount (000)        | Description  | Value        |
|-------------------------------|--|--------------|
| <b>New Jersey (concluded)</b> |  |              |
| \$ 2,500 <sup>4</sup>         | Hlth., Hosp. & Nursing Home Impvts. RB, South Jersey Hosp. Sys. Proj., 6.00%, 7/01/12                                    | \$ 2,736,000 |
| 890 <sup>4</sup>              | Hlth., Hosp. & Nursing Home RB, Atlantic City Med. Ctr. Proj., 5.75%, 7/01/12  | 967,973      |
| 1,110                         | Hlth., Hosp. & Nursing Home RB, Atlantic City Med. Ctr. Proj., 5.75%, 7/01/25  | 1,148,639    |
| 500                           | Hlth., Hosp. & Nursing Home RB, South Jersey Hosp., Inc. Proj., 5.00%, 7/01/46   | 453,245      |
| 500                           | Hlth., Hosp. & Nursing Home RB, St. Barnabas Hlth. Care Sys. Proj., Zero Coupon, 7/01/30                                 | 124,570      |
| 3,600                         | Hlth., Hosp. & Nursing Home RB, St. Barnabas Hlth. Care Sys. Proj., Zero Coupon, 7/01/36                                 | 615,600      |
| 3,600                         | Hlth., Hosp. & Nursing Home RB, St. Barnabas Hlth. Care Sys. Proj., Ser. B, Zero Coupon, 7/01/37                         | 579,024      |
| 250                           | Hsg. & Mtg. Fin. Agcy., Local or Gtd. Hsg. RB, 4.70%, 10/01/37, AMT  | 228,605      |
| 560                           | Middlesex Cnty. Impvt. Auth., Pub. Impvts. Hotel Occupancy Tax RB, Heldrich Associates LLC Proj., Ser. B, 6.25%, 1/01/37 | 572,813      |
| 1,500                         | Port Auth. of New York & New Jersey, Port, Arprt. & Marina Impvts. RB, Ser. 125, 5.00%, 4/15/32, FSA                     | 1,520,160    |
| 2,250                         | Ser. 126, 5.25%, 5/15/37, FGIC, AMT  | 2,287,935    |
| 130                           | Contl. Airlines Proj., 9.125%, 12/01/15, AMT   | 135,038      |
| 650                           | Rahway Valley Swr. Auth., Swr. Impvts. RB, Cap. Apprec. Proj., Ser. A, Zero Coupon, 9/01/33, MBIA                        | 177,281      |
| 500                           | Rutgers St. Univ., Univ. & Coll. Impvts. RB, Ser. E, 5.00%, 5/01/34, FGIC  | 511,715      |
| 100                           | Salem Cnty. Impvt. Auth., Econ. Impvts. Pkg. Fac. Impvts. RB, Finlaw St. Off. Bldg. Proj., 5.25%, 8/15/38, FSA           | 104,980      |
| 2,600 <sup>4</sup>            | Tobacco Settlement Fing. Corp., Pub. Impvts. Tobacco Settlement Funded RB, 6.125%, 6/01/12                               | 2,869,776    |
| 750                           | Tobacco Settlement Funded RB, Ser. 1A, 5.00%, 6/01/41  | 648,675      |
| 1,000                         | Tobacco Settlement Funded RB, Ser. 1B, Zero Coupon, 6/01/41  | 108,510      |
| 1,250                         | Transp. Trust Fund Auth., Trans. Impvts. RB, Ser. C, Zero Coupon, 12/15/32, FSA  | 358,525      |
| 1,000                         |  | 1,010,960    |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Univ. of Medicine & Dentistry of New Jersey, Univ. & Coll.  
Impvts. RB, Ser. A, 5.00%, 12/01/31, AMBAC

46,466,157

### Puerto Rico 15.1%

|                    |   |           |
|--------------------|---|-----------|
| 1,750 <sup>4</sup> | Elec. Pwr. Auth., Elec., Pwr. & Lt. Impvts. RB, Ser. 2,<br>5.25%, 7/01/12 | 1,887,637 |
|--------------------|---|-----------|

|                    |   |           |
|--------------------|---|-----------|
| 2,100 <sup>4</sup> | Hwy. & Transp. Auth., Hwy. Impvts. Hwy. Tolls RB, Ser. D,<br>5.25%, 7/01/12 | 2,240,826 |
|--------------------|---|-----------|

|       |   |         |
|-------|---|---------|
| 1,750 | Infrastructure Fing. Auth., Swr. Impvts. Sales Tax RB,<br>Ser. A, Zero Coupon, 7/01/37, AMBAC | 388,168 |
| 1,000 | Ser. A, Zero Coupon, 7/01/43, AMBAC   | 159,900 |

|     |   |         |
|-----|---|---------|
| 615 | Pub. Bldgs. Auth., Pub. Impvts. Lease RB, Ser. D,<br>5.25%, 7/01/27 | 627,564 |
|-----|---|---------|

5,304,095

**Total Long-Term Investments**  
**(Cost \$51,866,668)**

54,026,392

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

33

## Portfolio of Investments as of August

31, 2007

BlackRock New Jersey Municipal Bond Trust (BLJ) (concluded)  
(Percentages shown are based on Net Assets)

| Shares<br>(000)   | Description   | Value         |
|---|---|---------------|
| <b>MONEY MARKET FUND 1.4%</b>                                     |   |               |
| 507 <sup>5,6</sup>  | CMA New Jersey Mun. Money Fund, 3.29%<br>(Cost \$507,373) | \$ 507,373    |
| Total Investments   | 154.7% (Cost \$52,374,041)                                | \$ 54,533,765 |
| Other assets in excess of liabilities                             | 2.7%  | 945,813       |
| Preferred shares at redemption value, including dividends payable | (57.4)%   | (20,233,645)  |
| Net Assets Applicable to Common Shareholders                      | 100%  | \$ 35,245,933 |

<sup>1</sup> Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 6.4% of its net assets, with a current market value of \$2,256,140, in securities restricted as to resale.

<sup>2</sup> Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.

<sup>3</sup> Variable rate security. Rate shown is interest rate as of August 31, 2007.

<sup>4</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>5</sup> Represents an investment in an affiliate.

<sup>6</sup> Represents current yield as of August 31, 2007.

<sup>7</sup> Cost for federal income tax purposes is \$52,242,866. The net unrealized appreciation on a tax basis is \$2,290,899, consisting of \$3,009,118 gross unrealized appreciation and \$718,219 gross unrealized depreciation.

See Notes to Financial Statements.

## Portfolio of Investments as

of August 31, 2007

BlackRock New York Insured Municipal Income Trust (BSE)  
(Percentages shown are based on Net Assets)

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 153.6%</b> |   |              |
| <b>New York 148.3%</b>              |   |              |
| \$ 5,000                            | Convention Ctr. Operating Corp., Recreational Fac. Impvts. Hotel Occupancy Tax RB, Hotel Unit Fee Secured Proj., 5.00%, 11/15/44, AMBAC | \$ 5,047,550 |
|                                     | Dorm. Auth.,  |              |
| 2,000                               | Ad Valorem Ppty. Tax RB, Sch. Dist. Fin. Proj., Ser. A, 5.00%, 4/01/31, MBIA  | 2,021,360    |
| 725                                 | Coll. & Univ. RB, Univ. of Rochester Proj., Ser. C, 4.25%, 7/01/39, AMBAC   | 649,064      |
| 7,000                               | Hlth., Hosp. & Nursing Home Impvts. RB, Lutheran Med. Ctr. Proj., 5.00%, 8/01/31, MBIA  | 7,079,100    |
| 10,000 <sup>1</sup>                 | Hlth., Hosp. & Nursing Home Impvts. RB, Mem. Sloan Kettering Ctr. Proj., Ser. 1, Zero Coupon, 7/01/30, MBIA                             | 3,325,800    |
| 5,000                               | Hlth., Hosp. & Nursing Home RB, New York & Presbyterian Hosp. Proj., 5.00%, 8/01/32, AMBAC  | 5,026,900    |
| 6,000                               | Hlth., Hosp. & Nursing Home RB, St. Barnabas Hosp. Proj., Ser. A, 5.00%, 2/01/31, AMBAC   | 6,062,220    |
| 2,000                               | Hlth., Hosp. & Nursing Home RB, Winthrop Univ. Hosp. Assoc. Proj., Ser. A, 5.25%, 7/01/31, AMBAC  | 2,049,320    |
| 3,500                               | Sch. Impvts. Ad Valorem Ppty. Tax RB, Sch. Dist. Fin. Proj., Ser. D, 5.00%, 10/01/30, MBIA  | 3,543,680    |
| 5,000                               | Univ. & Coll. Impvts. RB, Brooklyn Law Sch. Proj., Ser. B, 5.125%, 7/01/30, XLCA  | 5,122,350    |
| 2,500 <sup>2</sup>                  | Univ. & Coll. Impvts. RB, Insured Fit Student Hsg. Corp. Proj., 5.125%, 7/01/14, FGIC   | 2,696,025    |
| 3,160                               | Univ. & Coll. Impvts. RB, Iona Coll. Proj., 5.00%, 7/01/27, XLCA  | 3,214,036    |
| 3,000                               | Univ. & Coll. Impvts. RB, Joachim & Ann Residence Proj., 5.25%, 7/01/27   | 3,048,360    |
| 7,000                               | Univ. & Coll. Impvts. RB, New York Univ. Proj., Ser. 2, 5.00%, 7/01/41, AMBAC   | 7,055,370    |
| 1,000                               | Herkimer Cnty. Indl. Dev. Agcy., Univ. & Coll. Impvts. RB, Herkimer Coll. Fndtn. Proj., 6.25%, 8/01/34                                  | 1,039,940    |
|                                     | Long Island Pwr. Auth., Elec., Pwr. & Lt. RB,   |              |
| 1,500                               | Ser. B, 5.00%, 12/01/35, CIFG   | 1,529,715    |
| 1,000                               | Ser. B, 5.00%, 12/01/35, FSA  | 1,021,250    |
| 3,800                               | Ser. F, 4.25%, 5/01/33, MBIA  | 3,408,486    |
|                                     | Met. Transp. Auth.,   |              |
| 10,000                              | Misc. RB, Ser. A, 5.00%, 7/01/30, AMBAC   | 10,188,300   |
| 4,000 <sup>2</sup>                  | Trans. Impvts. RB, Ser. A, 5.00%, 11/15/11, FGIC  | 4,218,120    |
| 1,085                               | Trans. RB, Ser. A, 5.00%, 11/15/25, FGIC  | 1,107,329    |
| 7,845                               | Trans. RB, Ser. A, 5.00%, 11/15/30, FSA   | 7,944,788    |
| 5,000                               | Trans. RB, Ser. A, 5.25%, 11/15/31, FGIC  | 5,152,600    |
| 2,660                               | Trans. RB, Ser. E, 5.25%, 11/15/31, FGIC  | 2,741,183    |
| 500                                 | New York, Rec. Recovery Impvts. GO, Ser. A, 4.125%, 3/01/37, FGIC   | 436,150      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |   |           |
|-------|---|-----------|
| 550   | New York City Indl. Dev. Agcy.,<br>Coll. & Univ. RB, Polytechnic Univ. Proj., 5.25%,<br>11/01/37, ACA | 525,927   |
| 2,500 | Private Primary Schs. Lease RB, Lycee Francais de<br>New York Proj., Ser. A, 5.375%, 6/01/23, ACA     | 2,500,350 |

| Principal Amount (000) | Description | Value |
|------------------------|-------------|-------|
|------------------------|-------------|-------|

**New York (concluded)**

|          |   |              |
|----------|---|--------------|
| \$ 1,000 | Recreational Fac. Impvts. RB, Queens Baseball Stad.<br>Pilot Proj., 5.00%, 1/01/39, AMBAC | \$ 1,021,630 |
| 2,500    | Recreational Fac. Impvts. RB, Queens Baseball Stad.<br>Pilot Proj., 5.00%, 1/01/46, AMBAC | 2,527,725    |
| 1,150    | Recreational Fac. Impvts. RB, Yankee Stad. Pilot Proj.,<br>5.00%, 3/01/36, MBIA           | 1,174,230    |

|       |  |           |
|-------|--|-----------|
| 2,035 | New York City Mun. Wtr. Fin. Auth.,<br>Wtr. & Swr. RB, 4.75%, 6/15/36, FSA | 2,012,798 |
| 1,385 | Wtr. & Swr. RB, 4.75%, 6/15/37, FSA  | 1,365,347 |
| 2,150 | Wtr. RB, Ser. A, 4.25%, 6/15/39, FSA                                       | 1,923,648 |

|                  |   |           |
|------------------|---|-----------|
| 235 <sup>2</sup> | New York City Transl. Fin. Auth.,<br>Pub. Impvts. Income Tax RB, 5.00%, 11/01/11, AMBAC | 249,328   |
| 5,765            | Pub. Impvts. Income Tax RB, 5.00%, 5/01/30, AMBAC                                       | 5,872,287 |
| 500              | Pub. Impvts. Misc. Tax RB, Ser. S-1, 5.00%, 7/15/31, FGIC                               | 514,680   |

|       |   |           |
|-------|---|-----------|
| 5,000 | New York City Trust for Cultural Recs., Recreational RB,<br>American Museum of Natural History Proj., Ser. A,<br>5.00%, 7/01/44, MBIA | 5,054,450 |
|-------|---|-----------|

|       |   |           |
|-------|---|-----------|
| 6,000 | Sales Tax Asset Receivables Corp., Pub. Impvts. Sales Tax RB,<br>Ser. A, 5.00%, 10/15/32, AMBAC | 6,158,700 |
|-------|---|-----------|

|       |   |           |
|-------|---|-----------|
| 1,400 | Schuyler Cnty. Human Svcs. Dev. Corp., Pub. Impvts. Lease<br>Approp. RB, 5.00%, 5/01/32 | 1,410,584 |
|-------|---|-----------|

|        |   |            |
|--------|---|------------|
| 10,000 | Triborough Brdg. & Tunl. Auth., Hwy. Tolls RB, Ser. E,<br>5.00%, 11/15/32, MBIA | 10,108,800 |
|--------|---|------------|

|                    |  |           |
|--------------------|--|-----------|
| 2,500 <sup>2</sup> | TSASC, Inc., Rec. Recovery Impvts. Tobacco Settlement<br>Funded RB, Ser. 1, 5.75%, 7/15/12 | 2,724,025 |
|--------------------|--|-----------|

139,873,505

**Puerto Rico 5.3%**

|       |   |           |
|-------|---|-----------|
| 4,000 | Indl. Tourist Edl. Med. & Env. Ctrl. Facs. Fing. Auth.,<br>Coll. & Univ. RB, Polytechnic Univ. of Puerto Rico Proj.,<br>Ser. A, 5.00%, 8/01/32, ACA | 4,010,200 |
|-------|---|-----------|

|       |  |           |
|-------|--|-----------|
| 1,000 | Univ. & Coll. Impvts. RB, Univ. Plaza Proj., Ser. A,<br>5.00%, 7/01/33, MBIA | 1,008,600 |
|-------|--|-----------|

5,018,800

**Total Long-Term Investments  
(Cost \$143,335,844)**

144,892,305

**SHORT-TERM INVESTMENTS 0.7%**

**New York 0.7%**

|                  |   |         |
|------------------|---|---------|
| 500 <sup>3</sup> | Met. Transp. Auth., RB, Ser. B, 3.90%, 9/06/07, FSA, FRWD | 500,000 |
|------------------|---|---------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                  |  |         |
|------------------|--|---------|
| 100 <sup>3</sup> | New York City Mun. Wtr. Fin. Auth., Wtr. Util. Impvts. RB,<br>Ser. C, 3.88%, 9/04/07, FRDD | 100,000 |
|                  |  | 600,000 |

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

35

---

## Portfolio of Investments as of

August 31, 2007

BlackRock New York Insured Municipal Income Trust (BSE) (concluded)  
(Percentages shown are based on Net Assets)

| Shares   | Description                         | Value          |
|--|-------------------------------------|----------------|
| <b>Money Market Fund 0.0%</b>  |                                     |                |
| 291 <sup>4,5</sup>   | CMA New York Mun. Money Fund, 3.39% | \$ 291         |
| <b>Total Short-Term Investments<br/>(Cost \$600,291)</b>                         |                                     | 600,291        |
| <b>Total Investments 154.3% (Cost \$143,936,195)</b>                             |                                     | \$ 145,492,596 |
| <b>Other assets in excess of liabilities 5.1%</b>                                |                                     | 4,827,418      |
| <b>Preferred shares at redemption value, including dividends payable (59.4)%</b> |                                     | (56,005,984)   |
| <b>Net Assets Applicable to Common Shareholders 100%</b>                         |                                     | \$ 94,314,030  |

<sup>1</sup> Security is collateralized by municipal or U.S. Treasury obligations.

<sup>2</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>3</sup> For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of August 31, 2007.

<sup>4</sup> Represents an investment in an affiliate.

<sup>5</sup> Represents current yield as of August 31, 2007.

<sup>6</sup> Cost for federal income tax purposes is \$143,945,843. The net unrealized appreciation on a tax basis is \$1,546,753, consisting of \$2,412,343 gross unrealized appreciation and \$865,590 gross unrealized depreciation.

The value (market value plus accrued interest) of securities that are covered by insurance, which ensures the payment of principal and interest, represent approximately 92.2% of the Trust's managed assets.

|       |       |
|-------|-------|
| ACA   | 4.7%  |
| AMBAC | 34.9% |
| CIFG  | 1.0%  |
| FGIC  | 11.4% |
| FSA   | 9.9%  |
| MBIA  | 24.7% |
| XLCA  | 5.6%  |

See Notes to Financial Statements.

## Portfolio of Investments as of August 31, 2007

**BlackRock New York Municipal Bond Trust (BQH)**  
(Percentages shown are based on Net Assets)

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 152.0%</b> |   |              |
| <b>Multi-State 6.7%</b>             |   |              |
| \$ 2,500 <sup>1,2</sup>             | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | \$ 2,820,175 |
| <b>New York 121.7%</b>              |   |              |
|                                     | Albany Indl. Dev. Agcy., Sch. Impvts. Lease Approp. RB,<br>New Covenant Charter Sch. Proj.,                     |              |
| 200 <sup>3</sup>                    | Ser. A, 7.00%, 5/01/25  | 166,902      |
| 130 <sup>3</sup>                    | Ser. A, 7.00%, 5/01/35  | 107,948      |
| 2,040                               | City of New York, Pub. Impvts. Ad Valorem Pty. Tax GO,<br>Ser. D, 5.375%, 6/01/32                               | 2,103,118    |
| 1,445                               | Cntys. Tobacco Trust III, Misc. Tobacco Settlement<br>Funded RB, 6.00%, 6/01/43                                 | 1,469,392    |
| 2,500                               | Dorm. Auth.,<br>Hlth., Hosp. & Nursing Home RB, Willow Towers, Inc.<br>Proj., 5.40%, 2/01/34                    | 2,600,175    |
| 2,215 <sup>4</sup>                  | Univ. & Coll. Impvts. RB, City Univ. Proj., Ser. A,<br>5.25%, 7/01/11   | 2,345,486    |
| 2,500                               | Univ. & Coll. Impvts. RB, Iona Coll. Proj., 5.125%,<br>7/01/32, XLCA  | 2,536,675    |
| 500                                 | Dutchess Cnty. Indl. Dev. Agcy.,<br>Coll. & Univ. RB, Bard Coll. Proj., Ser. A2, 4.50%, 8/01/36                 | 449,300      |
| 2,000 <sup>4</sup>                  | Univ. & Coll. Impvts. Lease RB, Vassar Coll. Proj.,<br>5.35%, 8/01/11   | 2,142,840    |
| 2,750                               | Env. Facs. Corp., Misc. RB, Mun. Wtr. Proj., Ser. D,<br>5.125%, 6/15/31   | 2,812,425    |
| 150                                 | Genesee Cnty. Indl. Dev. Agcy., Hlth., Hosp. & Nursing<br>Home RB, United Mem. Med. Ctr. Proj., 5.00%, 12/01/27 | 133,828      |
| 850                                 | Hudson Yards Infrastructure Corp., Trans. Impvts. Misc. RB,<br>Ser. A, 4.50%, 2/15/47, MBIA                     | 783,241      |
| 385                                 | Liberty Dev. Corp., Recreational Fac. Impvts. RB, Nat. Sports<br>Museum Proj., Ser. A, 6.125%, 2/15/19          | 389,820      |
| 3,000                               | Met. Transp. Auth., Trans. RB, Ser. A, 5.125%, 11/15/31   | 3,055,290    |
| 2,960                               | Mtg. Agcy., Local or Gtd. Hsg. RB, Ser. 101, 5.40%,<br>4/01/32, AMT   | 2,975,984    |
| 1,100                               | New York City Hlth. & Hosp. Corp., Hlth., Hosp. & Nursing<br>Home Impvts. RB, Ser. A, 5.375%, 2/15/26           | 1,114,509    |
| 2,500                               | New York City Hsg. Dev. Corp., Local Multi-Fam. Hsg. RB,<br>Ser. A, 5.50%, 11/01/34, AMT                        | 2,523,325    |



Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|        |   |           |
|--------|---|-----------|
| 600    | New York City Indl. Dev. Agcy.,<br>Coll. & Univ. RB, Polytechnic Univ. Proj., 5.25%,<br>11/01/37, ACA   | 573,738   |
| 1,2505 | Port, Arpt. & Marina Impvts. RB, American Airlines,<br>Inc./JFK Intl. Arpt. Proj., 7.625%, 8/01/25, AMT | 1,418,237 |
| 1,0005 | Port, Arpt. & Marina Impvts. RB, American Airlines,<br>Inc./JFK Intl. Arpt. Proj., 7.75%, 8/01/31, AMT  | 1,146,990 |
| 250    | Recreational Fac. Impvts. RB, Queens Baseball Stad. Pilot<br>Proj., 5.00%, 1/01/39, AMBAC               | 255,407   |
| 1,000  | Recreational Fac. Impvts. RB, Yankee Stad. Pilot Proj.,<br>5.00%, 3/01/36, MBIA                         | 1,021,070 |

**Principal  
Amount  
(000)**

**Description**

**Value**

**New York (concluded)**

|                    |   |            |
|--------------------|---|------------|
| \$ 250             | New York City Mun. Wtr. Fin. Auth.,<br>Wtr. RB, Ser. A, 4.25%, 6/15/33  | \$ 226,100 |
| 2,500 <sup>4</sup> | Wtr. RB, Ser. A, 5.25%, 6/15/11, FGIC   | 2,644,025  |
| 650                | Wtr. Util. Impvts. Wtr. RB, Second Gen. Resolution Proj.,<br>Ser. A, 4.50%, 6/15/37, MBIA                             | 612,547    |
| 250                | New York City Transl. Fin. Auth., Pub. Impvts. Misc. Tax RB,<br>Ser. S-1, 5.00%, 7/15/31, FGIC                        | 257,340    |
| 2,750              | Port Auth. of New York & New Jersey, Port, Arpt. & Marina<br>Impvts. RB,<br>Ser. 126, 5.25%, 5/15/37, FGIC, AMT       | 2,796,365  |
| 2,600              | Contl. Airlines Proj., 9.125%, 12/01/15, AMT  | 2,700,750  |
| 600                | Schuyler Cnty. Human Svcs. Dev. Corp., Pub. Impvts. Lease<br>Approp. RB, 5.00%, 5/01/32                               | 604,536    |
| 260                | Suffolk Cnty. Indl. Dev. Agcy.,<br>Hlth., Hosp. & Nursing Home RB, Active Retirement<br>Cmnty. Proj., 5.00%, 11/01/28 | 241,691    |
| 500                | Indl. Impvts. RB, Keyspan-Port Jefferson Proj., 5.25%,<br>6/01/27, AMT  | 501,925    |
| 3,0004             | TSASC, Inc., Rec. Recovery Impvts. Tobacco Settlement<br>Funded RB, Ser. 1, 5.75%, 7/15/12                            | 3,268,830  |
| 5,0004             | Urban Dev. Corp., Correctional Fac. Impvts. Income Tax RB,<br>Ser. A, 5.25%, 3/15/12                                  | 5,337,350  |
|                    |   | 51,317,159 |

**Puerto Rico 23.6%**

|        |   |           |
|--------|---|-----------|
| 1,400  | Children s Trust Fund, Tobacco Settlement Funded RB,<br>5.625%, 5/15/43     | 1,359,204 |
| 1,825  | Comnwlth., Pub. Impvt. Fuel Sales Tax GO, Ser. A,<br>5.125%, 7/01/31        | 1,836,534 |
| 1,7504 | Elec. Pwr. Auth., Elec., Pwr. & Lt. Impvts. RB, Ser. 2,<br>5.25%, 7/01/12   | 1,887,637 |
| 1,5004 | Hwy. & Transp. Auth., Hwy. Impvts. Hwy. Tolls RB, Ser. D,<br>5.25%, 7/01/12 | 1,600,590 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |   |                   |
|--------------------|---|-------------------|
| 2,000              | Infrastructure Fing. Auth., Swr. Impvts. Sales Tax RB, Ser. A,<br>Zero Coupon, 7/01/37, AMBAC | 443,620           |
|                    | Pub. Bldgs. Auth., Pub. Impvts. Lease RB,   |                   |
| 1,980 <sup>4</sup> | Ser. D, 5.25%, 7/01/12  | 2,104,681         |
| 720                | Ser. D, 5.25%, 7/01/27  | 734,710           |
|                    |   | 9,966,976         |
|                    | <b>Total Long-Term Investments</b><br><b>(Cost \$61,269,409)</b>                              | <b>64,104,310</b> |

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

37

Portfolio of Investments as of  
August 31, 2007

**BlackRock New York Municipal Bond Trust (BQH) (concluded)**  
(Percentages shown are based on Net Assets)

| Shares<br>(000)  | Description   | Value                |
|--|---|----------------------|
| <b>MONEY MARKET FUND 1.2%</b>  |   |                      |
| 5076,7   | CMA New York Mun. Money Fund, 3.39%<br>(Cost \$507,152) | \$ 507,152           |
| <b>Total Investments</b>   | <b>153.2% (Cost \$61,776,561)</b>                       | <b>\$ 64,611,462</b> |
| <b>Other assets in excess of liabilities</b>                             | <b>4.2%</b>   | <b>1,754,817</b>     |
| <b>Preferred shares at redemption value, including dividends payable</b> | <b>(57.4)%</b>  | <b>(24,206,762)</b>  |
| <b>Net Assets Applicable to Common Shareholders</b>                      | <b>100%</b>   | <b>\$ 42,159,517</b> |

- <sup>1</sup> Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 6.7% of its net assets, with a current market value of \$2,820,175, in securities restricted as to resale.
- <sup>2</sup> Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.
- <sup>3</sup> Illiquid security. As of August 31, 2007, the Trust held 0.7% of its net assets, with a current market value of \$274,850, in these securities.
- <sup>4</sup> This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- <sup>5</sup> Variable rate security. Rate shown is interest rate as of August 31, 2007.
- <sup>6</sup> Represents an investment in an affiliate.
- <sup>7</sup> Represents current yield as of August 31, 2007.
- <sup>8</sup> Cost for federal income tax purposes is \$61,672,851. The net unrealized appreciation on a tax basis is \$2,938,611, consisting of \$3,372,443 gross unrealized appreciation and \$433,832 gross unrealized depreciation.

See Notes to Financial Statements.

**Portfolio of Investments** as of August 31,  
2007

**BlackRock New York Municipal Income Trust II (BFY)**  
(Percentages shown are based on Net Assets)

| Principal Amount (000)              | Description   | Value      |
|-------------------------------------|---|------------|
| <b>LONG-TERM INVESTMENTS 158.1%</b> |   |            |
| <b>Multi-State 5.8%</b>             |   |            |
|                                     | Charter Mac Equity Issuer Trust,  |            |
| \$ 500 <sup>1,2</sup>               | Ser. A-4-1, 5.75%, 4/30/15  | \$ 529,485 |
| 1,000 <sup>1,2</sup>                | Ser. A-4-2, 6.00%, 4/30/19  | 1,071,710  |
| 1,500 <sup>1,2</sup>                | Ser. B-3-1, 6.00%, 4/30/15  | 1,577,385  |
| 1,000 <sup>1,2</sup>                | Ser. B-3-2, 6.30%, 4/30/19  | 1,067,010  |
|                                     |   | 4,245,590  |
| <b>New York 142.5%</b>              |   |            |
|                                     | Albany Indl. Dev. Agcy., Sch. Impvts. Lease Approp. RB,<br>New Covenant Charter Sch. Proj.,                         |            |
| 345 <sup>3</sup>                    | Ser. A, 7.00%, 5/01/25  | 287,906    |
| 220 <sup>3</sup>                    | Ser. A, 7.00%, 5/01/35  | 182,681    |
| 1,500                               | City of New York, Pub. Impvts. Ad Valorem Ppty. Tax GO,<br>Ser. A, 5.00%, 8/01/30                                   | 1,518,315  |
| 4,000 <sup>4</sup>                  | City of New York, Recreational Fac. Impvts. Hotel<br>Occupancy Tax GO, Ser. B, 5.75%, 12/01/11                      | 4,329,800  |
| 1,710                               | Clarence Indl. Dev. Agcy., Indl. Impvts. RB, Bristol Vlg.,<br>Inc. Proj., 6.00%, 1/20/44                            | 1,836,728  |
| 2,535                               | Cntys. Tobacco Trust III, Misc. Tobacco Settlement<br>Funded RB, 6.00%, 6/01/43                                     | 2,577,791  |
| 3,000                               | Convention Ctr. Operating Corp., Recreational Fac. Impvts.<br>Hotel Occupancy Tax RB, 5.00%, 11/15/35, AMBAC        | 3,060,480  |
| 2,000                               | Dorm. Auth.,<br>Hlth., Hosp. & Nursing Home RB, Kateri Residence Proj.,<br>5.00%, 7/01/22                           | 2,046,560  |
| 1,500                               | Hlth., Hosp. & Nursing Home RB, St. Barnabas Hosp. Proj.,<br>Ser. A, 5.00%, 2/01/31, AMBAC                          | 1,515,555  |
| 2,500                               | Univ. & Coll. Impvts. RB, Brooklyn Law Sch. Proj.,<br>Ser. B, 5.125%, 7/01/30, XLCA                                 | 2,561,175  |
| 2,000                               | Univ. & Coll. Impvts. RB, Mount St. Mary Coll. Proj.,<br>5.00%, 7/01/32, RAA  | 1,930,920  |
| 1,425                               | Univ. & Coll. Impvts. RB, New Sch. Univ. Proj., 5.00%,<br>7/01/31, MBIA   | 1,444,238  |
| 250                                 | Univ. & Coll. Impvts. RB, Sch. Dists. Fing. Proj., Ser. A,<br>5.00%, 10/01/35, FSA                                  | 256,565    |
| 4,000 <sup>4</sup>                  | Dutchess Cnty. Indl. Dev. Agcy., Univ. & Coll. Impvts. Lease<br>RB, Vassar Coll. Proj., 5.35%, 8/01/11              | 4,285,680  |
| 1,500                               | Energy Research & Dev. Auth.,<br>Natural Gas RB, Brooklyn Union Gas Co. Proj., Ser. A,<br>4.70%, 2/01/24, FGIC, AMT | 1,459,935  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |  |           |
|--------------------|--|-----------|
| 5,500 <sup>5</sup> | Elec., Pwr. & Lt. Impvts. RB, Cons. Edison Co. Proj.,<br>4.70%, 6/01/36, AMT                                     | 5,501,595 |
| 625                | Essex Cnty. In dl. Dev. Agcy., In dl. RB, Intl. Paper Co. Proj.,<br>Ser. A, 5.50%, 10/01/26, AMT                 | 619,863   |
| 250                | Genesee Cnty. In dl. Dev. Agcy., Hlth., Hosp. & Nursing<br>Home RB, United Mem. Med. Ctr. Proj., 5.00%, 12/01/27 | 223,048   |
| 3,250              | Geneva In dl. Dev. Agcy., Univ. & Coll. Impvts. RB, Hobart &<br>Williams Smith Proj., Ser. A, 5.375%, 2/01/33    | 3,355,267 |

| Principal<br>Amount<br>(000)    | Description  | Value      |
|---------------------------------|--|------------|
| <b>New York<br/>(concluded)</b> |  |            |
| \$ 385                          | Herkimer Cnty. In dl. Dev. Agcy., Univ. & Coll. Impvts. RB,<br>Herkimer Coll. Fndtn. Proj., 6.25%, 8/01/34 | \$ 400,377 |
| 675                             | Liberty Dev. Corp., Recreational Fac. Impvts. RB, Nat.<br>Sports Museum Proj., Ser. A, 6.125%, 2/15/19     | 683,451    |
| 3,515                           | Long Island Pwr. Auth., Elec., Pwr. & Lt. RB, Ser. A,<br>Zero Coupon, 6/01/28, FSA                         | 1,279,495  |
|                                 | Met. Transp. Auth.,  |            |
| 5,000                           | Misc. RB, Ser. A, 5.125%, 1/01/29  | 5,073,350  |
| 5,000                           | Trans. RB, Ser. A, 5.00%, 11/15/30   | 5,072,800  |
| 2,000                           | Trans. RB, Ser. A, 5.25%, 11/15/31, FGIC   | 2,061,040  |
| 1,420                           | New York City Hsg. Dev. Corp., Local or Gtd. Hsg. RB,<br>Ser. J-2, 4.75%, 11/01/27, AMT                    | 1,344,058  |
| 1,000                           | New York City In dl. Dev. Agcy.,<br>Coll. & Univ. RB, Polytechnic Univ. Proj., 5.25%,<br>11/01/37, ACA     | 956,230    |
| 1,000                           | Econ. Impvts. RB, IAC/Interactive Corp. Proj.,<br>5.00%, 9/01/35   | 939,020    |
| 980                             | Local Hsg. RB, Eger Harbor House, Inc. Proj., Ser. A,<br>4.95%, 11/20/32                                   | 986,664    |
| 975                             | Local Hsg. RB, Eger Harbor House, Inc. Proj., Ser. A,<br>5.875%, 5/20/44                                   | 1,057,407  |
| 1,600 <sup>5</sup>              | Port, Arpt. & Marina Impvts. RB, American Airlines,<br>Inc./JFK Intl. Arpt. Proj., 7.625%, 8/01/25, AMT    | 1,815,344  |
| 1,500 <sup>5</sup>              | Port, Arpt. & Marina Impvts. RB, American Airlines,<br>Inc./JFK Intl. Arpt. Proj., 7.75%, 8/01/31, AMT     | 1,720,485  |
| 1,500                           | Private Primary Schs. Lease RB, Lycee Francais de New<br>York Proj., Ser. A, 5.375%, 6/01/23, ACA          | 1,500,210  |
| 500                             | Recreational Fac. Impvts. RB, Queens Baseball Stad. Pilot<br>Proj., 5.00%, 1/01/39, AMBAC                  | 510,815    |
| 1,750                           | Recreational Fac. Impvts. RB, Queens Baseball Stad. Pilot<br>Proj., 5.00%, 1/01/46, AMBAC                  | 1,769,407  |
|                                 | New York City Mun. Wtr. Fin. Auth.,  |            |
| 450                             | Wtr. RB, Ser. A, 4.25%, 6/15/39, FSA   | 402,624    |
| 5,000                           | Wtr. RB, Ser. A, 5.125%, 6/15/34   | 5,087,700  |
| 1,100                           | Wtr. Util. Impvts. Wtr. RB, Second Gen. Resolution Proj.,<br>Ser. A, 4.50%, 6/15/37, MBIA                  | 1,036,618  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |   |           |
|--------------------|---|-----------|
| 5,000 <sup>4</sup> | New York City Trans. Auth./Met. Transp. Auth. Triborough<br>Brdg. & Tunl., Trans. Impvts. COP, Ser. A, 5.25%,<br>1/01/10, AMBAC | 5,228,800 |
|                    | New York City Transl. Fin. Auth.,   |           |
| 5,000              | Income Tax RB, Ser. B, 5.00%, 11/01/27  | 5,083,850 |
| 500                | Pub. Impvts. Misc. Tax RB, Ser. S-1, 5.00%, 7/15/31, FGIC   | 514,680   |
| 450                | Sch. Impvts. Income Tax RB, Ser. S2, 4.25%, 1/15/34, FGIC   | 407,183   |
| 3,000              | Sch. Impvts. Income Tax RB, Ser. S2, 4.50%, 1/15/31, FGIC   | 2,862,060 |
| 3,675              | Port Auth. of New York & New Jersey, Port, Arpt. & Marina<br>Impvts. RB, Contl. Airlines Proj., 9.125%, 12/01/15, AMT           | 3,817,406 |
|                    | Suffolk Cnty. Incl. Dev. Agcy.,   |           |
| 450                | Hlth., Hosp. & Nursing Home RB, Active Retirement<br>Cmnty. Proj., 5.00%, 11/01/28  | 418,311   |
| 2,500              | Incl. Impvts. RB, Keyspan-Port Jefferson Proj.,<br>5.25%, 6/01/27, AMT  | 2,509,625 |

See Notes to Financial Statements.

## Portfolio of Investments as of August

31, 2007

**BlackRock New York Municipal Income Trust II (BFY) (concluded)**  
 (Percentages shown are based on Net Assets)

| Principal Amount (000)        | Description   | Value          |
|-------------------------------|---|----------------|
| <b>New York (concluded)</b>   |   |                |
| \$ 150                        | Triborough Brdg. & Tunl. Auth., Hwy. Tolls RB, Ser. A, 5.00%, 1/01/32                   | \$ 151,854     |
| 8,000 <sup>4</sup>            | TSASC, Inc., Rec. Recovery Impvts. Tobacco Settlement Funded RB, Ser. 1, 5.75%, 7/15/12 | 8,716,880      |
| 2,000                         | Urban Dev. Corp., Pub. Impvts. Income Tax RB, Ser. B, 5.00%, 3/15/35                    | 2,041,500      |
|                               |   | 104,443,346    |
| <b>Puerto Rico 9.8%</b>       |   |                |
| 1,400                         | Children s Trust Fund, Tobacco Settlement Funded RB, 5.625%, 5/15/43                    | 1,359,204      |
| 3,000                         | Comnwlth. Hwy. & Transp. Auth., Hwy. Impvts. Tolls RB, Ser. N, 5.25%, 7/01/39, FGIC     | 3,265,590      |
| 2,000 <sup>4</sup>            | Hwy. & Transp. Auth., Hwy. Impvts. Hwy. Tolls RB, Ser. D, 5.375%, 7/01/12               | 2,145,080      |
| 5,000                         | Sales Tax Fing. Corp., Sales Tax RB, Ser. A, Zero Coupon, 8/01/54, AMBAC                | 437,600        |
|                               |   | 7,207,474      |
|                               | <b>Total Long-Term Investments (Cost \$113,006,412)</b>                                 | 115,896,410    |
| <b>Shares (000)</b>           | <b>Description</b>  | <b>Value</b>   |
| <b>MONEY MARKET FUND 1.2%</b> |   |                |
| 911 <sup>6,7</sup>            | CMA New York Mun. Money Fund, 3.39% (Cost \$910,875)                                    | \$ 910,875     |
|                               | <b>Total Investments 159.3% (Cost \$113,917,297)</b>                                    | \$ 116,807,285 |
|                               | <b>Other assets in excess of liabilities 1.6%</b>                                       | 1,154,775      |
|                               | <b>Preferred shares at redemption value, including dividends payable (60.9)%</b>        | (44,659,787)   |
|                               | <b>Net Assets Applicable to Common Shareholders 100%</b>                                | \$ 73,302,273  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

- 1 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A  
under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 5.8% of its net assets, with a current market value of  
\$4,245,590, in securities restricted as to resale.
- 2 Securities represent a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing  
revenue bonds issued by various state or local governments, or their respective agencies or authorities. Although they are not subject to  
mandatory redemption, each series is subject to remarketing on their respective stated maturity date.
- 3 Illiquid security. As of August 31, 2007, the Trust held 0.6% of its net assets, with a current market value of \$470,587, in these securities.  
4 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in  
full at the date indicated, typically at a premium to par.
- 5 Variable rate security. Rate shown is interest rate as of August 31, 2007.
- 6 Represents an investment in an affiliate.
- 7 Represents current yield as of August 31, 2007.
- 8 Cost for federal income tax purposes is \$113,754,193. The net unrealized appreciation on a tax basis is \$3,053,092, consisting of  
\$3,657,853 gross unrealized appreciation and \$604,761 gross unrealized depreciation.

See Notes to Financial Statements.



**Portfolio of Investments** as of August 31,  
2007

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

| Principal Amount (000)              | Description   | Value        |
|-------------------------------------|---|--------------|
| <b>LONG-TERM INVESTMENTS 153.8%</b> |   |              |
| <b>District of Columbia 7.3%</b>    |   |              |
|                                     | Met. Washington Arpts. Auth., Port, Arpt. & Marina Impvts. RB,  |              |
| \$ 1,500                            | Ser. A, 5.25%, 10/01/32, FGIC, AMT  | \$ 1,513,230 |
| 250                                 | Ser. B, 5.00%, 10/01/34, FSA, AMT   | 247,535      |
|                                     |   | 1,760,765    |
| <b>Multi-State 7.0%</b>             |   |              |
| 1,500 <sup>1,2</sup>                | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | 1,692,105    |
| <b>Puerto Rico 5.3%</b>             |   |              |
| 1,350                               | Children s Trust Fund, Tobacco Settlement Funded RB, 5.375%, 5/15/33  | 1,263,451    |
| <b>Virginia 134.2%</b>              |   |              |
| 1,435                               | Alexandria Redev. & Hsg. Auth., Local Hsg. RB, 3001 Pk. Ctr. Apts. Proj., Ser. A, 6.375%, 4/01/34                                       | 1,467,072    |
| 2,150 <sup>3</sup>                  | Arlington Cnty. Ind. Dev. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Virginia Hosp. Ctr. Arlington Hlth. Sys. Proj., 5.25%, 7/01/11 | 2,285,063    |
| 1,500                               | Celebrate North Cmnty. Dev. Auth., Wtr. Util. Impvts. SA, Ser. B, 6.75%, 3/01/34  | 1,563,930    |
| 1,000                               | City of Hampton, Pub. Impvts. Ad Valorem Pty. Tax GO, 5.00%, 4/01/20  | 1,035,920    |
| 3,000 <sup>3</sup>                  | City of Richmond, Natural Gas RB, 5.00%, 1/15/12, FSA   | 3,154,740    |
| 1,275                               | Cnty. of Prince William, Pub. Impvt. Lease Approp. RB, 5.00%, 12/01/21  | 1,304,096    |
|                                     | Coll. Bldg. Auth., Coll. & Univ. RB, Washington & Lee Univ. Proj.,  |              |
| 500                                 | 5.25%, 1/01/26, MBIA  | 544,435      |
| 1,000                               | 5.25%, 1/01/31, MBIA  | 1,089,110    |
| 1,500 <sup>4</sup>                  | Danville Incl. Dev. Auth., Hlth., Hosp. & Nursing Home RB, Danville Regl. Med. Ctr. Proj., 5.25%, 10/01/28, AMBAC                       | 1,610,730    |
| 980                                 | Dulles Town Ctr. Cmnty. Dev. Auth., Pub. Impvts. SA, Dulles Town Ctr. Proj., 6.25%, 3/01/26   | 999,923      |
| 1,000                               | Fairfax Cnty. Econ. Dev. Auth., Local or Gtd. Housing Retirement Facs. RB, Goodwin House, Inc. Proj., 5.125%, 10/01/37                  | 905,720      |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|       |   |           |
|-------|---|-----------|
| 1,205 | Fairfax Cnty. Wtr. Auth., Wtr. RB, 5.00%, 4/01/27   | 1,223,171 |
| 1,500 | Henrico Cnty. Econ. Dev. Auth., Hlth., Hosp. & Nursing Home RB, Bon Secours Hlth. Sys., Inc. Proj., Ser. A, 5.60%, 11/15/30 | 1,531,455 |
| 3,000 | Hsg. Dev. Auth., Local Hsg. RB, Ser. H, 5.375%, 7/01/36, MBIA   | 3,059,550 |
| 1,300 | Isle Wight Cnty. Incl. Dev. Auth., Mult. Util. Impvts. Misc. RB, Intl. Paper Co. Proj., Ser. A, 5.70%, 11/01/27, AMT        | 1,304,979 |

| Principal Amount (000)      | Description   | Value             |
|-----------------------------|---|-------------------|
| <b>Virginia (concluded)</b> |   |                   |
| \$ 1,500                    | Norfolk Arpt. Auth., Port, Arpt. & Marina Impvts. RB, Ser. A, 5.125%, 7/01/31, FGIC                                       | \$ 1,520,505      |
| 500                         | Peninsula Ports Auth., Hlth., Hosp. & Nursing Home RB, Baptist Homes Proj., Ser. C, 5.40%, 12/01/33                       | 457,835           |
| 5,000 <sup>3</sup>          | Pocahontas Pkwy. Assoc., Hwy. Impvts. Hwy. Tolls RB, Ser. B, Zero Coupon, 8/15/08, ACA                                    | 2,195,050         |
| 1,000                       | Port Auth., Port, Arpt. & Marina Impvts. RB, 4.75%, 7/01/31, FGIC, AMT  | 955,960           |
| 1,500 <sup>3</sup>          | Recs. Auth., Wtr. Util. Impvts. Misc. RB, Frederick Cnty. San. Auth. Proj., 5.20%, 10/01/10                               | 1,567,620         |
| 635                         | Infrastructure Proj., Ser. A, 5.125%, 5/01/27   | 649,142           |
| 1,250                       | Richmond Met. Auth., Hwy. Tolls RB, 5.25%, 7/15/22, FGIC  | 1,363,575         |
| 500                         | Stafford Cnty. Econ. Dev. Auth., Hlth., Hosp. & Nursing Home Impvts. RB, Medicorp Hlth. Sys. Oblig. Proj., 5.25%, 6/15/37 | 500,306           |
|                             |   | 32,289,887        |
|                             | <b>Total Long-Term Investments (Cost \$35,369,022)</b>  | <b>37,006,208</b> |

**SHORT-TERM INVESTMENT 0.8%**

**Virginia 0.8%**

|                  |   |         |
|------------------|---|---------|
| 200 <sup>5</sup> | Loudoun Cnty. Incl. Dev. Auth., Misc. RB, Howard Hughes Med. Inst. Proj., Ser. A, 3.94%, 9/04/07, FRDD (Cost \$200,000) | 200,000 |
|------------------|---|---------|

|  |                                   |                      |
|--|-----------------------------------|----------------------|
| <b>Total Investments</b>   | <b>154.6% (Cost \$35,569,022)</b> | <b>\$ 37,206,208</b> |
| <b>Other assets in excess of liabilities</b>                                     | <b>1.6%</b>                       | <b>373,397</b>       |
| <b>Preferred shares at redemption value, including dividends payable (56.2)%</b> |                                   | <b>(13,526,223)</b>  |
| <b>Net Assets Applicable to Common Shareholders</b>                              | <b>100%</b>                       | <b>\$ 24,053,382</b> |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

- 1 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2007, the Trust held 7.0% of its net assets, with a current market value of \$1,692,105, in securities restricted as to resale.
- 2 Security represents a beneficial interest in a trust. The collateral deposited into the trust are federally tax-exempt multifamily housing revenue bonds issued by various state or local governments, or their respective agencies or authorities. The Series is subject to remarketing on October 31, 2014, and is subject to mandatory redemption at maturity.
- 3 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 4 Security is collateralized by municipal or U.S. Treasury obligations.
- 5 For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of August 31, 2007.
- 6 Cost for federal income tax purposes is \$35,410,715. The net unrealized appreciation on a tax basis is \$1,795,493, consisting of \$2,029,070 gross unrealized appreciation and \$233,577 gross unrealized depreciation.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

41

---

## Statements of Assets and Liabilities

|   | BlackRock<br>Insured<br>Municipal<br>Income Trust<br>(BYM) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>California<br>Insured<br>Municipal<br>Income Trust<br>(BCK) |
|---|--|---|--|--|
| <b>As of August 31, 2007</b>  |  |   |  |  |
| <b>Assets</b>   |  |   |  |  |
| Investments at value, unaffiliated <sup>1</sup>   | \$ 611,269,695   | \$ 241,740,725                                | \$ 546,233,383                                     | \$ 121,635,514   |
| Investments at value, affiliated <sup>2</sup>   | 2,300,000  | 7,600,000                                     | 3,200,000  | 1,443,458  |
| Investments in affiliates   | 68,119   | 29,455  | 61,418   | 11,465   |
| Cash  | 68,266   | 26,970  | 98,761   | 4,319  |
| Receivable from investments sold  | 19,422,935   |   | 55,000   |  |
| Unrealized appreciation on forward starting swaps   |  |   |  |  |
| Interest receivable   | 6,622,028  | 2,709,580                                     | 6,869,966  | 1,376,524  |
| Other assets  | 10,289   | 3,462   | 5,915  | 5,067  |
|   | 639,761,332  | 252,110,192                                   | 556,524,443  | 124,476,347  |
| <b>Liabilities</b>  |  |   |  |  |
| Payable for investments purchased   | 19,441,709   |   |  |  |
| Unrealized depreciation on forward starting swaps   | 909,405  | 571,200                                       | 1,127,698  | 189,029  |
| Dividends payable common shares   | 1,598,438  | 872,778                                       | 1,752,206  | 306,051  |
| Investment advisory fees payable  | 183,490  | 94,970  | 211,797  | 36,107   |
| Deferred Trustees fees  | 68,119   | 29,455  | 61,418   | 11,465   |
| Payable to affiliates   | 16,804   | 8,283   | 14,182   | 2,436  |
| Officers and Trustees fees  | 18,619   | 9,056   | 16,581   | 3,651  |
| Other accrued expenses  | 193,169  | 105,864                                       | 173,566  | 68,859   |
|   | 22,429,753   | 1,691,606                                     | 3,357,448  | 617,598  |
| <b>Preferred Shares at Redemption Value</b>   |  |   |  |  |
| \$0.001 par value per share, \$25,000 liquidation value per share, including dividends payable <sup>3</sup> | 229,056,339  | 90,519,031                                    | 205,604,086  | 46,520,704   |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |   |  |  |
| Net Assets Applicable to Common Shareholders  | \$ 388,275,240   | \$ 159,899,555                                | \$ 347,562,909                                     | \$ 77,338,045  |
| <b>Composition of Net Assets Applicable to Common Shareholders:</b>   |  |   |  |  |
| Par value <sup>4</sup>  | \$ 26,204  | \$ 10,268                                     | \$ 23,055  | \$ 5,277   |
| Paid-in capital in excess of par  | 371,940,567  | 145,997,139                                   | 327,681,400  | 74,816,734   |
| Undistributed net investment income   | 1,975,165  | 1,070,603                                     | 661,477  | 361,764  |
| Accumulated net realized gain (loss)  | (3,359,199)  | 1,296,799                                     | (5,134,917)  | (717,736)  |
| Net unrealized appreciation   | 17,692,503   | 11,524,746                                    | 24,331,894   | 2,872,006  |
| Net assets applicable to common shareholders, August 31, 2007   | \$ 388,275,240   | \$ 159,899,555                                | \$ 347,562,909                                     | \$ 77,338,045  |
| Net asset value per common share <sup>5</sup>   | \$ 14.82   | \$ 15.57                                      | \$ 15.08   | \$ 14.66   |
| <sup>1</sup> Investments at cost, unaffiliated  | \$ 592,667,787   | \$ 229,644,779                                | \$ 520,773,791                                     | \$ 118,574,479   |
| <sup>2</sup> Investments at cost, affiliated  | \$ 2,300,000   | \$ 7,600,000                                  | \$ 3,200,000                                       | \$ 1,443,458   |
| <sup>3</sup> Preferred shares outstanding   | 9,159  | 3,620   | 8,222  | 1,860  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|  |    |            |    |            |    |            |    |           |
|--|----|------------|----|------------|----|------------|----|-----------|
| <sup>4</sup> Par value per share       | \$ | 0.001      | \$ | 0.001      | \$ | 0.001      | \$ | 0.001     |
| <sup>5</sup> Common shares outstanding |    | 26,203,900 |    | 10,267,975 |    | 23,055,344 |    | 5,276,743 |

See Notes to Financial Statements.

42 ANNUAL REPORT

AUGUST 31, 2007

---

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

| As of August 31, 2007                             | BlackRock<br>California<br>Municipal<br>Bond Trust<br>(BZA) | BlackRock<br>California<br>Municipal<br>Income Trust II<br>(BCL) | BlackRock<br>Florida<br>Insured<br>Municipal<br>Income Trust<br>(BAF) | BlackRock<br>Florida<br>Municipal<br>Bond Trust<br>(BIE) | BlackRock<br>Maryland<br>Municipal<br>Bond Trust<br>(BZM) | BlackRock<br>New Jersey<br>Municipal<br>Bond Trust<br>(BLJ) |
|---|---|--|---|--|---|---|
| <b>Assets</b>                                     |   |  |   |  |   |   |
| Investments at value, unaffiliated <sup>1</sup>   | \$ 81,023,245   | \$ 190,191,927   | \$ 198,598,445  | \$ 79,739,686  | \$ 47,638,163   | \$ 54,026,392   |
| Investments at value, affiliated <sup>2</sup>     | 335,534   | 237  | 5,069,378   | 1,519,954  | 200,000   | 507,373   |
| Investments in affiliates                         | 13,985  | 17,802   | 19,194  | 11,584   | 13,826  | 14,780  |
| Cash  | 8,071   | 88,374   | 59,542  | 63,193   | 58,354  | 75,531  |
| Receivable from investments sold                  |   | 10,300   |   | 60,275   |   | 452,181   |
| Unrealized appreciation on forward starting swaps |   |  |   |  |   | 33,134  |
| Interest receivable                               | 1,011,066   | 2,565,443  | 2,672,263   | 1,146,266  | 625,886   | 642,688   |
| Other assets                                      | 2,844   | 2,560  | 5,299   | 2,837  | 148   | 174   |
|   | 82,394,745  | 192,876,643  | 206,424,121   | 82,543,795   | 48,536,377  | 55,752,253  |

**Liabilities**

|   |         |           |           |           |         |         |
|---|---------|-----------|-----------|-----------|---------|---------|
| Payable for investments purchased                 |         |           | 1,376,478 | 1,019,750 |         |         |
| Unrealized depreciation on forward starting swaps | 65,981  | 588,107   | 114,722   |           |         |         |
| Dividends payable common shares                   | 260,815 | 523,614   | 506,575   | 258,850   | 145,014 | 180,071 |
| Investment advisory fees payable                  | 27,737  | 73,489    | 58,793    | 27,407    | 16,482  | 18,803  |
| Deferred Trustees fees                            | 13,985  | 17,802    | 19,194    | 11,584    | 13,826  | 14,780  |
| Payable to affiliates                             | 2,390   | 4,281     | 5,264     | 3,422     | 1,285   | 1,282   |
| Officers and Trustees fees                        | 2,882   | 5,968     | 6,871     | 2,852     | 2,300   | 3,035   |
| Other accrued expenses                            | 52,455  | 95,942    | 88,525    | 54,750    | 53,485  | 54,704  |
|   | 426,245 | 1,309,203 | 2,176,422 | 1,378,615 | 232,392 | 272,675 |

**Preferred Shares at Redemption Value**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| \$0.001 par value per share, \$25,000 liquidation value per share, including dividends payable <sup>3</sup> | 29,985,266 | 71,964,487 | 76,032,902 | 29,781,527 | 18,001,924 | 20,233,645 |
|---|------------|------------|------------|------------|------------|------------|

**Net Assets Applicable to Common Shareholders**

|  |               |                |                |               |               |               |
|--|---------------|----------------|----------------|---------------|---------------|---------------|
| Net Assets Applicable to Common Shareholders | \$ 51,983,234 | \$ 119,602,953 | \$ 128,214,797 | \$ 51,383,653 | \$ 30,302,061 | \$ 35,245,933 |
|--|---------------|----------------|----------------|---------------|---------------|---------------|

**Composition of Net Assets Applicable to Common Shareholders:**

|                                      |            |             |             |            |            |            |
|--------------------------------------|------------|-------------|-------------|------------|------------|------------|
| Par value <sup>4</sup>               | \$ 3,387   | \$ 7,994    | \$ 8,734    | \$ 3,327   | \$ 2,032   | \$ 2,292   |
| Paid-in capital in excess of par     | 48,054,849 | 113,407,180 | 123,914,893 | 47,134,375 | 28,782,073 | 32,475,123 |
| Undistributed net investment income  | 464,798    | 408,630     | 743,508     | 682,831    | 409,493    | 546,926    |
| Accumulated net realized gain (loss) | (504,529)  | (3,585,781) | (352,577)   | (565,317)  | (27,009)   | 28,734     |
| Net unrealized appreciation          | 3,964,729  | 9,364,930   | 3,900,239   | 4,128,437  | 1,135,472  | 2,192,858  |

|   |               |                |                |               |               |               |
|---|---------------|----------------|----------------|---------------|---------------|---------------|
| Net assets applicable to common shareholders, August 31, 2007 | \$ 51,983,234 | \$ 119,602,953 | \$ 128,214,797 | \$ 51,383,653 | \$ 30,302,061 | \$ 35,245,933 |
|---|---------------|----------------|----------------|---------------|---------------|---------------|

|   |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|
| Net asset value per common share <sup>5</sup> | \$ 15.35 | \$ 14.96 | \$ 14.68 | \$ 15.45 | \$ 14.91 | \$ 15.38 |
|---|----------|----------|----------|----------|----------|----------|

|  |               |                |                |               |               |               |
|--|---------------|----------------|----------------|---------------|---------------|---------------|
| <sup>1</sup> Investments at cost, unaffiliated | \$ 76,992,535 | \$ 180,238,890 | \$ 194,583,484 | \$ 75,611,249 | \$ 46,502,691 | \$ 51,866,668 |
|--|---------------|----------------|----------------|---------------|---------------|---------------|

|  |            |        |              |              |            |            |
|--|------------|--------|--------------|--------------|------------|------------|
| <sup>2</sup> Investments at cost, affiliated | \$ 335,534 | \$ 237 | \$ 5,069,378 | \$ 1,519,954 | \$ 200,000 | \$ 507,373 |
|--|------------|--------|--------------|--------------|------------|------------|

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| <sup>3</sup> Preferred shares outstanding | 1,199     | 2,878     | 3,040     | 1,191     | 720       | 809       |
| <sup>4</sup> Par value per share          | \$ 0.001  | \$ 0.001  | \$ 0.001  | \$ 0.001  | \$ 0.001  | \$ 0.001  |
| <sup>5</sup> Common shares outstanding    | 3,387,200 | 7,994,101 | 8,734,048 | 3,326,784 | 2,032,438 | 2,291,514 |

ANNUAL REPORT

AUGUST 31, 2007

43

---

## Statements of Assets and Liabilities (concluded)

|   | BlackRock<br>New York<br>Insured<br>Municipal<br>Income Trust<br>(BSE) | BlackRock<br>New York<br>Municipal<br>Bond Trust<br>(BQH) | BlackRock<br>New York<br>Municipal<br>Income Trust II<br>(BFY) | BlackRock<br>Virginia<br>Municipal<br>Bond Trust<br>(BHV) |
|---|--|---|--|---|
| <b>As of August 31, 2007</b>  |  |   |  |   |
| <b>Assets</b>   |  |   |  |   |
| Investments at value, unaffiliated <sup>1</sup>   | \$ 145,492,305   | \$ 64,104,310   | \$ 115,896,410   | \$ 37,206,208   |
| Investments at value, affiliated <sup>2</sup>   | 291  | 507,152   | 910,875  |   |
| Investments in affiliates   | 11,714   | 12,956  | 13,625   | 12,017  |
| Cash  | 64,033   | 70,596  | 24,068   | 23,576  |
| Receivable from investments sold  | 8,985,746  | 1,154,060   | 2,251,164  |   |
| Unrealized appreciation on forward starting swaps   | 143,280  |   |  |   |
| Interest receivable   | 1,573,727  | 829,759   | 1,351,500  | 517,053   |
| Other assets  | 5,176  | 2,798   | 1,344  | 115   |
|   | 156,276,272  | 66,681,631  | 120,448,986  | 37,758,969  |
| <b>Liabilities</b>  |  |   |  |   |
| Payable for investments purchased   | 5,442,953  |   | 1,785,171  |   |
| Unrealized depreciation on forward starting swaps   |  | 9,485   | 247,665  |   |
| Dividends payable common shares   | 375,247  | 211,237   | 308,715  | 111,877   |
| Investment advisory fees payable  | 44,808   | 23,122  | 45,012   | 12,787  |
| Deferred Trustees fees  | 11,714   | 12,956  | 13,625   | 12,017  |
| Payable to affiliates   | 2,861  | 1,882   | 2,726  | 1,224   |
| Officers and Trustees fees  | 4,419  | 3,322   | 3,496  | 2,115   |
| Other accrued expenses  | 74,256   | 53,348  | 80,516   | 39,344  |
|   | 5,956,258  | 315,352   | 2,486,926  | 179,364   |
| <b>Preferred Shares at Redemption Value</b>   |  |   |  |   |
| \$0.001 par value per share, \$25,000 liquidation value per share, including dividends payable <sup>3</sup> | 56,005,984   | 24,206,762  | 44,659,787   | 13,526,223  |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |   |  |   |
| Net Assets Applicable to Common Shareholders  | \$ 94,314,030  | \$ 42,159,517   | \$ 73,302,273  | \$ 24,053,382   |
| Composition of Net Assets Applicable to Common Shareholders:  |  |   |  |   |
| Par value <sup>4</sup>  | \$ 6,470   | \$ 2,740  | \$ 4,939   | \$ 1,545  |
| Paid-in capital in excess of par  | 91,773,953   | 38,863,530  | 70,034,543   | 21,898,154  |
| Undistributed net investment income   | 707,837  | 491,078   | 570,449  | 562,297   |
| Accumulated net realized gain (loss)  | 126,029  | (23,247)  | 50,009   | (45,800)  |
| Net unrealized appreciation   | 1,699,741  | 2,825,416   | 2,642,333  | 1,637,186   |
| Net assets applicable to common shareholders, August 31, 2007   | \$ 94,314,030  | \$ 42,159,517   | \$ 73,302,273  | \$ 24,053,382   |
| Net asset value per common share <sup>5</sup>   | \$ 14.58   | \$ 15.39  | \$ 14.84   | \$ 15.57  |
| <sup>1</sup> Investments at cost, unaffiliated  | \$ 143,935,844   | \$ 61,269,409   | \$ 113,006,412   | \$ 35,569,022   |
| <sup>2</sup> Investments at cost, affiliated  | \$ 291   | \$ 507,152  | \$ 910,875   | \$  |



Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| <sup>3</sup> Preferred shares outstanding | 2,240     | 968       | 1,786     | 541       |
| <sup>4</sup> Par value per share          | \$ 0.001  | \$ 0.001  | \$ 0.001  | \$ 0.001  |
| <sup>5</sup> Common shares outstanding    | 6,469,766 | 2,739,814 | 4,939,433 | 1,544,664 |

See Notes to Financial Statements.

44

ANNUAL REPORT

AUGUST 31, 2007

---

## Statements of Operations

| For the Year Ended August 31, 2007                     | BlackRock<br>Insured<br>Municipal<br>Income Trust<br>(BYM) | BlackRock<br>Municipal<br>Bond Trust<br>(BBK) | BlackRock<br>Municipal<br>Income Trust II<br>(BLE) | BlackRock<br>California<br>Insured<br>Municipal<br>Income Trust<br>(BCK) |
|--|--|---|--|--|
| <b>Investment Income</b>                               |  |   |  |  |
| Interest income  | \$ 30,292,934  | \$ 13,606,336                                 | \$ 30,255,656                                      | \$ 5,907,957   |
| Dividend income from investments in affiliates         | 44,595   | 123,042                                       | 72,201   | 43,458   |
| Income from affiliates                                 | 3,846  | 1,579   | 3,312  | 470  |
| <b>Total investment income</b>                         | <b>30,341,375</b>  | <b>13,730,957</b>                             | <b>30,331,169</b>                                  | <b>5,951,885</b>   |
| <b>Expenses</b>  |  |   |  |  |
| Investment advisory                                    | 3,491,774  | 1,644,178                                     | 3,134,070  | 698,293  |
| Transfer agent   | 15,223   | 13,704  | 13,685   | 11,167   |
| Custodian  | 116,939  | 77,345  | 115,414  | 39,974   |
| Reports to shareholders                                | 85,087   | 37,686  | 80,530   | 18,010   |
| Trustees   | 35,973   | 18,187  | 35,266   | 9,658  |
| Registration   | 14,664   | 14,799  | 6,413  | 14,598   |
| Independent accountants                                | 41,570   | 33,363  | 40,895   | 36,334   |
| Legal  | 35,685   | 15,959  | 31,444   | 10,997   |
| Officers fees  | 9,496  | 3,911   | 8,501  | 1,891  |
| Insurance  | 34,619   | 14,057  | 31,038   | 6,909  |
| Auction agent  | 592,498  | 237,661                                       | 547,676  | 123,349  |
| Deferred Trustees fees                                 | 3,846  | 1,579   | 3,312  | 470  |
| Miscellaneous  | 53,221   | 30,687  | 45,952   | 25,156   |
| <b>Total expenses excluding interest expense</b>       | <b>4,530,595</b>   | <b>2,143,116</b>                              | <b>4,094,196</b>                                   | <b>996,806</b>   |
| Interest expense                                       | 988  | 424   | 913  | 1,613  |
| <b>Total expenses</b>                                  | <b>4,531,583</b>   | <b>2,143,540</b>                              | <b>4,095,109</b>                                   | <b>998,419</b>   |
| Less Investment Advisory fees waived                   | (1,269,730)  | (730,940)                                     | (831,200)  | (253,925)  |
| Less fees waived by Advisor                            | (629)  | (1,681)                                       | (765)  | (5,463)  |
| Less fees paid indirectly                              | (7,489)  | (12,912)                                      | (5,949)  | (13,181)   |
| <b>Net expenses</b>                                    | <b>3,253,735</b>   | <b>1,398,007</b>                              | <b>3,257,195</b>                                   | <b>725,850</b>   |
| <b>Net investment income</b>                           | <b>27,087,640</b>  | <b>12,332,950</b>                             | <b>27,073,974</b>                                  | <b>5,226,035</b>   |
| <b>Realized and Unrealized Gain (Loss)</b>             |  |   |  |  |
| Net realized gain (loss) from:                         |  |   |  |  |
| Investments  | 37,354   | 1,293,315                                     | 1,224,180  | 320,402  |
| Swaps  | (1,910,016)  | (704,015)                                     | (832,545)  | (224,767)  |
|  | (1,872,662)  | 589,300                                       | 391,635  | 95,635   |
| Net change in unrealized appreciation/depreciation on: |  |   |  |  |
| Investments  | (16,283,810)   | (7,088,811)                                   | (15,616,320)                                       | (3,305,256)  |
| Swaps  | 282,751  | (147,836)                                     | (143,743)  | 69,025   |
|  | (16,001,059)   | (7,236,647)                                   | (15,760,063)                                       | (3,236,231)  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|          |              |             |              |             |
|----------|--------------|-------------|--------------|-------------|
| Net loss | (17,873,721) | (6,647,347) | (15,368,428) | (3,140,596) |
|----------|--------------|-------------|--------------|-------------|

**Dividends and Distributions to Preferred Shareholders from:**

|                       |             |             |             |             |
|-----------------------|-------------|-------------|-------------|-------------|
| Net investment income | (7,245,982) | (3,249,713) | (7,322,276) | (1,502,001) |
| Net realized gains    | (499,767)   |             |             |             |

|                                   |             |             |             |             |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Total dividends and distributions | (7,745,749) | (3,249,713) | (7,322,276) | (1,502,001) |
|-----------------------------------|-------------|-------------|-------------|-------------|

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

|    |           |    |           |    |           |    |         |
|----|-----------|----|-----------|----|-----------|----|---------|
| \$ | 1,468,170 | \$ | 2,435,890 | \$ | 4,383,270 | \$ | 583,438 |
|----|-----------|----|-----------|----|-----------|----|---------|

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

45

## Statements of Operations (concluded)

|  | BlackRock<br>California<br>Municipal<br>Bond Trust<br>(BZA) | BlackRock<br>California<br>Municipal<br>Income<br>Trust II<br>(BCL) | BlackRock<br>Florida<br>Insured<br>Municipal<br>Income Trust<br>(BAF) | BlackRock<br>Florida<br>Municipal<br>Bond Trust<br>(BIE) |
|--|---|---|---|--|
| <b>For the Year Ended August 31, 2007</b>              |   |   |   |  |
| <b>Investment Income</b>                               |   |   |   |  |
| Interest income  | \$ 4,316,638  | \$ 9,764,675  | \$ 9,911,155  | \$ 4,316,930   |
| Dividend income from investments in affiliates         | 35,534  | 237   | 69,378  | 19,954   |
| Income from affiliates                                 | 493   | 937   | 1,073   | 331  |
| <b>Total investment income</b>                         | <b>4,352,665</b>  | <b>9,765,849</b>  | <b>9,981,606</b>  | <b>4,337,215</b>   |
| <b>Expenses</b>  |   |   |   |  |
| Investment advisory                                    | 537,043   | 1,088,165   | 1,144,375   | 527,952  |
| Transfer agent   | 12,968  | 13,171  | 13,317  | 12,755   |
| Custodian  | 28,925  | 64,831  | 60,405  | 28,022   |
| Reports to shareholders                                | 13,463  | 26,444  | 30,049  | 13,862   |
| Trustees   | 8,932   | 12,892  | 13,344  | 5,792  |
| Registration   | 14,601  | 1,953   | 14,607  | 14,601   |
| Independent accountants                                | 34,960  | 37,126  | 37,158  | 35,079   |
| Legal  | 6,519   | 15,158  | 15,851  | 5,816  |
| Officers fees  | 1,271   | 2,925   | 3,136   | 1,257  |
| Insurance  | 4,595   | 10,763  | 11,359  | 4,528  |
| Auction agent  | 79,164  | 196,816   | 197,183   | 83,027   |
| Deferred Trustees fees                                 | 493   | 937   | 1,073   | 331  |
| Miscellaneous  | 23,293  | 28,271  | 29,034  | 23,288   |
| <b>Total expenses excluding interest expense</b>       | <b>766,227</b>  | <b>1,499,452</b>  | <b>1,570,891</b>  | <b>756,310</b>   |
| Interest expense                                       |   | 424   | 596   |  |
| <b>Total expenses</b>                                  | <b>766,227</b>  | <b>1,499,876</b>  | <b>1,571,487</b>  | <b>756,310</b>   |
| Less Investment Advisory fees waived                   | (238,769)   | (288,607)   | (416,136)   | (234,730)  |
| Less fees waived by Advisor                            | (4,490)   | (39)  | (10,861)  | (2,959)  |
| Less fees paid indirectly                              | (12,674)  | (14,078)  | (14,326)  | (10,578)   |
| <b>Net expenses</b>                                    | <b>510,294</b>  | <b>1,197,152</b>  | <b>1,130,164</b>  | <b>508,043</b>   |
| <b>Net investment income</b>                           | <b>3,842,371</b>  | <b>8,568,697</b>  | <b>8,851,442</b>  | <b>3,829,172</b>   |
| <b>Realized and Unrealized Gain (Loss)</b>             |   |   |   |  |
| Net realized gain (loss) on:                           |   |   |   |  |
| Investments  | 549,045   | 1,114,541   | 885,993   | (105,704)  |
| Swaps  | (335,875)   | (133,097)   | (984,020)   | (389,306)  |
|  | 213,170   | 981,444   | (98,027)  | (495,010)  |
| Net change in unrealized appreciation/depreciation on: |   |   |   |  |
| Investments  | (3,137,513)   | (6,797,194)   | (5,097,891)   | (1,867,848)  |
| Swaps  | 87,464  | (170,448)   | 243,468   | 119,266  |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|  |             |             |              |             |
|--|-------------|-------------|--------------|-------------|
|  | (3,050,049) | (6,967,642) | (4,854,423)  | (1,748,582) |
| Net loss   | (2,836,879) | (5,986,198) | (4,952,450)  | (2,243,592) |
| <b>Dividends and Distributions to Preferred Shareholders from:</b>                                       |             |             |              |             |
| Net investment income  | (1,013,230) | (2,374,847) | (2,711,706)  | (1,065,086) |
| Net realized gains   |             |             |              |             |
| Total dividends and distributions  | (1,013,230) | (2,374,847) | (2,711,706)  | (1,065,086) |
| <b>Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations</b> | \$ (7,738)  | \$ 207,652  | \$ 1,187,286 | \$ 520,494  |

See Notes to Financial Statements.

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

| For the Year Ended August 31,<br>2007                  | BlackRock<br>Maryland<br>Municipal<br>Bond Trust<br>(BZM) | BlackRock<br>New Jersey<br>Municipal<br>Bond Trust<br>(BLJ) | BlackRock<br>New York<br>Insured<br>Municipal<br>Income<br>Trust<br>(BSE) | BlackRock<br>New York<br>Municipal<br>Bond Trust<br>(BQH) | BlackRock<br>New York<br>Municipal<br>Income Trust II<br>(BFY) | BlackRock<br>Virginia<br>Municipal<br>Bond Trust<br>(BHV) |
|--|---|---|---|---|--|---|
| <b>Investment Income</b>                               |   |   |   |   |  |   |
| Interest income  | \$ 2,531,868  | \$ 3,009,126  | \$ 7,303,649  | \$ 3,542,061  | \$ 6,034,297   | \$ 1,983,675  |
| Dividend income from investments in affiliates         | 5,551   | 7,373   | 291   | 7,152   | 10,875   |   |
| Income from affiliates                                 | 459   | 494   | 433   | 458   | 587  | 375   |
| <b>Total investment income</b>                         | <b>2,537,878</b>  | <b>3,016,993</b>  | <b>7,304,373</b>  | <b>3,549,671</b>  | <b>6,045,759</b>   | <b>1,984,050</b>  |
| <b>Expenses</b>  |   |   |   |   |  |   |
| Investment advisory                                    | 318,581   | 366,110   | 849,504   | 431,517   | 665,501  | 245,485   |
| Transfer agent   | 12,769  | 12,786  | 13,246  | 12,793  | 13,010   | 12,788  |
| Custodian  | 26,709  | 28,692  | 42,422  | 27,711  | 43,615   | 26,785  |
| Reports to shareholders                                | 10,956  | 11,354  | 24,216  | 12,302  | 18,887   | 8,929   |
| Trustees   | 6,387   | 5,569   | 8,025   | 6,443   | 8,313  | 6,216   |
| Registration   | 596   | 665   | 14,581  | 14,602  | 1,014  | 449   |
| Independent accountants                                | 34,652  | 34,676  | 36,659  | 34,875  | 36,007   | 23,072  |
| Legal  | 7,735   | 5,810   | 16,091  | 5,858   | 10,985   | 7,775   |
| Officers fees  | 741   | 862   | 2,307   | 1,031   | 1,793  | 588   |
| Insurance  | 2,732   | 3,133   | 8,428   | 3,688   | 6,592  | 2,100   |
| Auction agent  | 49,181  | 54,757  | 147,124   | 64,705  | 120,127  | 37,952  |
| Deferred Trustees fees                                 | 459   | 494   | 433   | 458   | 587  | 375   |
| Miscellaneous  | 22,240  | 21,976  | 27,194  | 22,584  | 25,184   | 21,971  |
| <b>Total expenses excluding interest expense</b>       | <b>493,738</b>  | <b>546,884</b>  | <b>1,190,230</b>  | <b>638,567</b>  | <b>951,615</b>   | <b>394,485</b>  |
| Interest expense                                       |   |   | 958   |   |  |   |
| <b>Total expenses</b>                                  | <b>493,738</b>  | <b>546,884</b>  | <b>1,191,188</b>  | <b>638,567</b>  | <b>951,615</b>   | <b>394,485</b>  |
| Less Investment Advisory fees waived                   | (141,657)   | (162,784)   | (308,911)   | (191,827)   | (176,477)  | (109,142)   |
| Less fees waived by Advisor                            | (70)  | (1,032)   |   | (894)   | (1,298)  |   |
| Less fees paid indirectly                              | (10,705)  | (12,461)  | (10,352)  | (10,890)  | (11,417)   | (13,648)  |
| <b>Net expenses</b>                                    | <b>341,306</b>  | <b>370,607</b>  | <b>871,925</b>  | <b>434,956</b>  | <b>762,423</b>   | <b>271,695</b>  |
| <b>Net investment income</b>                           | <b>2,196,572</b>  | <b>2,646,386</b>  | <b>6,432,448</b>  | <b>3,114,715</b>  | <b>5,283,336</b>   | <b>1,712,355</b>  |
| <b>Realized and Unrealized Gain (Loss)</b>             |   |   |   |   |  |   |
| Net realized gain (loss) on:                           |   |   |   |   |  |   |
| Investments  | 198,876   | 252,622   | 949,642   | 501,223   | 205,701  | 149,358   |
| Swaps  | (235,833)   | (370,818)   | (847,042)   | (267,442)   | (106,448)  | (161,240)   |
|  | (36,957)  | (118,196)   | 102,600   | 233,781   | 99,253   | (11,882)  |
| Net change in unrealized appreciation/depreciation on: |   |   |   |   |  |   |
| Investments  | (2,066,485)   | (2,039,751)   | (5,283,033)   | (1,865,591)   | (3,348,764)  | (1,108,869)   |
| Swaps  | 75,687  | 138,975   | 411,126   | 85,003  | (67,370)   | 65,174  |
|  | (1,990,798)   | (1,900,776)   | (4,871,907)   | (1,780,588)   | (3,416,134)  | (1,043,695)   |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|          |             |             |             |             |             |             |
|----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net loss | (2,027,755) | (2,018,972) | (4,769,307) | (1,546,807) | (3,316,881) | (1,055,577) |
|----------|-------------|-------------|-------------|-------------|-------------|-------------|

**Dividends and Distributions to Preferred Shareholders from:**

|                       |           |           |             |           |             |           |
|-----------------------|-----------|-----------|-------------|-----------|-------------|-----------|
| Net investment income | (620,925) | (668,039) | (1,663,594) | (788,847) | (1,477,497) | (422,739) |
| Net realized gains    | (724)     |           | (114,611)   |           |             | (26,231)  |

|                                   |           |           |             |           |             |           |
|-----------------------------------|-----------|-----------|-------------|-----------|-------------|-----------|
| Total dividends and distributions | (621,649) | (668,039) | (1,778,205) | (788,847) | (1,477,497) | (448,970) |
|-----------------------------------|-----------|-----------|-------------|-----------|-------------|-----------|

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

|              |             |              |            |            |            |
|--------------|-------------|--------------|------------|------------|------------|
| \$ (452,832) | \$ (40,625) | \$ (115,064) | \$ 779,061 | \$ 488,958 | \$ 207,808 |
|--------------|-------------|--------------|------------|------------|------------|

ANNUAL REPORT

AUGUST 31, 2007

47

## Statements of Changes in Net Assets

For the years ended August 31, 2007 and 2006

|   | BlackRock<br>Insured Municipal Income<br>Trust (BYM) |                | BlackRock<br>Municipal Bond Trust (BBK) |                |
|---|--|----------------|---|----------------|
|   | 2007   | 2006           | 2007                                    | 2006           |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders</b>                        |  |                |   |                |
| <b>Operations:</b>  |  |                |   |                |
| Net investment income   | \$ 27,087,640  | \$ 26,984,919  | \$ 12,332,950                           | \$ 12,404,175  |
| Net realized gain (loss)  | (1,872,662)  | 2,922,771      | 589,300                                 | 3,892,279      |
| Net change in unrealized appreciation/depreciation  | (16,001,059)   | (5,245,337)    | (7,236,647)                             | (2,036,069)    |
| Dividends and distributions to preferred shareholders from:                                       |  |                |   |                |
| Net investment income   | (7,245,982)  | (6,755,122)    | (3,249,713)                             | (2,574,142)    |
| Net realized gains  | (499,767)  |                |   | (231,342)      |
| Net increase (decrease) in net assets applicable to common shareholders resulting from operations | 1,468,170  | 17,907,231     | 2,435,890                               | 11,454,901     |
| <b>Dividends and Distributions to Common Shareholders from:</b>                                   |  |                |   |                |
| Net investment income   | (19,181,250)   | (19,628,929)   | (10,527,094)                            | (10,542,723)   |
| Net realized gains  | (1,349,789)  |                |   | (926,334)      |
| Total dividends and distributions   | (20,531,039)   | (19,628,929)   | (10,527,094)                            | (11,469,057)   |
| <b>Capital Share Transactions:</b>  |  |                |   |                |
| Reinvestment of common dividends  |  | 419,066        | 1,095,893                               | 1,045,811      |
| Total increase (decrease)   | (19,062,869)   | (1,302,632)    | (6,995,311)                             | 1,031,655      |
| <b>Net Assets Applicable to Common Shareholders</b>   |  |                |   |                |
| Beginning of year   | 407,338,109  | 408,640,741    | 166,894,866                             | 165,863,211    |
| End of year   | \$ 388,275,240                                       | \$ 407,338,109 | \$ 159,899,555                          | \$ 166,894,866 |
| End of year undistributed net investment income   | \$ 1,975,165   | \$ 1,315,035   | \$ 1,070,603                            | \$ 2,514,483   |

|   | BlackRock<br>Municipal Income<br>Trust II (BLE) |               | BlackRock<br>California Insured Municipal<br>Income Trust (BCK) |              |
|---|---|---------------|---|--------------|
|   | 2007  | 2006          | 2007  | 2006         |
| <b>Increase (Decrease) in Net Assets Applicable to Common Shareholders</b>                        |   |               |   |              |
| <b>Operations:</b>  |   |               |   |              |
| Net investment income   | \$ 27,073,974                                   | \$ 27,132,544 | \$ 5,226,035  | \$ 5,193,317 |
| Net realized gain (loss)  | 391,635   | 7,808,346     | 95,635  | 1,094,689    |
| Net change in unrealized appreciation/depreciation  | (15,760,063)                                    | (4,201,140)   | (3,236,231)   | (1,142,339)  |
| Dividends and distributions to preferred shareholders from:                                       |   |               |   |              |
| Net investment income   | (7,322,276)                                     | (6,317,513)   | (1,502,001)   | (1,289,460)  |
| Net realized gains  |   |               |   |              |
| Net increase (decrease) in net assets applicable to common shareholders resulting from operations | 4,383,270                                       | 24,422,237    | 583,438   | 3,856,207    |



Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

**Dividends and Distributions to Common Shareholders from:**

|                                   |              |              |             |             |
|-----------------------------------|--------------|--------------|-------------|-------------|
| Net investment income             | (21,511,812) | (22,977,915) | (3,672,302) | (3,761,809) |
| Net realized gains                |              |              |             |             |
| Total dividends and distributions | (21,511,812) | (22,977,915) | (3,672,302) | (3,761,809) |

**Capital Share Transactions:**

|                                  |              |           |             |         |
|----------------------------------|--------------|-----------|-------------|---------|
| Reinvestment of common dividends | 2,083,908    | 2,143,077 | 8,887       | 34,661  |
| Total increase (decrease)        | (15,044,634) | 3,587,399 | (3,079,977) | 129,059 |

**Net Assets Applicable to Common Shareholders**

|   |                |                |               |               |
|---|----------------|----------------|---------------|---------------|
| Beginning of year                               | 362,607,543    | 359,020,144    | 80,418,022    | 80,288,963    |
| End of year                                     | \$ 347,562,909 | \$ 362,607,543 | \$ 77,338,045 | \$ 80,418,022 |
| End of year undistributed net investment income | \$ 661,477     | \$ 2,421,627   | \$ 361,764    | \$ 310,034    |

See Notes to Financial Statements.

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

| Increase (Decrease) in Net Assets Applicable to Common Shareholders                               | BlackRock California Municipal Bond Trust (BZA) |               | BlackRock California Municipal Income Trust II (BCL) |                | BlackRock Florida Insured Municipal Income Trust (BAF) |                | BlackRock Florida Municipal Bond Trust (BIE) |               |
|---|---|---------------|--|----------------|--|----------------|--|---------------|
|   | 2007  | 2006          | 2007   | 2006           | 2007   | 2006           | 2007   | 2006          |
| <b>Operations:</b>  |   |               |  |                |  |                |  |               |
| Net investment income   | \$ 3,842,371                                    | \$ 3,856,991  | \$ 8,568,697   | \$ 8,636,789   | \$ 8,851,442   | \$ 8,891,830   | \$ 3,829,172                                 | \$ 3,875,241  |
| Net realized gain (loss)  | 213,170   | 579,065       | 981,444  | 1,752,542      | (98,027)   | 1,645,015      | (495,010)                                    | 542,590       |
| Net change in unrealized appreciation/depreciation  | (3,050,049)                                     | (48,209)      | (6,967,642)  | (525,041)      | (4,854,423)  | (2,224,194)    | (1,748,582)                                  | (710,343)     |
| Dividends and distributions to preferred shareholders from:                                       |   |               |  |                |  |                |  |               |
| Net investment income   | (1,013,230)                                     | (876,737)     | (2,374,847)  | (1,983,073)    | (2,711,706)  | (2,277,559)    | (1,065,086)                                  | (906,591)     |
| Net realized gains  |   |               |  |                |  |                |  |               |
| Net increase (decrease) in net assets applicable to common shareholders resulting from operations | (7,738)   | 3,511,110     | 207,652  | 7,881,217      | 1,187,286  | 6,035,092      | 520,494                                      | 2,800,897     |
| <b>Dividends and Distributions to Common Shareholders from:</b>                                   |   |               |  |                |  |                |  |               |
| Net investment income   | (3,174,041)                                     | (3,209,548)   | (6,279,091)  | (6,275,960)    | (6,078,895)  | (6,227,177)    | (3,101,757)                                  | (3,093,699)   |
| Net realized gains  |   |               |  |                |  |                |  |               |
| Total dividends and distributions   | (3,174,041)                                     | (3,209,548)   | (6,279,091)  | (6,275,960)    | (6,078,895)  | (6,227,177)    | (3,101,757)                                  | (3,093,699)   |
| <b>Capital Share Transactions:</b>  |   |               |  |                |  |                |  |               |
| Reinvestment of common dividends  | 363,722   | 234,330       | 149,378  |                |  | 77,965         | 166,535                                      | 101,681       |
| Total increase (decrease)   | (2,818,057)                                     | 535,892       | (5,922,061)  | 1,605,257      | (4,891,609)  | (114,120)      | (2,414,728)                                  | (191,121)     |
| <b>Net Assets Applicable to Common Shareholders</b>   |   |               |  |                |  |                |  |               |
| Beginning of year   | 54,801,291                                      | 54,265,399    | 125,525,014  | 123,919,757    | 133,106,406  | 133,220,526    | 53,798,381                                   | 53,989,502    |
| End of year   | \$ 51,983,234                                   | \$ 54,801,291 | \$ 119,602,953                                       | \$ 125,525,014 | \$ 128,214,797   | \$ 133,106,406 | \$ 51,383,653                                | \$ 53,798,381 |
| End of year undistributed net investment income   | \$ 464,798                                      | \$ 809,715    | \$ 408,630   | \$ 493,877     | \$ 743,508   | \$ 682,745     | \$ 682,831                                   | \$ 1,020,513  |
| <b>BlackRock Maryland Municipal Bond Trust (BZM)</b>  |   |               |  |                |  |                |  |               |
| <b>BlackRock New Jersey Municipal Bond Trust (BLJ)</b>  |   |               |  |                |  |                |  |               |
| <b>BlackRock New York Insured Municipal Income Trust (BSE)</b>                                    |   |               |  |                |  |                |  |               |
| <b>BlackRock New York Municipal Bond Trust (BQH)</b>  |   |               |  |                |  |                |  |               |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders                               | 2007  | 2006          | 2007   | 2006           | 2007   | 2006           | 2007   | 2006          |
| <b>Operations:</b>  |   |               |  |                |  |                |  |               |
| Net investment income   | \$ 2,196,572                                    | \$ 2,169,137  | \$ 2,646,386   | \$ 2,654,971   | \$ 6,432,448   | \$ 6,480,361   | \$ 3,114,715                                 | \$ 3,079,389  |
| Net realized gain (loss)  | (36,957)  | 364,521       | (118,196)  | 526,070        | 102,600  | 1,038,354      | 233,781                                      | 401,202       |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |             |           |             |           |             |             |             |           |
|---|-------------|-----------|-------------|-----------|-------------|-------------|-------------|-----------|
| Net change in unrealized appreciation/depreciation  | (1,990,798) | (524,780) | (1,900,776) | (144,958) | (4,871,907) | (1,122,849) | (1,780,588) | (478,013) |
| Dividends and distributions to preferred shareholders from:                                       |             |           |             |           |             |             |             |           |
| Net investment income   | (620,925)   | (533,685) | (668,039)   | (548,600) | (1,663,594) | (1,540,963) | (788,847)   | (688,573) |
| Net realized gains  | (724)       |           |             | (37,909)  | (114,611)   |             |             |           |
| Net increase (decrease) in net assets applicable to common shareholders resulting from operations | (452,832)   | 1,475,193 | (40,625)    | 2,449,574 | (115,064)   | 4,854,903   | 779,061     | 2,314,005 |

### Dividends and Distributions to Common Shareholders from:

|                       |             |             |             |             |             |             |             |             |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net investment income | (1,736,982) | (1,729,913) | (2,156,474) | (2,145,616) | (4,502,953) | (4,612,545) | (2,525,696) | (2,505,339) |
| Net realized gains    | (2,108)     |             |             | (145,350)   | (322,647)   |             |             |             |

|                                   |             |             |             |             |             |             |             |             |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total dividends and distributions | (1,739,090) | (1,729,913) | (2,156,474) | (2,290,966) | (4,825,600) | (4,612,545) | (2,525,696) | (2,505,339) |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

### Capital Share Transactions:

|                                  |         |         |         |         |  |         |         |         |
|----------------------------------|---------|---------|---------|---------|--|---------|---------|---------|
| Reinvestment of common dividends | 140,320 | 116,586 | 180,298 | 176,459 |  | 158,868 | 364,660 | 272,447 |
|----------------------------------|---------|---------|---------|---------|--|---------|---------|---------|

|                           |             |           |             |         |             |         |             |        |
|---------------------------|-------------|-----------|-------------|---------|-------------|---------|-------------|--------|
| Total increase (decrease) | (2,051,602) | (138,134) | (2,016,801) | 335,067 | (4,940,664) | 401,226 | (1,381,975) | 81,113 |
|---------------------------|-------------|-----------|-------------|---------|-------------|---------|-------------|--------|

### Net Assets Applicable to Common Shareholders

|                   |            |            |            |            |            |            |            |            |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Beginning of year | 32,353,663 | 32,491,797 | 37,262,734 | 36,927,667 | 99,254,694 | 98,853,468 | 43,541,492 | 43,460,379 |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|

|             |               |               |               |               |               |               |               |               |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| End of year | \$ 30,302,061 | \$ 32,353,663 | \$ 35,245,933 | \$ 37,262,734 | \$ 94,314,030 | \$ 99,254,694 | \$ 42,159,517 | \$ 43,541,492 |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| End of year undistributed net investment income | \$ 409,493 | \$ 571,337 | \$ 546,926 | \$ 725,060 | \$ 707,837 | \$ 442,039 | \$ 491,078 | \$ 691,759 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|

## Statements of Changes in Net Assets (concluded)

For the years ended August 31, 2007 and 2006

|  | BlackRock<br>New York Municipal<br>Income Trust II (BFY) |               | BlackRock<br>Virginia Municipal<br>Bond Trust (BHV) |               |
|--|--|---------------|---|---------------|
|  | 2007   | 2006          | 2007  | 2006          |
| <b>Increase in (Decrease) Net Assets Applicable to Common Shareholders</b>             |  |               |   |               |
| <b>Operations:</b>   |  |               |   |               |
| Net investment income  | \$ 5,283,336   | \$ 5,213,375  | \$ 1,712,355  | \$ 1,690,588  |
| Net realized gain (loss)   | 99,253   | 840,244       | (11,882)  | 372,142       |
| Net change in unrealized appreciation/depreciation                                     | (3,416,134)  | (102,448)     | (1,043,695)   | (334,498)     |
| Dividends and distributions to preferred shareholders from:                            |  |               |   |               |
| Net investment income  | (1,477,497)  | (1,240,545)   | (422,739)   | (396,092)     |
| Net realized gains   |  |               | (26,231)  |               |
| Net increase in net assets applicable to common shareholders resulting from operations | 488,958  | 4,710,626     | 207,808   | 1,332,140     |
| <b>Dividends and Distributions to Common Shareholders from:</b>                        |  |               |   |               |
| Net investment income  | (3,607,277)  | (3,510,658)   | (1,338,699)   | (1,331,262)   |
| Net realized gains   |  |               | (80,656)  |               |
| Total dividends and distributions  | (3,607,277)  | (3,510,658)   | (1,419,355)   | (1,331,262)   |
| <b>Capital Share Transactions:</b>   |  |               |   |               |
| Reinvestment of common dividends   | 27,341   |               | 167,940   | 130,321       |
| Total increase (decrease)  | (3,090,978)  | 1,199,968     | (1,043,607)   | 131,199       |
| <b>Net Assets Applicable to Common Shareholders</b>                                    |  |               |   |               |
| Beginning of year  | 76,393,251   | 75,193,283    | 25,096,989  | 24,965,790    |
| End of year  | \$ 73,302,273  | \$ 76,393,251 | \$ 24,053,382                                       | \$ 25,096,989 |
| End of year undistributed net investment income  | \$ 570,449   | \$ 380,563    | \$ 562,297  | \$ 611,639    |

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Insured Municipal Income Trust (BYM)

|   | Year Ended August 31, |          |          |          | For the Period  |
|---|-----------------------|----------|----------|----------|---|
|   | 2007                  | 2006     | 2005     | 2004     | October 31, 2002 <sup>1</sup><br>through August 31,<br>2003 |
| <b>Per Common Share Operating Performance:</b>  |                       |          |          |          |   |
| Net asset value, beginning of period  | \$ 15.54              | \$ 15.61 | \$ 14.62 | \$ 13.64 | \$ 14.33 <sub>2</sub>                                       |
| Investment operations:  |                       |          |          |          |   |
| Net investment income   | 1.03                  | 1.03     | 1.03     | 1.06     | 0.83  |
| Net realized and unrealized gain (loss)   | (0.67)                | (0.09)   | 1.07     | 0.94     | (0.62)  |
| Dividends and distributions to preferred shareholders from:   |                       |          |          |          |   |
| Net investment income   | (0.28)                | (0.26)   | (0.17)   | (0.08)   | (0.07)  |
| Net realized gains  | (0.02)                |          |          |          |   |
| Net increase from investment operations   | 0.06                  | 0.68     | 1.93     | 1.92     | 0.14  |
| Dividends and distributions to common shareholders from:  |                       |          |          |          |   |
| Net investment income   | (0.73)                | (0.75)   | (0.94)   | (0.94)   | (0.70)  |
| Net realized gains  | (0.05)                |          |          |          |   |
| Total dividends and distributions   | (0.78)                | (0.75)   | (0.94)   | (0.94)   | (0.70)  |
| Capital charges with respect to issuance of:  |                       |          |          |          |   |
| Common shares   |                       |          |          |          | (0.03)  |
| Preferred shares  |                       |          |          |          | (0.10)  |
| Total capital charges   |                       |          |          |          | (0.13)  |
| Net asset value, end of period  | \$ 14.82              | \$ 15.54 | \$ 15.61 | \$ 14.62 | \$ 13.64  |
| Market price, end of period   | \$ 14.35              | \$ 14.65 | \$ 15.43 | \$ 13.97 | \$ 13.51  |
| <b>Total Investment Returns:<sup>3</sup></b>  |                       |          |          |          |   |
| At net asset value  | 0.48%                 | 4.92%    | 13.77%   | 14.61%   | 0.03%   |
| At market value   | 3.20%                 | 0.07%    | 17.69%   | 10.57%   | (5.39)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>4</sup></b>   |                       |          |          |          |   |
| Expenses after fees waived and paid indirectly  | 0.80%                 | 0.84%    | 0.83%    | 0.84%    | 0.77% <sup>5</sup>  |
| Expenses after fees waived and before fees paid indirectly  | 0.80%                 | 0.84%    | 0.83%    | 0.84%    | 0.79% <sup>5</sup>  |
| Expenses before fees waived and paid indirectly   | 1.12%                 | 1.18%    | 1.15%    | 1.16%    | 1.10% <sup>5</sup>  |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.67%                 | 6.75%    | 6.83%    | 7.30%    | 6.95% <sup>5</sup>  |
| Preferred share dividends from net investment income  | 1.79%                 | 1.69%    | 1.09%    | 0.57%    | 0.55% <sup>5</sup>  |
|   | 4.88%                 | 5.06%    | 5.74%    | 6.73%    | 6.40% <sup>5</sup>  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Net investment income available to common shareholders

### Supplemental Data:

|   |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|
| Average net assets of common shareholders (000)                   | \$ 405,890 | \$ 399,904 | \$ 394,876 | \$ 380,007 | \$ 372,269 |
| Portfolio turnover  | 17%        | 60%        | 57%        | 57%        | 46%        |
| Net assets applicable to common shareholders, end of period (000) | \$ 388,275 | \$ 407,338 | \$ 408,641 | \$ 382,265 | \$ 356,438 |
| Preferred shares value outstanding, end of period (000)           | \$ 228,975 | \$ 228,975 | \$ 228,975 | \$ 228,975 | \$ 228,975 |
| Asset coverage per preferred share, end of period                 | \$ 67,402  | \$ 69,485  | \$ 69,622  | \$ 66,739  | \$ 63,919  |

- 1 Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.
- 2 Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.
- 3 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.
- 4 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.
- 5 Annualized.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Municipal Bond Trust (BBK)

## Year Ended August 31,

|   | 2007       | 2006       | 2005       | 2004       | 2003       |
|---|------------|------------|------------|------------|------------|
| <b>Per Common Share Operating Performance:</b>  |            |            |            |            |            |
| Net asset value, beginning of year  | \$ 16.35   | \$ 16.36   | \$ 15.00   | \$ 14.12   | \$ 14.76   |
| Investment operations:  |            |            |            |            |            |
| Net investment income   | 1.20       | 1.21       | 1.21       | 1.25       | 1.28       |
| Net realized and unrealized gain (loss)   | (0.63)     | 0.18       | 1.36       | 0.74       | (0.74)     |
| Dividends and distributions to preferred shareholders from:   |            |            |            |            |            |
| Net investment income   | (0.32)     | (0.25)     | (0.17)     | (0.08)     | (0.10)     |
| Net realized gains  |            | (0.02)     |            |            | (0.01)     |
| Net increase from investment operations   | 0.25       | 1.12       | 2.40       | 1.91       | 0.43       |
| Dividends and distributions to common shareholders from:  |            |            |            |            |            |
| Net investment income   | (1.03)     | (1.04)     | (1.04)     | (1.04)     | (1.02)     |
| Net realized gains  |            | (0.09)     |            |            | (0.05)     |
| Total dividends and distributions   | (1.03)     | (1.13)     | (1.04)     | (1.04)     | (1.07)     |
| Capital changes with respect to issuance of preferred shares  |            |            |            | 0.01       |            |
| Net asset value, end of year  | \$ 15.57   | \$ 16.35   | \$ 16.36   | \$ 15.00   | \$ 14.12   |
| Market price, end of year   | \$ 16.50   | \$ 17.89   | \$ 17.18   | \$ 14.61   | \$ 13.66   |
| <b>Total Investment Returns:<sup>1</sup></b>  |            |            |            |            |            |
| At net asset value  | 1.09%      | 7.18%      | 16.63%     | 14.01%     | 3.17%      |
| At market value   | (2.09)%    | 11.55%     | 25.75%     | 14.87%     | (1.20)%    |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |            |            |            |            |            |
| Expenses after fees waived and paid indirectly  | 0.83%      | 0.86%      | 0.87%      | 0.89%      | 0.91%      |
| Expenses after fees waived and before fees paid indirectly  | 0.84%      | 0.88%      | 0.88%      | 0.90%      | 0.92%      |
| Expenses before fees waived and paid indirectly   | 1.28%      | 1.37%      | 1.35%      | 1.37%      | 1.41%      |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.36%      | 7.58%      | 7.73%      | 8.28%      | 8.66%      |
| Preferred share dividends from net investment income  | 1.94%      | 1.57%      | 1.08%      | 0.55%      | 0.67%      |
| Net investment income available to common shareholders  | 5.42%      | 6.01%      | 6.65%      | 7.73%      | 7.99%      |
| <b>Supplemental Data:</b>   |            |            |            |            |            |
| Average net assets of common shareholders (000)   | \$ 167,464 | \$ 163,727 | \$ 158,814 | \$ 152,200 | \$ 148,670 |
| Portfolio turnover  | 14%        | 85%        | 70%        | 65%        | 21%        |
| Net assets applicable to common shareholders, end of year (000)   | \$ 159,900 | \$ 166,895 | \$ 165,863 | \$ 151,892 | \$ 142,951 |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Preferred shares value outstanding, end of year (000) | \$ 90,500 | \$ 90,500 | \$ 90,500 | \$ 90,500 | \$ 90,500 |
| Asset coverage per preferred share, end of year       | \$ 69,176 | \$ 71,114 | \$ 70,824 | \$ 66,963 | \$ 64,491 |

- <sup>1</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.
- <sup>2</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.



## Financial Highlights

## BlackRock Municipal Income Trust II (BLE)

|   | Year Ended August 31, |            |            |            |            |
|---|-----------------------|------------|------------|------------|------------|
|   | 2007                  | 2006       | 2005       | 2004       | 2003       |
| <b>Per Common Share Operating Performance:</b>  |                       |            |            |            |            |
| Net asset value, beginning of year  | \$ 15.82              | \$ 15.75   | \$ 14.34   | \$ 13.28   | \$ 14.40   |
| Investment operations:  |                       |            |            |            |            |
| Net investment income   | 1.17                  | 1.18       | 1.20       | 1.20       | 1.14       |
| Net realized and unrealized gain (loss)   | (0.66)                | 0.18       | 1.38       | 0.95       | (1.06)     |
| Dividends to preferred shareholders from net investment income  | (0.32)                | (0.28)     | (0.17)     | (0.09)     | (0.10)     |
| Net increase (decrease) from investment operations  | 0.19                  | 1.08       | 2.41       | 2.06       | (0.02)     |
| Dividends to common shareholders from net investment income   | (0.93)                | (1.01)     | (1.00)     | (1.00)     | (1.00)     |
| Capital charges with respect to issuance of preferred shares  |                       |            |            |            | (0.10)     |
| Net asset value, end of year  | \$ 15.08              | \$ 15.82   | \$ 15.75   | \$ 14.34   | \$ 13.28   |
| Market price, end of year   | \$ 15.05              | \$ 17.22   | \$ 15.73   | \$ 13.92   | \$ 13.11   |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |            |            |            |            |
| At net asset value  | 1.02%                 | 7.04%      | 17.56%     | 16.09%     | (0.81)%    |
| At market value   | (7.38)%               | 16.66%     | 20.95%     | 14.15%     | (6.00)%    |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |            |            |            |            |
| Expenses after fees waived and paid indirectly  | 0.89%                 | 0.94%      | 0.93%      | 0.95%      | 0.92%      |
| Expenses after fees waived and before fees paid indirectly  | 0.90%                 | 0.94%      | 0.93%      | 0.95%      | 0.93%      |
| Expenses before fees waived and paid indirectly   | 1.12%                 | 1.18%      | 1.17%      | 1.20%      | 1.17%      |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.43%                 | 7.66%      | 8.00%      | 8.37%      | 8.15%      |
| Preferred share dividends from net investment income  | 2.01%                 | 1.78%      | 1.15%      | 0.61%      | 0.69%      |
| Net investment income available to common shareholders  | 5.42%                 | 5.88%      | 6.85%      | 7.76%      | 7.46%      |
| <b>Supplemental Data:</b>   |                       |            |            |            |            |
| Average net assets of common shareholders (000)   | \$ 364,278            | \$ 354,032 | \$ 342,827 | \$ 325,680 | \$ 318,014 |
| Portfolio turnover  | 12%                   | 68%        | 49%        | 64%        | 118%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 347,563            | \$ 362,608 | \$ 359,020 | \$ 326,770 | \$ 302,337 |
| Preferred shares value outstanding, end of year (000)   | \$ 205,550            | \$ 205,550 | \$ 205,550 | \$ 205,550 | \$ 205,550 |
| Asset coverage per preferred share, end of year   | \$ 67,279             | \$ 69,110  | \$ 68,672  | \$ 64,747  | \$ 61,774  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

- <sup>2</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

53

---

## Financial Highlights

## BlackRock California Insured Municipal Income Trust (BCK)

|   | Year Ended August 31, |           |           |           | For the Period  |
|---|-----------------------|-----------|-----------|-----------|---|
|   | 2007                  | 2006      | 2005      | 2004      | October 31, 2002 <sup>1</sup><br>through August 31,<br>2003 |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |   |
| Net asset value, beginning of period  | \$ 15.24              | \$ 15.22  | \$ 14.01  | \$ 13.09  | \$ 14.33 <sup>2</sup>                                       |
| Investment operations:  |                       |           |           |           |   |
| Net investment income   | 0.99                  | 0.98      | 0.99      | 1.02      | 0.79  |
| Net realized and unrealized gain (loss)   | (0.59)                | (0.01)    | 1.27      | 0.89      | (1.15)  |
| Dividends to preferred shareholders from net investment income  | (0.28)                | (0.24)    | (0.15)    | (0.08)    | (0.06)  |
| Net increase (decrease) from investment operations  | 0.12                  | 0.73      | 2.11      | 1.83      | (0.42)  |
| Dividends and distributions to common shareholders from:  |                       |           |           |           |   |
| Net investment income   | (0.70)                | (0.71)    | (0.90)    | (0.90)    | (0.67)  |
| Net realized gains  |                       |           |           | (0.01)    |   |
| Total dividends and distributions   | (0.70)                | (0.71)    | (0.90)    | (0.91)    | (0.67)  |
| Capital charges with respect to issuance of:  |                       |           |           |           |   |
| Common shares   |                       |           |           |           | (0.03)  |
| Preferred shares  |                       |           |           |           | (0.12)  |
| Total capital charges   |                       |           |           |           | (0.15)  |
| Net asset value, end of period  | \$ 14.66              | \$ 15.24  | \$ 15.22  | \$ 14.01  | \$ 13.09  |
| Market price, end of period   | \$ 14.30              | \$ 14.61  | \$ 16.08  | \$ 14.00  | \$ 13.01  |
| <b>Total Investment Returns:<sup>3</sup></b>  |                       |           |           |           |   |
| At net asset value  | 0.76%                 | 5.22%     | 15.62%    | 14.34%    | (4.11)%   |
| At market value   | 2.52%                 | (4.53)%   | 22.24%    | 14.97%    | (8.98)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>4</sup></b>   |                       |           |           |           |   |
| Expenses after fees waived and paid indirectly  | 0.90%                 | 0.95%     | 0.97%     | 0.99%     | 0.92% <sup>5</sup>  |
| Expenses after fees waived and before fees paid indirectly  | 0.92%                 | 0.97%     | 0.98%     | 0.99%     | 0.96% <sup>5</sup>  |
| Expenses before fees waived and paid indirectly   | 1.24%                 | 1.28%     | 1.30%     | 1.32%     | 1.27% <sup>5</sup>  |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.50%                 | 6.58%     | 6.72%     | 7.26%     | 6.69% <sup>5</sup>  |
| Preferred share dividends from net investment income  | 1.87%                 | 1.63%     | 1.04%     | 0.54%     | 0.50% <sup>5</sup>  |
| Net investment income available to common shareholders  | 4.63%                 | 4.95%     | 5.68%     | 6.72%     | 6.19% <sup>5</sup>  |
| <b>Supplemental Data:</b>   |                       |           |           |           |   |
| Average net assets of common shareholders (000)   | \$ 80,462             | \$ 78,877 | \$ 77,283 | \$ 73,679 | \$ 74,302   |
| Portfolio turnover  | 28%                   | 20%       | 16%       | 4%        | 41%   |
| Net assets applicable to common shareholders, end of period (000)   | \$ 77,338             | \$ 80,418 | \$ 80,289 | \$ 73,823 | \$ 68,910   |
| Preferred shares value outstanding, end of period (000)   | \$ 46,500             | \$ 46,500 | \$ 46,500 | \$ 46,500 | \$ 46,500   |
| Asset coverage per preferred share, end of period   | \$ 66,591             | \$ 68,241 | \$ 68,170 | \$ 64,691 | \$ 62,052   |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

- 1 Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.
- 2 Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.
- 3 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.
- 4 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.
- 5 Annualized.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock California Municipal Bond Trust (BZA)

Year Ended August 31,

|   | 2007      | 2006      | 2005      | 2004      | 2003      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Per Common Share Operating Performance:</b>  |           |           |           |           |           |
| Net asset value, beginning of year  | \$ 16.28  | \$ 16.19  | \$ 14.67  | \$ 13.71  | \$ 14.87  |
| Investment operations:  |           |           |           |           |           |
| Net investment income   | 1.13      | 1.14      | 1.13      | 1.15      | 1.18      |
| Net realized and unrealized gain (loss)   | (0.82)    | 0.17      | 1.50      | 0.92      | (1.21)    |
| Dividends and distributions to preferred shareholders from:   |           |           |           |           |           |
| Net investment income   | (0.30)    | (0.26)    | (0.15)    | (0.07)    | (0.09)    |
| Net realized gains  |           |           |           | (0.01)    | (0.01)    |
| Net increase (decrease) from investment operations  | 0.01      | 1.05      | 2.48      | 1.99      | (0.13)    |
| Dividends and distributions to common shareholders from:  |           |           |           |           |           |
| Net investment income   | (0.94)    | (0.96)    | (0.96)    | (0.96)    | (0.94)    |
| Net realized gains  |           |           |           | (0.07)    | (0.08)    |
| Total dividends and distributions   | (0.94)    | (0.96)    | (0.96)    | (1.03)    | (1.02)    |
| Capital charges with respect to issuance of preferred shares  |           |           |           |           | (0.01)    |
| Net asset value, end of year  | \$ 15.35  | \$ 16.28  | \$ 16.19  | \$ 14.67  | \$ 13.71  |
| Market price, end of year   | \$ 16.50  | \$ 18.05  | \$ 16.33  | \$ 13.90  | \$ 13.15  |
| <b>Total Investment Returns:<sup>1</sup></b>  |           |           |           |           |           |
| At net asset value  | (0.33)%   | 6.71%     | 17.71%    | 15.20%    | (0.76)%   |
| At market value   | (3.37)%   | 17.30%    | 25.31%    | 13.80%    | (2.92)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |           |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 0.94%     | 0.96%     | 1.00%     | 1.06%     | 1.06%     |
| Expenses after fees waived and before fees paid indirectly  | 0.96%     | 0.98%     | 1.03%     | 1.07%     | 1.06%     |
| Expenses before fees waived and paid indirectly   | 1.41%     | 1.45%     | 1.50%     | 1.55%     | 1.54%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.08%     | 7.20%     | 7.30%     | 7.87%     | 7.99%     |
| Preferred share dividends from net investment income  | 1.87%     | 1.64%     | 0.98%     | 0.49%     | 0.58%     |
| Net investment income available to common shareholders  | 5.21%     | 5.56%     | 6.32%     | 7.38%     | 7.41%     |
| <b>Supplemental Data:</b>   |           |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 54,288 | \$ 53,556 | \$ 51,898 | \$ 48,928 | \$ 49,107 |
| Portfolio turnover  | 21%       | 16%       | 22%       | 24%       | 22%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 51,983 | \$ 54,801 | \$ 54,265 | \$ 49,145 | \$ 45,940 |
| Preferred shares value outstanding, end of year (000)   | \$ 29,975 | \$ 29,975 | \$ 29,975 | \$ 29,975 | \$ 29,975 |
| Asset coverage per preferred share, end of year   | \$ 68,364 | \$ 70,714 | \$ 70,263 | \$ 65,990 | \$ 63,318 |

<sup>1</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

<sup>2</sup>

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

55

---

## Financial Highlights

## BlackRock California Municipal Income Trust II (BCL)

|   | Year Ended August 31, |            |            |            |            |
|---|-----------------------|------------|------------|------------|------------|
|   | 2007                  | 2006       | 2005       | 2004       | 2003       |
| <b>Per Common Share Operating Performance:</b>  |                       |            |            |            |            |
| Net asset value, beginning of year  | \$ 15.72              | \$ 15.52   | \$ 13.77   | \$ 12.76   | \$ 14.42   |
| Investment operations:  |                       |            |            |            |            |
| Net investment income   | 1.07                  | 1.08       | 1.09       | 1.09       | 1.02       |
| Net realized and unrealized gain (loss)   | (0.74)                | 0.16       | 1.75       | 0.97       | (1.51)     |
| Dividends to preferred shareholders from net investment income  | (0.30)                | (0.25)     | (0.15)     | (0.08)     | (0.09)     |
| Net increase (decrease) from investment operations  | 0.03                  | 0.99       | 2.69       | 1.98       | (0.58)     |
| Dividends to common shareholders from net investment income   | (0.79)                | (0.79)     | (0.94)     | (0.97)     | (0.97)     |
| Capital charges with respect to issuance of preferred shares  |                       |            |            |            | (0.11)     |
| Net asset value, end of year  | \$ 14.96              | \$ 15.72   | \$ 15.52   | \$ 13.77   | \$ 12.76   |
| Market price, end of year   | \$ 14.44              | \$ 15.40   | \$ 14.26   | \$ 13.71   | \$ 13.01   |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |            |            |            |            |
| At net asset value  | 0.09%                 | 6.93%      | 20.38%     | 15.94%     | (4.98)%    |
| At market value   | (1.38)%               | 14.01%     | 11.09%     | 13.21%     | (6.94)%    |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |            |            |            |            |
| Expenses after fees waived and paid indirectly  | 0.95%                 | 0.98%      | 1.01%      | 1.05%      | 0.97%      |
| Expenses after fees waived and before fees paid indirectly  | 0.96%                 | 1.00%      | 1.02%      | 1.05%      | 0.99%      |
| Expenses before fees waived and paid indirectly   | 1.19%                 | 1.24%      | 1.26%      | 1.30%      | 1.23%      |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.81%                 | 7.06%      | 7.46%      | 7.97%      | 7.38%      |
| Preferred share dividends from net investment income  | 1.89%                 | 1.62%      | 1.00%      | 0.58%      | 0.63%      |
| Net investment income available to common shareholders  | 4.92%                 | 5.44%      | 6.46%      | 7.39%      | 6.75%      |
| <b>Supplemental Data:</b>   |                       |            |            |            |            |
| Average net assets of common shareholders (000)   | \$ 125,898            | \$ 122,402 | \$ 116,754 | \$ 109,252 | \$ 110,286 |
| Portfolio turnover  | 30%                   | 18%        | 21%        | 19%        | 85%        |
| Net assets applicable to common shareholders, end of year (000)   | \$ 119,603            | \$ 125,525 | \$ 123,920 | \$ 109,952 | \$ 101,738 |
| Preferred shares value outstanding, end of year (000)   | \$ 71,950             | \$ 71,950  | \$ 71,950  | \$ 71,950  | \$ 71,950  |
| Asset coverage per preferred share, end of year   | \$ 66,563             | \$ 68,625  | \$ 68,063  | \$ 63,209  | \$ 60,353  |

<sup>1</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

<sup>2</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

56

ANNUAL REPORT

AUGUST 31, 2007

---



## Financial Highlights

## BlackRock Florida Insured Municipal Income Trust (BAF)

|   | Year Ended August 31, |          |          |          | For the Period<br>October 31, 2002 <sup>1</sup><br>through August<br>31, |
|---|-----------------------|----------|----------|----------|--|
|   | 2007                  | 2006     | 2005     | 2004     | 2003   |
| <b>Per Common Share Operating Performance:</b>  |                       |          |          |          |  |
| Net asset value, beginning of period  | \$ 15.24              | \$ 15.26 | \$ 14.34 | \$ 13.74 | \$ 14.33 <sub>2</sub>  |
| Investment operations:  |                       |          |          |          |  |
| Net investment income   | 1.01                  | 1.02     | 1.02     | 1.02     | 0.75   |
| Net realized and unrealized gain (loss)   | (0.56)                | (0.07)   | 0.96     | 0.64     | (0.47)   |
| Dividends and distributions to preferred shareholders from:   |                       |          |          |          |  |
| Net investment income   | (0.31)                | (0.26)   | (0.16)   | (0.07)   | (0.06)   |
| Net realized gains  |                       |          |          | (0.01)   |  |
| Net increase from investment operations   | 0.14                  | 0.69     | 1.82     | 1.58     | 0.22   |
| Dividends and distributions to common shareholders from:  |                       |          |          |          |  |
| Net investment income   | (0.70)                | (0.71)   | (0.90)   | (0.90)   | (0.67)   |
| Net realized gains  |                       |          |          | (0.08)   |  |
| Total dividends and distributions   | (0.70)                | (0.71)   | (0.90)   | (0.98)   | (0.67)   |
| Capital charges with respect to issuance of:  |                       |          |          |          |  |
| Common shares   |                       |          |          |          | (0.03)   |
| Preferred shares  |                       |          |          |          | (0.11)   |
| Total capital charges   |                       |          |          |          | (0.14)   |
| Net asset value, end of period  | \$ 14.68              | \$ 15.24 | \$ 15.26 | \$ 14.34 | \$ 13.74   |
| Market price, end of period   | \$ 13.55              | \$ 13.88 | \$ 15.30 | \$ 14.14 | \$ 13.20   |
| <b>Total Investment Returns:<sup>3</sup></b>  |                       |          |          |          |  |
| At net asset value  | 1.17%                 | 5.16%    | 13.13%   | 11.87%   | 0.52%  |
| At market value   | 2.54%                 | (4.48)%  | 15.03%   | 14.82%   | (7.78)%  |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>4</sup></b>   |                       |          |          |          |  |
| Expenses after fees waived and paid indirectly  | 0.86%                 | 0.90%    | 0.89%    | 0.91%    | 0.83% <sup>5</sup>   |
| Expenses after fees waived and before fees paid indirectly  | 0.87%                 | 0.92%    | 0.90%    | 0.93%    | 0.87% <sup>5</sup>   |
| Expenses before fees waived and paid indirectly   | 1.19%                 | 1.23%    | 1.22%    | 1.25%    | 1.17% <sup>5</sup>   |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.70%                 | 6.79%    | 6.85%    | 7.13%    | 6.39% <sup>5</sup>   |
| Preferred share dividends from net investment income  | 2.05%                 | 1.74%    | 1.06%    | 0.52%    | 0.54% <sup>5</sup>   |
| Net investment income available to common shareholders  | 4.65%                 | 5.05%    | 5.79%    | 6.61%    | 5.85% <sup>5</sup>   |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

### Supplemental Data:

|   |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|
| Average net assets of common shareholders (000)                   | \$ 132,068 | \$ 131,041 | \$ 129,413 | \$ 125,315 | \$ 124,543 |
| Portfolio turnover  | 13%        | 9%         | 2%         | 2%         | 50%        |
| Net assets applicable to common shareholders, end of period (000) | \$ 128,215 | \$ 133,106 | \$ 133,221 | \$ 125,054 | \$ 119,778 |
| Preferred shares value outstanding, end of period (000)           | \$ 76,000  | \$ 76,000  | \$ 76,000  | \$ 76,000  | \$ 76,000  |
| Asset coverage per preferred share, end of period                 | \$ 67,187  | \$ 68,792  | \$ 68,826  | \$ 66,137  | \$ 64,404  |

- <sup>1</sup> Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.
- <sup>2</sup> Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.
- <sup>3</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.
- <sup>4</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.
- <sup>5</sup> Annualized.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Florida Municipal Bond Trust (BIE)

|   | Year Ended August 31, |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 2007                  | 2006      | 2005      | 2004      | 2003      |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |           |
| Net asset value, beginning of year  | \$ 16.22              | \$ 16.31  | \$ 15.53  | \$ 14.52  | \$ 14.90  |
| Investment operations:  |                       |           |           |           |           |
| Net investment income   | 1.15                  | 1.17      | 1.16      | 1.16      | 1.14      |
| Net realized and unrealized gain (loss)   | (0.67)                | (0.06)    | 0.71      | 0.88      | (0.43)    |
| Dividends and distributions to preferred shareholders from:   |                       |           |           |           |           |
| Net investment income   | (0.32)                | (0.27)    | (0.16)    | (0.08)    | (0.09)    |
| Net realized gains  |                       |           |           |           | (0.01)    |
| Net increase from investment operations   | 0.16                  | 0.84      | 1.71      | 1.96      | 0.61      |
| Dividends and distributions to common shareholders from:  |                       |           |           |           |           |
| Net investment income   | (0.93)                | (0.93)    | (0.93)    | (0.93)    | (0.92)    |
| Net realized gains  |                       |           |           | (0.02)    | (0.06)    |
| Total dividends and distributions   | (0.93)                | (0.93)    | (0.93)    | (0.95)    | (0.98)    |
| Capital charges with respect to issuance of preferred shares  |                       |           |           |           | (0.01)    |
| Net asset value, end of year  | \$ 15.45              | \$ 16.22  | \$ 16.31  | \$ 15.53  | \$ 14.52  |
| Market price, end of year   | \$ 15.82              | \$ 16.70  | \$ 15.95  | \$ 14.17  | \$ 13.55  |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |           |           |           |           |
| At net asset value  | 0.95%                 | 5.40%     | 11.58%    | 14.37%    | 4.19%     |
| At market value   | 0.40%                 | 10.97%    | 19.59%    | 11.82%    | (2.90)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 0.96%                 | 0.98%     | 1.00%     | 1.02%     | 1.05%     |
| Expenses after fees waived and before fees paid indirectly  | 0.98%                 | 1.00%     | 1.02%     | 1.03%     | 1.05%     |
| Expenses before fees waived and paid indirectly   | 1.43%                 | 1.47%     | 1.49%     | 1.50%     | 1.53%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.22%                 | 7.28%     | 7.24%     | 7.62%     | 7.54%     |
| Preferred share dividends from net investment income  | 2.01%                 | 1.70%     | 1.01%     | 0.53%     | 0.59%     |
| Net investment income available to common shareholders  | 5.21%                 | 5.58%     | 6.23%     | 7.09%     | 6.95%     |
| <b>Supplemental Data:</b>   |                       |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 53,066             | \$ 53,228 | \$ 52,870 | \$ 50,422 | \$ 49,915 |
| Portfolio turnover  | 23%                   | 6%        | 2%        | 10%       | 19%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 51,384             | \$ 53,798 | \$ 53,990 | \$ 51,383 | \$ 48,042 |
| Preferred shares value outstanding, end of year (000)   | \$ 29,775             | \$ 29,775 | \$ 29,775 | \$ 29,775 | \$ 29,775 |
| Asset coverage per preferred share, end of year   | \$ 68,149             | \$ 70,173 | \$ 70,343 | \$ 68,147 | \$ 65,340 |

1 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

58

ANNUAL REPORT

AUGUST 31, 2007

---

## Financial Highlights

## BlackRock Maryland Municipal Bond Trust (BZM)

|   | Year Ended August 31, |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 2007                  | 2006      | 2005      | 2004      | 2003      |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |           |
| Net asset value, beginning of year  | \$ 15.98              | \$ 16.11  | \$ 15.24  | \$ 14.36  | \$ 14.76  |
| Investment operations:  |                       |           |           |           |           |
| Net investment income   | 1.08                  | 1.07      | 1.07      | 1.06      | 1.07      |
| Net realized and unrealized gain (loss)   | (0.99)                | (0.08)    | 0.83      | 0.76      | (0.45)    |
| Dividends and distributions to preferred shareholders from:   |                       |           |           |           |           |
| Net investment income   | (0.31)                | (0.26)    | (0.17)    | (0.08)    | (0.10)    |
| Net realized gains  | <sup>1</sup>          |           |           |           | (0.01)    |
| Net increase (decrease) from investment operations  | (0.22)                | 0.73      | 1.73      | 1.74      | 0.51      |
| Dividends and distributions to common shareholders from:  |                       |           |           |           |           |
| Net investment income   | (0.85)                | (0.86)    | (0.86)    | (0.86)    | (0.84)    |
| Net realized gains  | <sup>1</sup>          |           |           |           | (0.04)    |
| Total dividends and distributions   | (0.85)                | (0.86)    | (0.86)    | (0.86)    | (0.88)    |
| Capital charges with respect to issuance of preferred shares  |                       |           |           |           | (0.03)    |
| Net asset value, end of year  | \$ 14.91              | \$ 15.98  | \$ 16.11  | \$ 15.24  | \$ 14.36  |
| Market price, end of year   | \$ 17.43              | \$ 17.45  | \$ 15.96  | \$ 14.99  | \$ 13.90  |
| <b>Total Investment Returns:<sup>2</sup></b>  |                       |           |           |           |           |
| At net asset value  | (1.85)%               | 4.57%     | 11.73%    | 12.50%    | 3.26%     |
| At market value   | 5.08%                 | 15.26%    | 12.53%    | 14.31%    | (1.32)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>3</sup></b>   |                       |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 1.07%                 | 1.11%     | 1.11%     | 1.18%     | 1.15%     |
| Expenses after fees waived and before fees paid indirectly  | 1.10%                 | 1.17%     | 1.13%     | 1.19%     | 1.15%     |
| Expenses before fees waived and paid indirectly   | 1.54%                 | 1.64%     | 1.60%     | 1.67%     | 1.63%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.87%                 | 6.76%     | 6.82%     | 7.05%     | 7.18%     |
| Preferred share dividends from net investment income  | 1.94%                 | 1.66%     | 1.05%     | 0.54%     | 0.64%     |
| Net investment income available to common shareholders  | 4.93%                 | 5.10%     | 5.77%     | 6.51%     | 6.54%     |
| <b>Supplemental Data:</b>   |                       |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 31,988             | \$ 32,098 | \$ 31,676 | \$ 30,350 | \$ 30,069 |
| Portfolio turnover  | 7%                    | %         | 4%        | 12%       | 14%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 30,302             | \$ 32,354 | \$ 32,492 | \$ 30,715 | \$ 28,923 |
| Preferred shares value outstanding, end of year (000)   | \$ 18,000             | \$ 18,000 | \$ 18,000 | \$ 18,000 | \$ 18,000 |
| Asset coverage per preferred share, end of year   | \$ 67,089             | \$ 69,950 | \$ 70,138 | \$ 67,662 | \$ 65,172 |

<sup>1</sup> Amounted to less than \$0.01.

<sup>2</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

<sup>3</sup>

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

59

---

## Financial Highlights

## BlackRock New Jersey Municipal Bond Trust (BLJ)

|   | Year Ended August 31, |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 2007                  | 2006      | 2005      | 2004      | 2003      |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |           |
| Net asset value, beginning of year  | \$ 16.33              | \$ 16.26  | \$ 14.71  | \$ 13.77  | \$ 14.58  |
| Investment operations:  |                       |           |           |           |           |
| Net investment income   | 1.15                  | 1.16      | 1.16      | 1.16      | 1.15      |
| Net realized and unrealized gain (loss)   | (0.87)                | 0.18      | 1.48      | 0.84      | (0.85)    |
| Dividends and distributions to preferred shareholders from:   |                       |           |           |           |           |
| Net investment income   | (0.29)                | (0.24)    | (0.15)    | (0.07)    | (0.09)    |
| Net realized gains  |                       | (0.02)    |           |           | (0.01)    |
| Net increase (decrease) from investment operations  | (0.01)                | 1.08      | 2.49      | 1.93      | 0.20      |
| Dividends and distributions to common shareholders from:  |                       |           |           |           |           |
| Net investment income   | (0.94)                | (0.95)    | (0.94)    | (0.94)    | (0.93)    |
| Net realized gains  |                       | (0.06)    |           | (0.05)    | (0.06)    |
| Total dividends and distributions   | (0.94)                | (1.01)    | (0.94)    | (0.99)    | (0.99)    |
| Capital charges with respect to issuance of preferred shares  |                       |           |           |           | (0.02)    |
| Net asset value, end of year  | \$ 15.38              | \$ 16.33  | \$ 16.26  | \$ 14.71  | \$ 13.77  |
| Market price, end of year   | \$ 16.90              | \$ 18.30  | \$ 15.98  | \$ 13.91  | \$ 13.64  |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |           |           |           |           |
| At net asset value  | (0.61) %              | 6.77%     | 17.60%    | 14.56%    | 1.34%     |
| At market value   | (2.54) %              | 21.74%    | 22.22%    | 9.32%     | (0.10)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 1.00%                 | 1.06%     | 1.08%     | 1.14%     | 1.14%     |
| Expenses after fees waived and before fees paid indirectly  | 1.03%                 | 1.11%     | 1.10%     | 1.15%     | 1.14%     |
| Expenses before fees waived and paid indirectly   | 1.47%                 | 1.59%     | 1.57%     | 1.63%     | 1.62%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.11%                 | 7.24%     | 7.44%     | 7.93%     | 7.94%     |
| Preferred share dividends from net investment income  | 1.79%                 | 1.50%     | 0.98%     | 0.49%     | 0.60%     |
| Net investment income available to common shareholders  | 5.32%                 | 5.74%     | 6.46%     | 7.44%     | 7.34%     |
| <b>Supplemental Data:</b>   |                       |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 37,219             | \$ 36,656 | \$ 35,375 | \$ 33,214 | \$ 32,652 |
| Portfolio turnover  | 35%                   | %         | 12%       | 20%       | 20%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 35,246             | \$ 37,263 | \$ 36,928 | \$ 33,384 | \$ 31,226 |
| Preferred shares value outstanding, end of year (000)   | \$ 20,225             | \$ 20,225 | \$ 20,225 | \$ 20,225 | \$ 20,225 |
| Asset coverage per preferred share, end of year   | \$ 68,578             | \$ 71,067 | \$ 70,649 | \$ 66,266 | \$ 63,602 |

<sup>1</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

<sup>2</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

60

ANNUAL REPORT

AUGUST 31, 2007

---



## Financial Highlights

## BlackRock New York Insured Municipal Income Trust (BSE)

|   | Year Ended August 31, |           |           |           | For the Period   |
|---|-----------------------|-----------|-----------|-----------|--|
|   | 2007                  | 2006      | 2005      | 2004      | October 31, 2002 <sup>1</sup><br>through August<br>31,<br>2003 |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |  |
| Net asset value, beginning of period  | \$ 15.34              | \$ 15.30  | \$ 14.18  | \$ 13.45  | \$ 14.33 <sub>2</sub>  |
| Investment operations:  |                       |           |           |           |  |
| Net investment income   | 0.99                  | 1.00      | 1.00      | 1.01      | 0.75   |
| Net realized and unrealized gain (loss)   | (0.72)                | (0.01)    | 1.16      | 0.69      | (0.75)   |
| Dividends and distributions to preferred shareholders from:   |                       |           |           |           |  |
| Net investment income   | (0.26)                | (0.24)    | (0.14)    | (0.07)    | (0.07)   |
| Net realized gains  | (0.02)                |           |           |           |  |
| Net increase (decrease) from investment operations  | (0.01)                | 0.75      | 2.02      | 1.63      | (0.07)   |
| Dividends and distributions to common shareholders from:  |                       |           |           |           |  |
| Net investment income   | (0.70)                | (0.71)    | (0.90)    | (0.90)    | (0.67)   |
| Net realized gains  | (0.05)                |           |           |           |  |
| Total dividends and distributions   | (0.75)                | (0.71)    | (0.90)    | (0.90)    | (0.67)   |
| Capital charges with respect to issuance of:  |                       |           |           |           |  |
| Common shares   |                       |           |           |           | (0.03)   |
| Preferred shares  |                       |           |           |           | (0.11)   |
| Total capital charges   |                       |           |           |           | (0.14)   |
| Net asset value, end of period  | \$ 14.58              | \$ 15.34  | \$ 15.30  | \$ 14.18  | \$ 13.45   |
| Market price, end of period   | \$ 14.12              | \$ 14.70  | \$ 15.35  | \$ 14.08  | \$ 13.28   |
| <b>Total Investment Returns:</b> <sup>3</sup>   |                       |           |           |           |  |
| At net asset value  | (0.06)%               | 5.46%     | 14.72%    | 12.40%    | (1.51)%  |
| At market value   | 1.01%                 | 0.73%     | 15.92%    | 13.04%    | (7.13)%  |
| <b>Ratios to Average Net Assets of Common Shareholders:</b> <sup>4</sup>  |                       |           |           |           |  |
| Expenses after fees waived and paid indirectly  | 0.89%                 | 0.90%     | 0.92%     | 0.93%     | 0.87% <sup>5</sup>   |
| Expenses after fees waived and before fees paid indirectly  | 0.90%                 | 0.92%     | 0.93%     | 0.95%     | 0.91% <sup>5</sup>   |
| Expenses before fees waived and paid indirectly   | 1.21%                 | 1.25%     | 1.25%     | 1.27%     | 1.22% <sup>5</sup>   |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.53%                 | 6.63%     | 6.77%     | 7.14%     | 6.35% <sup>5</sup>   |
| Preferred share dividends from net investment income  | 1.69%                 | 1.58%     | 0.96%     | 0.52%     | 0.55% <sup>5</sup>   |
| Net investment income available to common shareholders  | 4.84%                 | 5.05%     | 5.81%     | 6.62%     | 5.80% <sup>5</sup>   |
| <b>Supplemental Data:</b>   |                       |           |           |           |  |
| Average net assets of common shareholders (000)   | \$ 98,455             | \$ 97,719 | \$ 95,400 | \$ 91,808 | \$ 90,967  |
| Portfolio turnover  | 30%                   | 9%        | 21%       | 11%       | 80%  |
| Net assets applicable to common shareholders, end of period (000)   | \$ 94,314             | \$ 99,255 | \$ 98,853 | \$ 91,260 | \$ 86,431  |
| Preferred shares value outstanding, end of period (000)   | \$ 56,000             | \$ 56,000 | \$ 56,000 | \$ 56,000 | \$ 56,000  |
| Asset coverage per preferred share, end of period   | \$ 67,107             | \$ 69,324 | \$ 69,138 | \$ 65,744 | \$ 63,587  |

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

- 1 Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.
- 2 Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.
- 3 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.
- 4 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.
- 5 Annualized.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

61

---

## Financial Highlights

## BlackRock New York Municipal Bond Trust (BQH)

|   | Year Ended August 31, |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 2007                  | 2006      | 2005      | 2004      | 2003      |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |           |
| Net asset value, beginning of year  | \$ 16.02              | \$ 16.09  | \$ 15.09  | \$ 14.15  | \$ 14.83  |
| Investment operations:  |                       |           |           |           |           |
| Net investment income   | 1.14                  | 1.13      | 1.13      | 1.13      | 1.12      |
| Net realized and unrealized gain (loss)   | (0.56)                | (0.02)    | 0.95      | 0.81      | (0.71)    |
| Dividends and distributions to preferred shareholders from:   |                       |           |           |           |           |
| Net investment income   | (0.29)                | (0.25)    | (0.15)    | (0.07)    | (0.09)    |
| Net realized gains  |                       |           |           |           | (0.01)    |
| Net increase from investment operations   | 0.29                  | 0.86      | 1.93      | 1.87      | 0.31      |
| Dividends to common shareholders from:  |                       |           |           |           |           |
| Net investment income   | (0.92)                | (0.93)    | (0.93)    | (0.93)    | (0.92)    |
| Net realized gains  |                       |           |           |           | (0.06)    |
| Total dividends and distributions   | (0.92)                | (0.93)    | (0.93)    | (0.93)    | (0.98)    |
| Capital charges with respect to issuance of preferred shares  |                       |           |           |           | (0.01)    |
| Net asset value, end of year  | \$ 15.39              | \$ 16.02  | \$ 16.09  | \$ 15.09  | \$ 14.15  |
| Market price, end of year   | \$ 16.32              | \$ 16.81  | \$ 15.85  | \$ 13.97  | \$ 13.35  |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |           |           |           |           |
| At net asset value  | 1.52%                 | 5.51%     | 13.56%    | 13.97%    | 2.33%     |
| At market value   | 2.60%                 | 12.39%    | 20.83%    | 11.83%    | (1.26)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 1.00%                 | 1.06%     | 1.06%     | 1.11%     | 1.12%     |
| Expenses after fees waived and before fees paid indirectly  | 1.02%                 | 1.09%     | 1.08%     | 1.12%     | 1.12%     |
| Expenses before fees waived and paid indirectly   | 1.47%                 | 1.56%     | 1.56%     | 1.60%     | 1.60%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 7.16%                 | 7.16%     | 7.20%     | 7.57%     | 7.57%     |
| Preferred share dividends from net investment income  | 1.81%                 | 1.60%     | 0.97%     | 0.48%     | 0.62%     |
| Net investment income available to common shareholders  | 5.35%                 | 5.56%     | 6.23%     | 7.09%     | 6.95%     |
| <b>Supplemental Data:</b>   |                       |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 43,506             | \$ 43,030 | \$ 42,217 | \$ 40,396 | \$ 40,072 |
| Portfolio turnover  | 23%                   | 12%       | 3%        | 16%       | 7%        |
| Net assets applicable to common shareholders, end of year (000)   | \$ 42,160             | \$ 43,541 | \$ 43,460 | \$ 40,757 | \$ 38,207 |
| Preferred shares value outstanding, end of year (000)   | \$ 24,200             | \$ 24,200 | \$ 24,200 | \$ 24,200 | \$ 24,200 |
| Asset coverage per preferred share, end of year   | \$ 68,560             | \$ 69,985 | \$ 69,899 | \$ 67,108 | \$ 64,473 |

<sup>1</sup> Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

<sup>2</sup> Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

62 ANNUAL REPORT

AUGUST 31, 2007

---

## Financial Highlights

## BlackRock New York Municipal Income Trust II (BFY)

|   | Year Ended August 31, |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 2007                  | 2006      | 2005      | 2004      | 2003      |
| <b>Per Common Share Operating Performance:</b>  |                       |           |           |           |           |
| Net asset value, beginning of year  | \$ 15.47              | \$ 15.23  | \$ 14.16  | \$ 13.36  | \$ 14.47  |
| Investment operations:  |                       |           |           |           |           |
| Net investment income   | 1.07                  | 1.06      | 1.04      | 1.04      | 0.98      |
| Net realized and unrealized gain (loss)   | (0.67)                | 0.14      | 1.07      | 0.79      | (0.94)    |
| Dividends to preferred shareholders from net investment income  | (0.30)                | (0.25)    | (0.15)    | (0.08)    | (0.10)    |
| Net increase (decrease) from investment operations  | 0.10                  | 0.95      | 1.96      | 1.75      | (0.06)    |
| Dividends to common shareholders from net investment income   | (0.73)                | (0.71)    | (0.89)    | (0.95)    | (0.94)    |
| Capital charges with respect to issuance of preferred shares  |                       |           |           |           | (0.11)    |
| Net asset value, end of year  | \$ 14.84              | \$ 15.47  | \$ 15.23  | \$ 14.16  | \$ 13.36  |
| Market price, end of year   | \$ 14.22              | \$ 14.38  | \$ 14.02  | \$ 13.70  | \$ 13.12  |
| <b>Total Investment Returns:<sup>1</sup></b>  |                       |           |           |           |           |
| At net asset value  | 0.69%                 | 6.93%     | 14.46%    | 13.50%    | (1.10)%   |
| At market value   | 3.80%                 | 7.97%     | 8.91%     | 11.82%    | (6.93)%   |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |                       |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 1.00%                 | 1.02%     | 1.04%     | 1.07%     | 1.00%     |
| Expenses after fees waived and before fees paid indirectly  | 1.01%                 | 1.05%     | 1.05%     | 1.08%     | 1.03%     |
| Expenses before fees waived and paid indirectly   | 1.25%                 | 1.29%     | 1.30%     | 1.32%     | 1.27%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.92%                 | 6.96%     | 7.04%     | 7.36%     | 6.95%     |
| Preferred share dividends from net investment income  | 1.94%                 | 1.66%     | 0.99%     | 0.59%     | 0.68%     |
| Net investment income available to common shareholders  | 4.98%                 | 5.30%     | 6.05%     | 6.77%     | 6.27%     |
| <b>Supplemental Data:</b>   |                       |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 76,350             | \$ 74,860 | \$ 72,767 | \$ 70,018 | \$ 69,863 |
| Portfolio turnover  | 27%                   | 22%       | 27%       | 14%       | 40%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 73,302             | \$ 76,393 | \$ 75,193 | \$ 69,903 | \$ 65,953 |
| Preferred shares value outstanding, end of year (000)   | \$ 44,650             | \$ 44,650 | \$ 44,650 | \$ 44,650 | \$ 44,650 |
| Asset coverage per preferred share, end of year   | \$ 66,048             | \$ 67,775 | \$ 67,113 | \$ 64,144 | \$ 61,930 |

1 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

2

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2007

63

---

## Financial Highlights

## BlackRock Virginia Municipal Bond Trust (BHV)

Year Ended August 31,

|   | 2007      | 2006      | 2005      | 2004      | 2003      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Per Common Share Operating Performance:</b>  |           |           |           |           |           |
| Net asset value, beginning of year  | \$ 16.35  | \$ 16.34  | \$ 15.47  | \$ 14.46  | \$ 14.90  |
| Investment operations:  |           |           |           |           |           |
| Net investment income   | 1.11      | 1.10      | 1.10      | 1.09      | 1.09      |
| Net realized and unrealized gain (loss)   | (0.68)    | 0.04      | 0.80      | 0.86      | (0.44)    |
| Dividends and distributions to preferred shareholders from:   |           |           |           |           |           |
| Net investment income   | (0.27)    | (0.26)    | (0.16)    | (0.07)    | (0.08)    |
| Net realized gains  | (0.02)    |           |           |           | (0.02)    |
| Net increase from investment operations   | 0.14      | 0.88      | 1.74      | 1.88      | 0.55      |
| Dividends and distributions to common shareholders from:  |           |           |           |           |           |
| Net investment income   | (0.87)    | (0.87)    | (0.87)    | (0.87)    | (0.85)    |
| Net realized gains  | (0.05)    |           |           |           | (0.10)    |
| Total dividends and distributions   | (0.92)    | (0.87)    | (0.87)    | (0.87)    | (0.95)    |
| Capital charges with respect to issuance of preferred shares  |           |           |           |           | (0.04)    |
| Net asset value, end of year  | \$ 15.57  | \$ 16.35  | \$ 16.34  | \$ 15.47  | \$ 14.46  |
| Market price, end of year   | \$ 17.85  | \$ 18.45  | \$ 17.30  | \$ 15.34  | \$ 14.40  |
| <b>Total Investment Returns:<sup>1</sup></b>  |           |           |           |           |           |
| At net asset value  | 0.21%     | 5.30%     | 11.52%    | 13.28%    | 3.41%     |
| At market value   | 1.80%     | 12.23%    | 19.07%    | 12.79%    | 0.94%     |
| <b>Ratios to Average Net Assets of Common Shareholders:<sup>2</sup></b>   |           |           |           |           |           |
| Expenses after fees waived and paid indirectly  | 1.09%     | 1.15%     | 1.18%     | 1.25%     | 1.17%     |
| Expenses after fees waived and before fees paid indirectly  | 1.14%     | 1.22%     | 1.20%     | 1.26%     | 1.17%     |
| Expenses before fees waived and paid indirectly   | 1.58%     | 1.68%     | 1.67%     | 1.73%     | 1.64%     |
| Net investment income after fees waived and paid indirectly and before preferred share dividends from net investment income | 6.85%     | 6.83%     | 6.90%     | 7.15%     | 7.23%     |
| Preferred share dividends from net investment income  | 1.69%     | 1.60%     | 1.00%     | 0.47%     | 0.53%     |
| Net investment income available to common shareholders  | 5.16%     | 5.23%     | 5.90%     | 6.68%     | 6.70%     |
| <b>Supplemental Data:</b>   |           |           |           |           |           |
| Average net assets of common shareholders (000)   | \$ 24,994 | \$ 24,769 | \$ 24,303 | \$ 23,273 | \$ 22,896 |
| Portfolio turnover  | 12%       | 5%        | 5%        | 14%       | 18%       |
| Net assets applicable to common shareholders, end of year (000)   | \$ 24,053 | \$ 25,097 | \$ 24,966 | \$ 23,527 | \$ 21,944 |
| Preferred shares value outstanding, end of year (000)   | \$ 13,525 | \$ 13,525 | \$ 13,525 | \$ 13,525 | \$ 13,525 |
| Asset coverage per preferred share, end of year   | \$ 69,463 | \$ 71,404 | \$ 71,158 | \$ 68,490 | \$ 65,562 |

1 Total investment returns at market price, which can be significantly greater or lesser than at net asset value, and may result in substantially different returns. Total investment returns exclude the effects of brokerage commissions. Past performance is not a guarantee of future results.

2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

The information in the above Financial Highlights represents the operating performance for a common share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market price data for the Trust's shares.

See Notes to Financial Statements.

64

ANNUAL REPORT

AUGUST 31, 2007

---



## Notes to Financial Statements

### Note 1. Organization & Accounting Policies

BlackRock Insured Municipal Income Trust ( Insured Municipal ), BlackRock California Insured Municipal Income Trust ( California Insured ), BlackRock Florida Insured Municipal Income Trust ( Florida Insured ), BlackRock New York Insured Municipal Income Trust ( New York Insured ) (collectively the Insured Trusts ), BlackRock Municipal Bond Trust ( Municipal Bond ), BlackRock California Municipal Bond Trust ( California Bond ), BlackRock Florida Municipal Bond Trust ( Florida Bond ), BlackRock Maryland Municipal Bond Trust ( Maryland Bond ), BlackRock New Jersey Municipal Bond Trust ( New Jersey Bond ), BlackRock New York Municipal Bond Trust ( New York Bond ), BlackRock Virginia Municipal Bond Trust ( Virginia Bond ) (collectively the Bond Trusts ), BlackRock Municipal Income Trust II ( Municipal Income II ), BlackRock California Municipal Income Trust II ( California Income II ) and BlackRock New York Municipal Income Trust II ( New York Income II ) (collectively the Income II Trusts ) (all, collectively the Trusts ) are organized as Delaware statutory trusts. Insured Municipal, Municipal Bond and Municipal Income II are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended (the 1940 Act ). California Insured, California Bond, California Income II, Florida Insured, Florida Bond, Maryland Bond, New Jersey Bond, New York Insured, New York Bond, New York Income II and Virginia Bond are registered as non-diversified, closed-end management investment companies under the 1940 Act.

Under the Trusts organizational documents, their officers and Trustees (as defined below) are indemnified against certain liabilities arising out of the performance of their duties to the Trusts. In addition, in the normal course of business, the Trusts enter into contracts with their vendors and others that provide for general indemnifications. The Trusts maximum exposure under these arrangements are unknown as this would involve future claims that may be made against the Trusts. However, based on experience, the Trusts consider the risk of loss from such claims to be remote.

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

**Investment Valuation:** 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 selected under the supervision of each Trust s Board of Trustees ( Trustees or a Board ). In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investment as appropriate, quotations from bond dealers, market transactions in comparable investments and various relationships between investments. Swap quotations are provided by dealers selected under supervision of the Board. Short-term securities may be valued at amortized cost. Investments in open-end investment companies are valued at net asset value per share. Any investments or other assets for which such current market quotations are not readily available are valued at fair value ( Fair Value Assets ) as determined in good faith under procedures established by, and under the general supervision and responsibility of, each Trust s Board. The investment advisor and/or sub-advisor will submit its recommendations regarding the valuation and/or valuation methodologies for Fair Value Assets to a valuation committee. The valuation committee may accept, modify or reject any recommendations. The pricing of all Fair Value Assets shall be subsequently reported to the Board.

When determining the price for a Fair Value Asset, the investment advisor and/or sub-advisor shall seek to determine the price that the Trust might reasonably expect to receive from the current sale of that asset in an arm s length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant.

In September 2006, Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. At this time, management is evaluating the implication of FAS 157 and its impact on the Trusts financial statements, if any, has not been determined.

In addition, in February 2007, Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Asset and Financial Liabilities ( FAS 159 ), was issued and is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FAS 157. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. At this time, management is evaluating the implications of FAS 159 and its impact on the Trusts financial statements, if any, has not been determined.

**Investment Transactions and Investment Income:** Investment transactions are recorded on trade date. The cost of investments sold and the related gain or loss is determined by use of the specific identification method, generally first-in, first-out, for both financial reporting and federal income tax purposes. Dividend income is recorded on the ex-dividend dates. Each Trust also records interest income on an accrual basis and amortizes premium and/or accretes discount on securities purchased using the interest method.

**Forward Starting Swaps:** Forward starting swaps are an agreement for an interest rate swap asset or liability to be created or sold in the future. Interest rate swaps are an agreement in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, a party may pay a fixed rate and receive a floating rate. The Trusts close each forward starting swap before the accrual date specified in the agreement and therefore never enter into the interest rate swap underlying each forward starting swap.

During the term of the swap, changes in the value of the swap are recognized as unrealized gains or losses by marking-to-market daily based upon quotations from market makers to reflect the market value of the swap. When the swap is terminated, a Trust will record a realized gain or

## Notes to Financial Statements (continued)

loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract, if any.

Entering into these agreements involves, to varying degrees, elements of credit and market risk in excess of the amounts recognized on the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counter-party to the agreement may default on its obligation to perform and that there may be unfavorable changes in the fluctuation of interest and/or exchange rates. However, the investment advisor of the Trusts monitors swaps and does not anticipate non-performance by any counterparty.

**Segregation:** In cases in which the 1940 Act, and the interpretive positions of the Securities and Exchange Commission (the Commission) require that each Trust segregate assets in connection with certain investments (e.g., when-issued securities or forward starting swaps), each Trust will, consistent with certain interpretive letters issued by the Commission, designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated.

**Federal Income Taxes:** It is each Trust's intention to continue to be treated as a regulated investment company under the Internal Revenue Code and to distribute sufficient net income and net realized capital gains, if any, to shareholders. Therefore, no federal income tax or excise tax provisions have been recorded.

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48 (FIN 48) Accounting for Uncertainty in Income Taxes an interpretation of FAS Statement No. 109. FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including mutual funds, before being measured and recognized in the financial statements. Adoption of FIN 48 is required for the last net asset value calculation in the first required financial statement reporting period for fiscal years beginning after December 15, 2006. The impact on each of the Trust's financial statements, if any, is currently being assessed.

**Dividends and Distributions:** Each Trust declares and pays dividends and distributions to common shareholders monthly from net investment income, net realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards may be distributed in accordance with the 1940 Act. Dividends and distributions are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. Dividends and distributions to preferred shareholders are accrued and determined as described in Note 5.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and such differences may be material.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Trust's Board, non-interested Trustees (Independent Trustees) 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 other BlackRock closed-end trusts selected by the Independent Trustees. These amounts are shown on the Statements of Assets and Liabilities as Investments in Affiliates. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in such Trusts.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Trust. Each Trust may, however, elect to invest in common shares of those Trusts selected by the Independent Trustees in order to match its deferred compensation obligations.

**Other:** Expenses that are directly related to one of the Trusts are charged to that Trust. Other operating expenses are generally pro-rated to the Trusts on the basis of relative net assets of all the BlackRock Closed-End Funds.

### Note 2. Agreements and Other Transactions with Affiliates and Related Parties

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Each Trust has an Investment Management Agreement with BlackRock Advisors, LLC (the Advisor), a wholly owned subsidiary of BlackRock, Inc. BlackRock Financial Management, Inc. (BFM), a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to each Trust. Merrill Lynch & Co., Inc. and The PNC Financial Services Group, Inc. are principal owners of BlackRock, Inc. The investment management agreement covers both investment advisory and administration services.

Each Trust's investment advisory fee paid to the Advisor is computed weekly, accrued daily and payable monthly based on an annual rate, 0.55% for the Insured Trusts and Income II Trusts and 0.65% for the Bond Trusts, of each Trust's average weekly managed assets. Managed assets means the total assets of a Trust (including any assets attributable to any preferred shares that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage). For the period September 30, 2006 through November 15, 2006, the Bond Trusts' investment advisory fee was reduced to 0.55% of each Trust's weekly managed assets. The Advisor has voluntarily agreed to waive a portion of the investment advisory fee or other expenses of each Trust. With respect to the Insured Trusts, the waiver, as a percentage of managed assets, is as follows: 0.20% for the first 5 years of each Trust's operations, 0.15% in year 6, 0.10% in year 7, and 0.05% in year 8. With respect to the Bond Trusts, the waiver, as a percentage of managed assets, is as follows: 0.30% for the first 5 years of each Trust's operations, 0.25% in year 6, 0.20% in year 7, 0.15% in year 8, 0.10% in year 9 and 0.05% in year 10. With respect to the Income II Trusts, the waiver, as a percentage of managed assets, is as follows: 0.15% for the first 5 years of

## Notes to Financial Statements (continued)

each Trust's operations, 0.10% in year 6 through year 7, and 0.05% in years 8 through 10.

The Advisor has agreed to reimburse its investment advisory fees by the amount of investment advisory fees each Trust pays to the Advisor indirectly through its investments in affiliated money market funds, which is shown on the Statements of Operations as fees waived by Advisor.

The Advisor pays BFM fees for its sub-advisory services.

Pursuant to the advisory agreements, the Advisor provides continuous supervision of the investment portfolio and pays the compensation of officers of each Trust who are affiliated persons of the Advisor, as well as occupancy and certain clerical and accounting costs of each Trust. Each Trust bears all other costs and expenses, which include reimbursements to the Advisor for costs of employees that provide pricing and secondary market support to each Trust. These expenses are generally pro-rated to the Trusts on the basis of relative net assets of all the BlackRock Closed-End Funds. For the year ended August 31, 2007, the Trusts reimbursed the Advisor the following amounts, which are included in miscellaneous expenses in the Statements of Operations:

| Trust                | Amount    |
|----------------------|-----------|
| Insured Municipal    | \$ 14,750 |
| Municipal Bond       | 6,424     |
| Municipal Income II  | 13,963    |
| California Insured   | 3,236     |
| California Bond      | 2,141     |
| California Income II | 4,791     |
| Florida Insured      | 5,317     |
| Florida Bond         | 2,136     |
| Maryland Bond        | 1,296     |
| New Jersey Bond      | 1,032     |
| New York Insured     | 5,068     |
| New York Bond        | 1,432     |
| New York Income II   | 3,119     |
| Virginia Bond        | 1,026     |

Pursuant to the terms of the custody agreement, each Trust received earnings credits from its custodian for positive cash balances maintained, which are used to offset custody fees. These credits are shown on the Statements of Operations as fees paid indirectly.

Investments in companies considered to be affiliates of the Trusts, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Trust               | Portfolio Company                           | Net Investment Activity (000) | Dividend Income |
|---------------------|---|-------------------------------|-----------------|
| Insured Municipal   | Merrill Lynch Institutional Tax-Exempt Fund | 2,300                         | \$ 44,595       |
| Municipal Bond      | Merrill Lynch Institutional Tax-Exempt Fund | 7,600                         | 123,042         |
| Municipal Income II | Merrill Lynch Institutional Tax-Exempt Fund | 3,200                         | 72,201          |
| California Insured  | CMA California Mun. Money Fund              | 1,443                         | 43,458          |
| California Bond     | CMA California Mun. Money Fund              | 336                           | 35,534          |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                      |   |       |        |
|----------------------|---|-------|--------|
| California Income II | CMA California Mun. Money Fund              |       | 237    |
| Florida Insured      | CMA Florida Mun. Money Fund                 | 5,069 | 69,378 |
| Florida Bond         | CMA Florida Mun. Money Fund                 | 1,520 | 19,954 |
| Maryland Bond        | Merrill Lynch Institutional Tax-Exempt Fund | 200   | 5,551  |
| New Jersey Bond      | CMA New Jersey Mun. Money Fund              | 507   | 7,373  |
| New York Insured     | CMA New York Mun. Money Fund                |       | 291    |
| New York Bond        | CMA New York Mun. Money Fund                | 507   | 7,152  |
| New York Income II   | CMA New York Mun. Money Fund                | 911   | 10,875 |

**Note 3. Portfolio Securities**

Purchases and sales of investment securities, other than short-term investments and U.S. government securities, for the year ended August 31, 2007 were as follows:

| Trust                | Purchases      | Sales          |
|----------------------|----------------|----------------|
| Insured Municipal    | \$ 127,323,125 | \$ 104,769,389 |
| Municipal Bond       | 35,079,519     | 46,020,445     |
| Municipal Income II  | 65,847,799     | 76,837,817     |
| California Insured   | 35,402,719     | 35,044,975     |
| California Bond      | 16,926,638     | 17,985,566     |
| California Income II | 57,354,699     | 60,893,272     |
| Florida Insured      | 26,049,539     | 28,345,053     |
| Florida Bond         | 18,618,307     | 19,921,913     |
| Maryland Bond        | 3,712,712      | 3,475,641      |
| New Jersey Bond      | 19,535,979     | 20,150,443     |
| New York Insured     | 44,764,670     | 45,705,195     |
| New York Bond        | 15,216,301     | 16,782,389     |
| New York Income II   | 32,696,751     | 33,248,751     |
| Virginia Bond        | 4,664,355      | 4,563,123      |

There were no purchases or sales of U.S. government securities for the year ended August 31, 2007.

Details of open forward starting swap agreements at August 31, 2007 were as follows:

| Trust          | Notional Amount (000) | Fixed Rate <sup>(a)</sup> | Counter Party | Effective Date | Termination Date | Unrealized Appreciation (Depreciation) |
|----------------|-----------------------|---------------------------|---------------|----------------|------------------|--|
| Insured        | \$ 10,000             | 4.294%                    | Citibank      | 09/21/07       | 09/21/32         | \$ (219,935)                           |
| Municipal      | 16,500                | 4.332                     | Citibank      | 09/20/07       | 09/20/37         | (391,258)                              |
|                | 15,000                | 4.192                     | JP Morgan     | 10/29/07       | 10/29/27         | (228,900)                              |
|                | 20,000                | 4.007                     | Citibank      | 11/30/07       | 11/30/22         | (69,312)                               |
|                |                       |                           |               |                |                  | \$ (909,405)                           |
| Municipal Bond | \$ 35,000             | 3.974%                    | JP Morgan     | 10/27/07       | 10/27/17         | \$ (571,200)                           |
| Municipal      | \$ 40,850             | 4.015%                    | Citibank      | 09/21/07       | 09/21/17         | \$ (771,448)                           |
| Income II      | 25,000                | 3.948                     | JP Morgan     | 11/02/07       | 11/02/17         | (356,250)                              |
|                |                       |                           |               |                |                  | \$ (1,127,698)                         |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                    |    |       |        |           |          |          |    |           |
|--------------------|----|-------|--------|-----------|----------|----------|----|-----------|
| California         | \$ | 3,000 | 4.110% | Citibank  | 09/14/07 | 09/14/17 | \$ | (79,061)  |
| Insured            |    | 5,000 | 4.294  | Citibank  | 09/21/07 | 09/21/32 |    | (109,968) |
|                    |    |       |        |           |          |          | \$ | (189,029) |
| California Bond    | \$ | 3,000 | 4.294% | Citibank  | 09/21/07 | 09/21/32 | \$ | (65,981)  |
| California         | \$ | 6,000 | 4.110% | Citibank  | 09/14/07 | 09/14/17 | \$ | (158,123) |
| Income II          |    | 7,750 | 4.294  | Citibank  | 09/21/07 | 09/21/32 |    | (170,450) |
|                    |    | 5,900 | 4.332  | Citibank  | 09/20/07 | 09/20/37 |    | (139,904) |
|                    |    | 7,000 | 4.211  | JP Morgan | 11/02/07 | 11/02/27 |    | (119,630) |
|                    |    |       |        |           |          |          | \$ | (588,107) |
| Florida Insured    | \$ | 5,000 | 4.067% | Citibank  | 09/20/07 | 09/20/17 | \$ | (114,722) |
| New Jersey Bond    | \$ | 1,850 | 4.041% | JP Morgan | 10/26/07 | 10/26/37 | \$ | 33,134    |
| New York Insured   | \$ | 8,000 | 4.041% | JP Morgan | 10/26/07 | 10/26/37 | \$ | 143,280   |
| New York Bond      | \$ | 400   | 4.332% | Citibank  | 09/20/07 | 09/20/37 | \$ | (9,485)   |
| New York Income II | \$ | 3,300 | 4.351% | Citibank  | 09/14/07 | 09/14/27 | \$ | (111,406) |
|                    |    | 3,500 | 4.294  | Citibank  | 09/21/07 | 09/21/32 |    | (76,977)  |
|                    |    | 2,500 | 4.332  | Citibank  | 09/20/07 | 09/20/37 |    | (59,282)  |
|                    |    |       |        |           |          |          | \$ | (247,665) |

(a) Trust pays fixed interest rate and receives 1-week BMA Municipal Swap Index floating interest rate beginning on the effective date.

BMA-Bond Market Association.

## Notes to Financial Statements (continued)

### Note 4. Income Tax Information

The tax character of distributions paid during the years ended August 31, 2007 and 2006 was as follows:

| Distributions<br>Paid From: | Year ended August 31, 2007 |                    |                               |                        |
|-----------------------------|----------------------------|--------------------|-------------------------------|------------------------|
|                             | Tax-exempt<br>Income       | Ordinary<br>Income | Long-term<br>Capital<br>Gains | Total<br>Distributions |
| Insured Municipal           | \$ 26,427,245              | \$ 472,264         | \$ 1,377,279                  | \$ 28,276,788          |
| Municipal Bond              | 13,776,807                 |                    |                               | 13,776,807             |
| Municipal Income II         | 28,834,088                 |                    |                               | 28,834,088             |
| California Insured          | 5,174,303                  |                    |                               | 5,174,303              |
| California Bond             | 4,187,271                  |                    |                               | 4,187,271              |
| California Income II        | 8,653,938                  |                    |                               | 8,653,938              |
| Florida Insured             | 8,790,601                  |                    |                               | 8,790,601              |
| Florida Bond                | 4,166,843                  |                    |                               | 4,166,843              |
| Maryland Bond               | 2,357,909                  |                    | 2,830                         | 2,360,739              |
| New Jersey Bond             | 2,824,513                  |                    |                               | 2,824,513              |
| New York Insured            | 6,166,546                  |                    | 437,259                       | 6,603,805              |
| New York Bond               | 3,314,543                  |                    |                               | 3,314,543              |
| New York Income II          | 5,084,774                  |                    |                               | 5,084,774              |
| Virginia Bond               | 1,761,510                  |                    | 106,815                       | 1,868,325              |

| Distributions<br>Paid From: | Year ended August 31, 2006 |                    |                               |                        |
|-----------------------------|----------------------------|--------------------|-------------------------------|------------------------|
|                             | Tax-exempt<br>Income       | Ordinary<br>Income | Long-term<br>Capital<br>Gains | Total<br>Distributions |
| Insured Municipal           | \$ 26,384,051              | \$                 | \$                            | \$ 26,384,051          |
| Municipal Bond              | 13,118,892                 |                    | 1,155,649                     | 14,274,541             |
| Municipal Income II         | 29,295,428                 |                    |                               | 29,295,428             |
| California Insured          | 5,051,269                  |                    |                               | 5,051,269              |
| California Bond             | 4,086,285                  |                    |                               | 4,086,285              |
| California Income II        | 8,259,033                  |                    |                               | 8,259,033              |
| Florida Insured             | 8,504,736                  |                    |                               | 8,504,736              |
| Florida Bond                | 4,000,290                  |                    |                               | 4,000,290              |
| Maryland Bond               | 2,263,598                  |                    |                               | 2,263,598              |
| New Jersey Bond             | 2,694,470                  |                    | 183,005                       | 2,877,475              |
| New York Insured            | 6,153,508                  |                    |                               | 6,153,508              |
| New York Bond               | 3,193,912                  |                    |                               | 3,193,912              |
| New York Income II          | 4,751,203                  |                    |                               | 4,751,203              |
| Virginia Bond               | 1,727,354                  |                    |                               | 1,727,354              |

As of August 31, 2007, the components of distributable earnings on a tax basis were as follows:

| Trust               | Undistributed<br>Tax-exempt<br>Income | Undistributed<br>Ordinary<br>Income | Undistributed<br>Long-term<br>Gains | Unrealized Net<br>Appreciation |
|---------------------|---------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|
| Insured Municipal   | \$ 2,007,583                          | \$                                  | \$                                  | \$ 15,844,985                  |
| Municipal Bond      | 550,788                               | 298,555                             | 1,005,149                           | 12,037,655                     |
| Municipal Income II | 129,466                               |                                     |                                     | 24,826,875                     |
| California Insured  | 372,962                               |                                     |                                     | 2,860,807                      |



Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                      |         |         |           |
|----------------------|---------|---------|-----------|
| California Bond      | 292,520 |         | 4,137,006 |
| California Income II | 232,077 |         | 9,541,484 |
| Florida Insured      | 762,685 |         | 3,747,048 |
| Florida Bond         | 481,299 |         | 4,329,968 |
| Maryland Bond        | 315,286 |         | 1,229,680 |
| New Jersey Bond      | 430,530 | 28,734  | 2,309,253 |
| New York Insured     | 718,859 | 136,429 | 1,678,319 |
| New York Bond        | 371,135 |         | 2,916,170 |
| New York Income II   | 420,980 | 120,169 | 2,791,802 |
| Virginia Bond        | 416,008 |         | 1,783,476 |

For federal income tax purposes, the following Trusts had capital loss carry-forwards as of August 31, 2007, their current tax year-end. Prior to August 31, 2007, the Bond Trusts had a tax year-end of October 31, the Insured Trusts had a tax year-end of September 30 and the Income II Trusts had a tax year-end of June 30. These amounts may be used to offset future realized capital gains, if any:

| Trust                | Capital Loss Carryforward | Expires |
|----------------------|---------------------------|---------|
| Insured Municipal    | \$ 1,544,099              | 2015    |
| Municipal Income II  | \$ 5,097,889              | 2012    |
| California Insured   | \$ 717,737                | 2013    |
| California Bond      | \$ 504,529                | 2012    |
| California Income II | \$ 3,224,992              | 2012    |
|                      | 360,789                   | 2015    |
|                      | \$ 3,585,781              |         |
| Florida Insured      | \$ 218,563                | 2013    |
| Florida Bond         | \$ 23,751                 | 2012    |
|                      | 541,566                   | 2015    |
|                      | \$ 565,317                |         |
| Maryland Bond        | \$ 27,007                 | 2015    |
| New York Income II   | \$ 70,160                 | 2015    |
| Virginia Bond        | \$ 45,800                 | 2015    |

Accordingly, no capital gain distributions are expected to be paid to shareholders of a Trust until that Trust has net realized capital gains in excess of its capital loss carryforward amounts.

**Reclassification of Capital Accounts:** In order to present undistributed (distribution in excess of) net investment income ( UNII ) and accumulated net realized gain ( Accumulated Gain ) more closely to its tax character, the following accounts for each Trust were increased (decreased):

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

| Trust                | UNII     | Accumulated<br>Gain |
|----------------------|----------|---------------------|
| Insured Municipal    | \$ (278) | \$ 278              |
| Municipal Bond       | (23)     | 23                  |
| Municipal Income II  | (36)     | 36                  |
| California Insured   | (2)      | 2                   |
| California Bond      | (17)     | 17                  |
| California Income II | (6)      | 6                   |
| Florida Insured      | (78)     | 78                  |
| Florida Bond         | (11)     | 11                  |
| Maryland Bond        | (509)    | 509                 |
| New Jersey Bond      | (7)      | 7                   |
| New York Insured     | (103)    | 103                 |
| New York Bond        | (853)    | 853                 |
| New York Income II   | (8,676)  | 8,676               |
| Virginia Bond        | (259)    | 259                 |

## Notes to Financial Statements (continued)

### Note 5. Capital

There are an unlimited number of \$0.001 par value common shares of beneficial interest authorized for each Trust. Each Trust may classify or reclassify any unissued common shares into one or more series of Auction Market Preferred Shares ( preferred shares ).

During the years ended August 31, 2007 and 2006, the following Trusts issued additional shares under their respective dividend reinvestment plan:

| Trust                | August 31, 2007 | August 31, 2006 |
|----------------------|-----------------|-----------------|
| Insured Municipal    |                 | 27,142          |
| Municipal Bond       | 63,348          | 64,035          |
| Municipal Income II  | 128,267         | 136,465         |
| California Insured   | 587             | 2,293           |
| California Bond      | 21,441          | 14,609          |
| California Income II | 9,405           |                 |
| Florida Insured      |                 | 5,166           |
| Florida Bond         | 10,341          | 6,311           |
| Maryland Bond        | 8,328           | 7,206           |
| New Jersey Bond      | 10,244          | 10,753          |
| New York Insured     |                 | 10,476          |
| New York Bond        | 21,768          | 17,055          |
| New York Income II   | 1,781           |                 |
| Virginia Bond        | 9,277           | 7,680           |

As of August 31, 2007, each Trust had the following series of preferred shares outstanding as listed in the table below. The preferred shares have a liquidation value of \$25,000 per share plus any accumulated unpaid dividends.

| Trust                | Series | Shares |
|----------------------|--------|--------|
| Insured Municipal    | M7     | 3,053  |
|                      | R7     | 3,053  |
| Municipal Bond       | F7     | 3,053  |
|                      | T7     | 1,810  |
| Municipal Income II  | R7     | 1,810  |
|                      | M7     | 2,055  |
| California Insured   | T7     | 2,056  |
|                      | W7     | 2,055  |
|                      | R7     | 2,056  |
| California Bond      | F7     | 1,860  |
| California Income II | F7     | 1,199  |
| Florida Insured      | T7     | 1,439  |
|                      | R7     | 1,439  |
| Florida Bond         | M7     | 3,040  |
| Maryland Bond        | W7     | 1,191  |
| New Jersey Bond      | R7     | 720    |
| New York Insured     | M7     | 809    |
| New York Bond        | R7     | 2,240  |
| New York Income II   | T7     | 968    |
| Virginia Bond        | W7     | 1,786  |
|                      | R7     | 541    |

Dividends on seven-day preferred shares are cumulative at a rate which is reset every seven days based on the results of an auction. The dividend ranges and average dividends paid to preferred shareholders for each of the Trusts for the year ended

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

August 31, 2007 were as follows:

| Trust                | Series | Low   | High  | Average |
|----------------------|--------|-------|-------|---------|
| Insured Municipal    | M7     | 2.00% | 4.00% | 3.42%   |
|                      | R7     | 2.95  | 4.70  | 3.37    |
|                      | F7     | 3.00  | 4.20  | 3.39    |
| Municipal Bond       | T7     | 3.09  | 4.00  | 3.60    |
|                      | R7     | 3.19  | 3.99  | 3.60    |
| Municipal Income II  | M7     | 2.89  | 4.00  | 3.53    |
|                      | T7     | 3.25  | 3.90  | 3.57    |
|                      | W7     | 3.00  | 4.00  | 3.59    |
|                      | R7     | 3.26  | 4.00  | 3.57    |
| California Insured   | F7     | 2.60  | 4.00  | 3.24    |
| California Bond      | F7     | 2.89  | 4.00  | 3.42    |
| California Income II | T7     | 2.90  | 3.95  | 3.30    |
|                      | R7     | 2.90  | 4.00  | 3.33    |
| Florida Insured      | M7     | 3.22  | 4.00  | 3.57    |
| Florida Bond         | W7     | 3.14  | 4.00  | 3.58    |
| Maryland Bond        | R7     | 2.00  | 4.05  | 3.46    |
| New Jersey Bond      | M7     | 2.90  | 4.00  | 3.32    |
| New York Insured     | R7     | 2.80  | 5.00  | 3.18    |
| New York Bond        | T7     | 2.81  | 3.98  | 3.26    |
| New York Income II   | W7     | 2.50  | 4.00  | 3.32    |
| Virginia Bond        | R7     | 2.00  | 4.50  | 3.35    |

A Trust may not declare dividends or make other distributions on common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred shares would be less than 200%.

The preferred shares are redeemable at the option of each Trust, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated unpaid dividends whether or not declared. The preferred shares are also subject to mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Trust, as set forth in each Trust's Declaration of Trust/Articles Supplementary, are not satisfied.

The holders of preferred shares have voting rights equal to the holders of common shares (one vote per share) and will vote together with holders of common shares as a single class. However, holders of preferred shares, voting as a separate class, are also entitled to elect two Trustees for each Trust. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the preferred shares, (b) change a Trust's sub-classification as a closed-end investment company or change its fundamental investment restrictions and (c) change its business so as to cease to be an investment company.

## Notes to Financial Statements (concluded)

### Note 6. Concentration Risk

The Trusts concentrate their investments in securities issued by state agencies, other governmental entities and U.S. Territories. The Trusts are more susceptible to adverse financial, social, environmental, economic, regulatory and political factors that may affect these states agencies, other governmental entities and U.S. Territories, which could seriously affect the ability of these states and their municipal subdivisions to meet continuing obligations for principal and interest payments and therefore could impact the value of the Trusts' investments and net asset value per share, than if the Trusts were not concentrated in securities issued by state agencies, other governmental entities and U.S. Territories.

Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that market value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. These securities have been identified in the Portfolios of Investments.

### Note 7. Subsequent Events

Subsequent to August 31, 2007, the Board of each Trust declared dividends from undistributed earnings per common share payable October 1, 2007, to shareholders of record on September 14, 2007. The per share common dividends declared were as follows:

| Trust                | Common Dividend Per Share |
|----------------------|---------------------------|
| Insured Municipal    | \$ 0.061000               |
| Municipal Bond       | 0.082500                  |
| Municipal Income II  | 0.073500                  |
| California Insured   | 0.058000                  |
| California Bond      | 0.077000                  |
| California Income II | 0.065500                  |
| Florida Insured      | 0.058000                  |
| Florida Bond         | 0.077808                  |
| Maryland Bond        | 0.071350                  |
| New Jersey Bond      | 0.078582                  |
| New York Insured     | 0.058000                  |
| New York Bond        | 0.077099                  |
| New York Income II   | 0.062500                  |
| Virginia Bond        | 0.072428                  |

The dividends declared on preferred shares for the period September 1, 2007 to September 30, 2007 for each of the Trusts were as follows:

| Trust               | Series | Dividends Declared |
|---------------------|--------|--------------------|
| Insured Municipal   | M7     | \$ 152,803         |
|                     | R7     | 214,443            |
| Municipal Bond      | F7     | 215,053            |
|                     | T7     | 139,298            |
| Municipal Income II | R7     | 137,705            |
|                     | M7     | 114,792            |
|                     | T7     | 144,640            |
|                     | W7     | 156,180            |
|                     | R7     | 150,026            |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|                      |    |         |
|----------------------|----|---------|
| California Insured   | F7 | 121,904 |
| California Bond      | F7 | 95,512  |
| California Income II | T7 | 101,421 |
|                      | R7 | 103,148 |
| Florida Insured      | M7 | 168,355 |
| Florida Bond         | W7 | 90,230  |
| Maryland Bond        | R7 | 45,216  |
| New Jersey Bond      | M7 | 43,055  |
| New York Insured     | R7 | 141,747 |
| New York Bond        | T7 | 67,373  |
| New York Income II   | W7 | 128,878 |
| Virginia Bond        | R7 | 41,116  |

70

ANNUAL REPORT

AUGUST 31, 2007

---

## Report of Independent Registered Public Accounting Firm

To the Trustees and Shareholders of:

BlackRock Insured Municipal Income Trust  
BlackRock Municipal Bond Trust  
BlackRock Municipal Income Trust II  
BlackRock California Insured Municipal Income Trust  
BlackRock California Municipal Bond Trust  
BlackRock California Municipal Income Trust II  
BlackRock Florida Insured Municipal Income Trust  
BlackRock Florida Municipal Bond Trust  
BlackRock Maryland Municipal Bond Trust  
BlackRock New Jersey Municipal Bond Trust  
BlackRock New York Insured Municipal Income Trust  
BlackRock New York Municipal Bond Trust  
BlackRock New York Municipal Income Trust II  
BlackRock Virginia Municipal Bond Trust (collectively the Trusts )

We have audited the accompanying statements of assets and liabilities of the Trusts, including the portfolios of investments, as of August 31, 2007, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trusts' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trusts are not required to have, nor were we engaged to perform an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures include confirmation of the securities owned as of August 31, 2007, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each Trust as of August 31, 2007, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

Boston, Massachusetts  
October 24, 2007

## Dividend Reinvestment Plans

Pursuant to each Trust's Dividend Reinvestment Plan (the Plan), common shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the Plan Agent) in the respective Trust's shares pursuant to the Plan. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, which serves as agent for the shareholders in administering the Plan.

After a Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will acquire shares for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of unissued but authorized shares from the Trust (newly issued shares) or (ii) by purchase of outstanding shares on the open market, on the Trust's primary exchange or elsewhere (open-market purchases). If, on the dividend payment date, the net asset value per share (NAV) is equal to or less than the market price per share plus estimated brokerage commissions (such condition being referred to herein as market premium), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the payment date, the dollar amount of the dividend will be divided by 95% of the market price on the payment date. If, on the dividend payment date, the NAV is greater than the market value per share plus estimated brokerage commissions (such condition being referred to herein as market discount), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases.

Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by each Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Trust reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, each Trust reserves the right to amend the Plan to include a service charge payable by the participants. Participants that request a sale of shares through the Plan Agent are subject to a \$2.50 sales fee and a \$0.15 per share sold brokerage commission. All correspondence concerning the Plan should be directed to the Plan Agent at 250 Royall Street, Canton, MA 02021, or by calling (800) 699-1BFM.

---

## Additional Information (unaudited)

### 60 Day Notice

All of the net investment income distributions paid by the **BlackRock Closed-End Funds (Insured Municipal Income Trust (BYM), Municipal Bond Trust (BBK), Municipal Income Trust (BLE), California Insured Municipal Income Trust (BCK), California Municipal Bond Trust (BZA), California Municipal Income Trust II (BCL), Florida Insured Municipal Income Trust (BAF), Florida Municipal Bond Trust (BIE), Maryland Municipal Bond Trust (BZM), New Jersey Municipal Bond Trust (BLJ), New York Insured Municipal Income Trust (BSE), New York Municipal Bond Trust (BQH), New York Municipal Income Trust II (BFY), and Virginia Municipal Bond Trust (BHV)** during the taxable year ended August 31, 2007 qualify as tax-exempt interest dividends for Federal income tax purposes.

Additionally, the following summarizes the taxable per share distributions paid by the Trusts during the year:



Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

|  | Payable Date | Short-Term Capital Gains | Long-Term Capital Gains |
|--|--------------|--------------------------|-------------------------|
| <b>Insured Municipal Income Trust (BYM)</b>          |              |                          |                         |
| Common Shareholders                                  | 12/29/06     | \$ 0.013153              | \$ 0.038358             |
| Preferred Shareholders                               |              |                          |                         |
| Series M7  | 12/05/06     | \$ 4.24                  | \$ 12.06                |
|  | 12/12/06     | 3.88                     | 11.03                   |
|  | 12/19/06     | 4.55                     | 12.95                   |
|  | 12/26/06     | 1.54                     | 5.37                    |
| Series R7  | 12/01/06     | 4.45                     | 12.67                   |
|  | 12/08/06     | 4.50                     | 12.81                   |
|  | 12/15/06     | 4.69                     | 14.30                   |
| Series F7  | 12/04/06     | 4.05                     | 11.53                   |
|  | 12/11/06     | 4.44                     | 12.63                   |
|  | 12/18/06     | 4.24                     | 12.06                   |
|  | 12/26/06     | 1.23                     | 4.48                    |
| <b>Maryland Municipal Bond Trust (BZM)</b>           |              |                          |                         |
| Common Shareholders                                  | 12/29/06     |                          | \$ 0.001040             |
| Preferred Shareholders                               |              |                          |                         |
| Series R7  | 12/01/06     |                          | \$ 1.01                 |
| <b>New York Insured Municipal Income Trust (BSE)</b> |              |                          |                         |
| Common Shareholders                                  | 12/29/06     |                          | \$ 0.049870             |
| Preferred Shareholders                               |              |                          |                         |
| Series R7  | 12/01/06     |                          | \$ 17.31                |
|  | 12/08/06     |                          | 14.86                   |
|  | 12/15/06     |                          | 23.97                   |
| <b>Virginia Municipal Bond Trust (BHV)</b>           |              |                          |                         |
| Common Shareholders                                  | 12/29/06     |                          | \$ 0.052442             |
| Preferred Shareholders                               |              |                          |                         |
| Series R7  | 12/01/06     |                          | \$ 15.58                |
|  | 12/08/06     |                          | 11.99                   |
|  | 12/15/06     |                          | 20.92                   |

## Additional Information (unaudited) (continued)

### Shareholder Meetings

The Joint Annual Meeting of Shareholders was held on August 16, 2007 for shareholders of record on June 20, 2007, to elect director or trustee nominees of each Trust. This proposal was part of the reorganization of the Trust's Boards of Trustees (the Boards) to take effect on or about November 1, 2007. The Board is organized into three classes one class of which is elected annually. Each Trustee serves a three-year term concurrent with the class into which he or she is elected.

Approved the Class I Trustees as follows:

|                    | G. Nicholas Beckwith,<br>III |                | Kent Dixon |                | R. Glenn Hubbard |                | W. Carl Kester <sup>1</sup> |                | Robert S. Salomon,<br>Jr. |                |
|--------------------|------------------------------|----------------|------------|----------------|------------------|----------------|-----------------------------|----------------|---------------------------|----------------|
|                    | Votes For                    | Votes Withheld | Votes For  | Votes Withheld | Votes For        | Votes Withheld | Votes For                   | Votes Withheld | Votes For                 | Votes Withheld |
| Insured Municipal  | 24,201,754                   | 145,180        | 24,199,194 | 147,740        | 24,198,126       | 148,808        | 8,450                       | 5              | 24,195,593                | 151,341        |
| Municipal Bond     | 9,369,470                    | 92,748         | 9,357,570  | 104,648        | 9,368,138        | 94,080         | 3,299                       |                | 9,358,108                 | 104,110        |
| Municipal Income   |                              |                |            |                |                  |                |                             |                |                           |                |
| II                 | 20,753,790                   | 151,233        | 20,751,694 | 153,329        | 20,750,044       | 154,979        | 7,419                       | 116            | 20,735,560                | 169,463        |
| California Insured | 4,584,271                    | 17,349         | 4,584,271  | 17,349         | 4,584,271        | 17,349         | 1,481                       |                | 4,580,671                 | 20,949         |
| California Bond    | 2,897,224                    | 52,046         | 2,897,124  | 52,146         | 2,897,224        | 52,046         | 1,074                       |                | 2,886,774                 | 62,496         |
| California Income  |                              |                |            |                |                  |                |                             |                |                           |                |
| II                 | 6,732,821                    | 19,605         | 6,733,121  | 19,305         | 6,731,721        | 20,705         | 2,188                       |                | 6,732,821                 | 19,605         |
| Florida Insured    | 8,136,338                    | 38,505         | 8,136,338  | 38,505         | 8,135,996        | 38,847         | 2,981                       |                | 8,136,338                 | 38,505         |
| Florida Bond       | 2,996,937                    | 54,956         | 3,000,487  | 51,406         | 2,998,087        | 53,806         | 1,086                       |                | 2,996,937                 | 54,956         |
| Maryland Bond      | 1,999,287                    | 4,450          | 1,999,847  | 3,890          | 1,999,847        | 3,890          | 619                         |                | 1,999,287                 | 4,450          |
| New Jersey Bond    | 2,078,819                    | 30,451         | 2,078,819  | 30,451         | 2,078,819        | 30,451         | 567                         |                | 2,078,819                 | 30,451         |
| New York Insured   | 5,841,991                    | 28,504         | 5,841,991  | 28,504         | 5,849,158        | 21,337         | 2,106                       | 10             | 5,841,991                 | 28,504         |
| New York Bond      | 2,479,929                    | 1,639          | 2,476,312  | 5,256          | 2,474,959        | 6,609          | 822                         |                | 2,481,282                 | 286            |
| New York Income    |                              |                |            |                |                  |                |                             |                |                           |                |
| II                 | 4,441,970                    | 39,003         | 4,441,970  | 39,003         | 4,441,970        | 39,003         | 1,753                       | 14             | 4,440,970                 | 40,003         |
| Virginia Bond      | 1,480,854                    | 35,222         | 1,480,854  | 35,222         | 1,480,259        | 35,817         | 535                         |                | 1,482,829                 | 33,247         |

Approved the Class II Trustees as follows:

|                    | Richard S. Davis |                | Frank J. Fabozzi <sup>1</sup> |                | James T. Flynn |                | Karen P. Robards |                |
|--------------------|------------------|----------------|-------------------------------|----------------|----------------|----------------|------------------|----------------|
|                    | Votes For        | Votes Withheld | Votes For                     | Votes Withheld | Votes For      | Votes Withheld | Votes For        | Votes Withheld |
| Insured Municipal  | 24,202,088       | 144,846        | 8,450                         | 5              | 24,201,962     | 144,972        | 24,195,049       | 151,885        |
| Municipal Bond     | 9,370,738        | 91,480         | 3,299                         |                | 9,360,870      | 101,348        | 9,370,738        | 91,480         |
| Municipal Income   |                  |                |                               |                |                |                |                  |                |
| II                 | 20,757,444       | 147,579        | 7,419                         | 116            | 20,752,194     | 152,829        | 20,749,694       | 155,329        |
| California Insured | 4,584,271        | 17,349         | 1,481                         |                | 4,584,271      | 17,349         | 4,584,271        | 17,349         |
| California Bond    | 2,899,224        | 50,046         | 1,074                         |                | 2,899,124      | 50,146         | 2,899,124        | 50,146         |
| California Income  |                  |                |                               |                |                |                |                  |                |
| II                 | 6,733,221        | 19,205         | 2,188                         |                | 6,733,121      | 19,305         | 6,733,121        | 19,305         |
| Florida Insured    | 8,136,338        | 38,505         | 2,975                         | 6              | 8,136,338      | 38,505         | 8,136,335        | 38,508         |
| Florida Bond       | 3,000,487        | 51,406         | 1,086                         |                | 2,996,937      | 54,956         | 3,000,487        | 51,406         |
| Maryland Bond      | 1,999,287        | 4,450          | 619                           |                | 1,999,847      | 3,890          | 1,999,847        | 3,890          |
| New Jersey Bond    | 2,078,819        | 30,451         | 567                           |                | 2,078,819      | 30,451         | 2,078,819        | 30,451         |
| New York Insured   | 5,841,991        | 28,504         | 2,106                         | 10             | 5,841,991      | 28,504         | 5,841,991        | 28,504         |
| New York Bond      | 2,479,929        | 1,639          | 822                           |                | 2,481,282      | 286            | 2,481,282        | 286            |
|                    | 4,441,968        | 39,005         | 1,753                         | 14             | 4,441,970      | 39,003         | 4,441,970        | 39,003         |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

New York Income  
II

|               |           |        |     |           |        |           |        |
|---------------|-----------|--------|-----|-----------|--------|-----------|--------|
| Virginia Bond | 1,482,829 | 33,247 | 535 | 1,482,829 | 33,247 | 1,482,829 | 33,247 |
|---------------|-----------|--------|-----|-----------|--------|-----------|--------|

Approved the Class III Trustees as follows:

|                    | Richard E. Cavanagh |                | Kathleen F. Feldstein |                | Henry Gabbay |                | Jerrold B. Harris |                |
|--------------------|---------------------|----------------|-----------------------|----------------|--------------|----------------|-------------------|----------------|
|                    | Votes For           | Votes Withheld | Votes For             | Votes Withheld | Votes For    | Votes Withheld | Votes For         | Votes Withheld |
| Insured Municipal  | 24,199,516          | 147,418        | 24,176,520            | 170,414        | 24,202,088   | 144,846        | 24,202,088        | 144,846        |
| Municipal Bond     | 9,369,470           | 92,748         | 9,365,508             | 96,710         | 9,370,138    | 92,080         | 9,362,198         | 100,020        |
| Municipal Income   |                     |                |                       |                |              |                |                   |                |
| II                 | 20,755,194          | 149,829        | 20,742,948            | 162,075        | 20,751,344   | 153,679        | 20,750,214        | 154,809        |
| California Insured | 4,584,271           | 17,349         | 4,584,271             | 17,349         | 4,584,271    | 17,349         | 4,584,271         | 17,349         |
| California Bond    | 2,897,124           | 52,146         | 2,897,224             | 52,046         | 2,899,224    | 50,046         | 2,897,124         | 52,146         |
| California Income  |                     |                |                       |                |              |                |                   |                |
| II                 | 6,733,121           | 19,305         | 6,731,321             | 21,105         | 6,733,221    | 19,205         | 6,733,121         | 19,305         |
| Florida Insured    | 8,136,335           | 38,508         | 8,135,993             | 38,850         | 8,138,638    | 36,205         | 8,136,338         | 38,505         |
| Florida Bond       | 3,000,487           | 51,406         | 3,000,487             | 51,406         | 3,000,487    | 51,406         | 3,000,487         | 51,406         |
| Maryland Bond      | 1,999,847           | 3,890          | 1,999,287             | 4,450          | 1,999,847    | 3,890          | 1,999,287         | 4,450          |
| New Jersey Bond    | 2,078,819           | 30,451         | 2,078,819             | 30,451         | 2,078,819    | 30,451         | 2,078,819         | 30,451         |
| New York Insured   | 5,850,291           | 20,204         | 5,840,858             | 29,637         | 5,842,991    | 27,504         | 5,841,991         | 28,504         |
| New York Bond      | 2,479,929           | 1,639          | 2,474,959             | 6,609          | 2,481,282    | 286            | 2,479,929         | 1,639          |
| New York Income    |                     |                |                       |                |              |                |                   |                |
| II                 | 4,440,970           | 40,003         | 4,440,970             | 40,003         | 4,441,969    | 39,004         | 4,440,969         | 40,004         |
| Virginia Bond      | 1,482,234           | 33,842         | 1,482,829             | 33,247         | 1,482,234    | 33,842         | 1,482,829         | 33,247         |

<sup>1</sup> Voted on by holders of preferred shares only.

## Additional Information (unaudited) (concluded)

The Trusts had an additional proposal (Proposal #2) to amend their respective Declarations of Trust to increase the maximum number of Board Members to 15:

|                      | Votes<br>For | Votes<br>Against | Votes<br>Abstained |
|----------------------|--------------|------------------|--------------------|
| Insured Municipal    | 23,640,649   | 530,173          | 176,113            |
| Municipal Bond       | 9,084,278    | 216,173          | 161,767            |
| Municipal Income II  | 20,508,931   | 300,590          | 95,502             |
| California Insured   | 4,515,712    | 49,857           | 36,050             |
| California Bond      | 2,779,283    | 93,805           | 76,182             |
| California Income II | 6,706,119    | 43,835           | 2,472              |
| Florida Insured      | 8,074,248    | 87,003           | 13,592             |
| Florida Bond         | 3,011,687    | 32,547           | 7,659              |
| Maryland Bond        | 1,917,644    | 5,766            | 80,327             |
| New Jersey Bond      | 2,066,284    | 36,890           | 6,096              |
| New York Insured     | 5,730,824    | 113,955          | 25,716             |
| New York Bond        | 2,319,465    | 41,196           | 120,907            |
| New York Income II   | 4,439,396    | 40,075           | 1,502              |
| Virginia Bond        | 1,417,639    | 82,751           | 15,686             |

Each Trust listed for trading on the New York Stock Exchange ( NYSE ) has filed with the NYSE its annual chief executive officer certification regarding compliance with the NYSE s listing standards and each Trust listed for trading on the American Stock Exchange ( AMEX ) has filed with the AMEX its corporate governance certification regarding compliance with the AMEX s listing standards. All of the Trusts have filed with the Securities and Exchange Commission the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

The Trusts do not make available copies of their respective 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 such Trust s offering 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 any Trust s investment objective or policies or to any Trust s charters or by-laws that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts.

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

Certain officers of the Trusts listed on the inside back cover of this Report to Shareholders are also officers of the Advisor or Sub-Advisor. They serve in the following capacities for the Advisor or Sub-Advisor: Robert S. Kapito Director and Vice Chairman of the Advisor and the Sub-Advisor, Donald Burke, Anne Ackerley, Bartholomew Battista and Vincent Tritto Managing Directors of the Advisor and the Sub-Advisor.

### Important Information Regarding the BlackRock Closed-End Funds Annual Investor Update

The *Annual Investor Update* ( Update ) is available on the Internet and may be accessed through BlackRock s website at <http://www.blackrock.com>. The Update provides information on the fixed income markets and summaries of BlackRock Closed-End Funds investment objectives and strategies. It also contains recent news regarding the BlackRock Closed-End Funds.

If you would like to receive a hard copy of the BlackRock Closed-End Funds *Annual Investor Update*, please call (800) 699-1BFM.



## Trustees Information (unaudited)

| Name, Address and Year of Birth   | Current Positions Held With the Trusts | Term of Office and Length of Time Served | Principal Occupations During the Past Five Years  | Number of Portfolios Overseen Within the Fund Complex <sup>1</sup> | Other Directorships Held Outside the Fund Complex <sup>1</sup>   | Events or Transactions by Reason of Which the Trustee is an Interested Person as Defined in Section 2(a) (19) of the 1940 Act |
|---|--|--|---|--|--|---|
| <b>Interested Trustee<sup>2</sup></b>   |  |  |   |  |  |   |
| <b>Ralph L. Schlosstein</b><br>BlackRock, Inc.<br>40 East 52nd Street<br>New York, NY 10022<br><br>1951 | Chairman of the Board <sup>3</sup>     | 3 years <sup>4</sup> /since inception    | Director since 1999 and President of BlackRock, Inc. since its formation in 1998 and of BlackRock, Inc.'s predecessor entities since 1988. <sup>5</sup> Formerly, Managing Director of Lehman Brothers, Inc. and Co-head of its Mortgage and Savings Institutions Group. Chairman and President of the BlackRock Liquidity Funds. | 70   | Member of the Visiting Board of Overseers of the John F. Kennedy School of Government at Harvard University, a member of the board of the Financial Institutions Center of The Wharton School of the University of Pennsylvania, a trustee of the American Museum of Natural History, a trustee of Trinity School in New York City, a member of the Board of Advisors of Marujupu LLC, and a trustee of New Visions for Public Education of The Public Theater in New York City and the James Beard Foundation. Formerly, a director of Pulte Corporation, the nation's largest home-builder, a Trustee of Denison University and a member of Fannie Mae's Advisory Council. | Director and President of the Advisor.  |

## Trustees Information (unaudited) (concluded)

| Name, Address and Year of Birth   | Current Positions Held With the Trusts                 | Term of Office and Length of Time Served           | Principal Occupations During the Past Five Years  | Number of Portfolios Overseen Within the Fund Complex <sup>1</sup> | Other Directorships Held Outside the Fund Complex  |
|---|--|--|---|--|--|
| <b>Independent Trustees</b>   |  |  |   |  |  |
| <b>Richard E. Cavanagh</b><br>P.O. Box 4546<br>New York, NY<br>10163-4546<br><br>1946   | Lead Trustee<br>Audit Committee<br>Member <sup>6</sup> | 3 years <sup>4</sup> /since<br>inception           | Retired. President and Chief Executive Officer of The Conference Board, Inc., a leading global business research organization, from 1995 to 2007; Coauthor, The Winning Performance (best selling management book published in 13 national editions). | 60   | Trustee; Aircraft Finance Trust (AFT) and Educational Testing Service (ETS); Director, Arch Chemical, Fremont Group (investments) and The Guardian Life Insurance Company of America.  |
| <b>Kent Dixon</b><br>P.O. Box 4546<br>New York, NY<br>10163-4546<br><br>1937            | Trustee<br>Audit Committee<br>Member <sup>6</sup>      | 3 years <sup>4</sup> /since<br>inception           | Consultant/Investor. Former President and Chief Executive Officer of Empire Federal Savings Bank of America and Banc PLUS Savings Association; former Chairman of the Board, President and Chief Executive Officer of Northeast Savings.              | 60   | Former Director of ISFA (the owner of INVEST, a national securities brokerage service designed for banks and thrift institutions).   |
| <b>Frank J. Fabozzi</b><br>P.O. Box 4546<br>New York, NY<br>10163-4546<br><br>1948      | Trustee<br>Audit Committee<br>Member <sup>6</sup>      | 3 years <sup>4</sup> /since<br>inception           | Consultant/Editor of THE JOURNAL OF PORTFOLIO MANAGEMENT; Professor in the practice of Finance at the School of Management at Yale University; Author and editor of several books on fixed income portfolio management.                               | 60   | None   |
| <b>Kathleen F. Feldstein</b><br>P.O. Box 4546<br>New York, NY<br>10163-4546<br><br>1941 | Trustee  | 3 years <sup>4</sup> /since<br>January<br>19, 2005 | President of Economic Studies, Inc., a Belmont, MA-based private economic consulting firm, since 1987; Chair, Board of Trustees, McLean Hospital in Belmont, MA since 2000.   | 60   | Director of The McClatchy Company (publishing); Trustee of Partners Community Healthcare, Inc., the Museum of Fine Arts, Boston, and of the Committee for Economic Development; Corporation Member, Partners HealthCare and Sherrill House |

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

(healthcare); Member of the Visiting Committee of the Harvard University Art Museums and of the Advisory Board to the International School of Business at Brandeis University.

|   |                |  |   |  |
|---|----------------|--|---|--|
| <p><b>R. Glenn Hubbard</b></p> <p>P.O. Box 4546<br/>New York, NY<br/>10163-4546</p> <p>1958</p> | <p>Trustee</p> | <p>3 years<sup>4</sup>/since<br/>November 16,<br/>2004</p> | <p>Dean of Columbia Business School since July 1, 2004; Columbia faculty member since 1988. Co-director of Columbia Business School's Entrepreneurship Program 1997 to 2004; Visiting Professor at the John F. Kennedy School of Government at Harvard University and the Harvard Business School, as well as the University of Chicago; Visiting scholar at the American Enterprise Institute in Washington and member of International Advisory Board of the MBA Program of Ben-Gurion University; Chairman of the U.S. Council of Economic Advisers under the President of the United States 2001 to 2003.</p> | <p>60</p> <p>Director of Metropolitan Life Insurance Company; Director of ADP (data and information services), Dex Media, KKR Financial Corporation, and Ripplewood Holdings (investment management); Director of Duke Realty; Formerly on the advisory boards of the Congressional Budget Office, the Council on Competitiveness, the American Council on Capital Formation, the Tax Foundation and the Center for Addiction and Substance Abuse; Trustee of Fifth Avenue Presbyterian Church of New York and the Economic Club of Capmark, New York.</p> |
|---|----------------|--|---|--|

<sup>1</sup> The Fund Complex means two or more registered investments companies that: (1) hold themselves out to investors as related companies for purposes of investment and investor services; or (2) have a common investment advisor or have an investment advisor that is an affiliated person of the investment advisor of any of the other registered investment companies.

<sup>2</sup> Interested Director/Trustee as defined by Section 2(a)(19) of the Investment Company Act of 1940.

<sup>3</sup> Director/Trustee since inception; appointed Chairman of the Board on August 22, 2002.

<sup>4</sup> The Board is classified into three classes of which one class is elected annually. Each Director/Trustee serves a three-year term concurrent with the class from which they are elected.

<sup>5</sup> Effective September 6, 2007, Mr. Schlosstein resigned as Director and President of BlackRock, Inc.

<sup>6</sup> The Board of each Trust has determined that each Trust has three Audit Committee financial experts serving on its Audit Committee, Mr. Cavanagh, Mr. Dixon and Mr. Fabozzi, each of whom is independent for the purpose of the definition of Audit Committee financial expert as applicable to the Trusts.



## BlackRock Closed-End Funds

### Trustees

Ralph L. Schlosstein, *Chairman*  
Richard E. Cavanagh, *Lead Trustee*  
Kent Dixon  
Frank J. Fabozzi  
Kathleen F. Feldstein  
R. Glenn Hubbard

### Officers

Robert S. Kapito, *President*  
Donald C. Burke, *Treasurer*  
Bartholomew Battista, *Chief Compliance Officer*  
Anne Ackerley, *Vice President*  
Vincent B. Tritto, *Secretary*

### Investment Advisor

BlackRock Advisors, LLC  
100 Bellevue Parkway  
Wilmington, DE 19809  
(800) 227-7BFM

### Sub-Advisor

BlackRock Financial Management, Inc.  
40 East 52nd Street  
New York, NY 10022

### Accounting Agent and Custodian

State Street Bank and Trust Company  
2 Avenue De Lafayette  
Boston, MA 02111

### Transfer Agent

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021  
(800) 699-1BFM

### Auction Agent<sup>1</sup>

The Bank of New York Mellon  
101 Barclay Street, 7 West  
New York, NY 10286

### Auction Agent<sup>2</sup>

Deutsche Bank Trust Company Americas  
60 Wall Street, 27th Floor  
New York, NY 10005

### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

### Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Four Times Square  
New York, NY 10036

### Legal Counsel Independent Trustees

Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022

---

1 For the Insured Trusts and Bond Trusts.

2 For the Income II Trusts.

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Trust shares. Statements and other information contained in this report are as dated and are subject to change.

BlackRock Closed-End Funds  
c/o BlackRock Advisors, LLC  
100 Bellevue Parkway  
Wilmington, DE 19809  
(800) 227-7BFM

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be "householded" 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 contact the Trusts at (800) 699-1BFM.

The Trusts have delegated to the Advisor the voting of proxies relating to their voting securities pursuant to the Advisor's proxy voting policies and procedures. You may obtain a copy of these proxy voting policies and procedures, without charge, by calling (800) 699-1BFM. These policies and procedures are also available on the website of the Securities and Exchange Commission (the "Commission") at <http://www.sec.gov>.

Information on how proxies relating to the Trusts' voting securities were voted (if any) by the Advisor during the most recent 12-month period ended June 30th is available, upon request, by calling (800) 699-1BFM or on the website of the Commission at <http://www.sec.gov>.

The Trusts file their complete schedule of portfolio holdings for the first and third quarters of their respective fiscal years with the Commission on Form N-Q. Each Trust's Form N-Q will be available on the Commission's website at <http://www.sec.gov>. Each Trust's Form N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information regarding the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Trust's Form N-Q may also be obtained upon request, without charge, by calling (800) 699-1BFM.

ANNUAL REPORT

AUGUST 31, 2007

---

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Trust shares. Statements and other information contained in this report are as dated and are subject to change.

CEF-ANN-1-0807

---

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Item 2 ☐ Code of Ethics ☐ The registrant has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at [www.blackrock.com](http://www.blackrock.com).

Item 3 ☐ Audit Committee Financial Expert ☐ The registrant's board of directors or trustees, as applicable (the ☐board of directors☐) has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: (1) Dr. Andrew F. Brimmer (retired as of December 31, 2006), (2) Kent Dixon and (3) Frank Fabozzi.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification.

Item 4 ☐ Principal Accountant Fees and Service

| <u>Entity Name</u>                        | <u>(a) Audit Fees</u> |                    | <u>(b) Audit-Related Fees<sup>1</sup></u> |                    | <u>(c) Tax Fees<sup>2</sup></u> |                    | <u>(d) All Other Fees<sup>3</sup></u> |                    |
|---|-----------------------|--------------------|---|--------------------|---------------------------------|--------------------|---------------------------------------|--------------------|
|   | <u>Current</u>        | <u>Previous</u>    | <u>Current</u>                            | <u>Previous</u>    | <u>Current</u>                  | <u>Previous</u>    | <u>Current</u>                        | <u>Previous</u>    |
|   | <u>Fiscal Year</u>    | <u>Fiscal Year</u> | <u>Fiscal Year</u>                        | <u>Fiscal Year</u> | <u>Fiscal Year</u>              | <u>Fiscal Year</u> | <u>Fiscal Year</u>                    | <u>Fiscal Year</u> |
|   | <u>End</u>            | <u>End</u>         | <u>End</u>                                | <u>End</u>         | <u>End</u>                      | <u>End</u>         | <u>End</u>                            | <u>End</u>         |
| BlackRock<br>Municipal Income<br>Trust II | \$26,500              | \$26,500           | \$1,975                                   | \$2,000            | \$6,100                         | \$8,000            | \$1,042                               | \$0                |

1 The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

2 The nature of the services include tax compliance, tax advice and tax planning.

3 The nature of the services include a review of compliance procedures and attestation thereto.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The registrant has polices and procedures (the "Policy") for the pre-approval by the registrant's audit committee of Audit, Audit-Related, Tax and Other Services (as each is defined in the Policy) provided by the Trust's independent auditor (the "Independent Auditor") to the registrant and other "Covered Entities" (as defined below). The term of any such pre-approval is 12 months from the date of pre-approval, unless the audit committee specifically provides for a different period. The amount of any such pre-approval is set forth in the appendices to the Policy (the "Service Pre-Approval Documents"). At its first meeting of each calendar year, the audit committee will review and re-approve the Policy and approve or re-approve the Service Pre-Approval Documents for that year, together with any changes deemed necessary or desirable by the audit committee. The audit committee may, from time to time, modify the nature of the services pre-approved, the aggregate level of fees pre-approved or both.

For the purposes of the Policy, "Covered Services" means (A) all engagements for audit and non-audit services to be provided by the Independent Auditor to the Trust and (B) all engagements for non-audit services related directly to the operations and financial reporting or

## Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

the Trust to be provided by the Independent Auditor to any Covered Entity, [Covered Entities] means (1) the Advisor or (2) any entity controlling, controlled by or under common control with the Advisor that provides ongoing services to the Trust.

In the intervals between the scheduled meetings of the audit committee, the audit committee delegates pre-approval authority under this Policy to the Chairman of the audit committee (the [Chairman]). The Chairman shall report any pre-approval decisions under this Policy to the audit committee at its next scheduled meeting. At each scheduled meeting, the audit committee will review with the Independent Auditor the Covered Services pre-approved by the Chairman pursuant to delegated authority, if any, and the fees related thereto. Based on these reviews, the audit committee can modify, at its discretion, the pre-approval originally granted by the Chairman pursuant to delegated authority. This modification can be to the nature of services pre-approved, the aggregate level of fees approved, or both. Pre-approval of Covered Services by the Chairman pursuant to delegated authority is expected to be the exception rather than the rule and the audit committee may modify or withdraw this delegated authority at any time the audit committee determines that it is appropriate to do so.

Fee levels for all Covered Services to be provided by the Independent Auditor and pre-approved under this Policy will be established annually by the audit committee and set forth in the Service Pre-Approval Documents. Any increase in pre-approved fee levels will require specific pre-approval by the audit committee (or the Chairman pursuant to delegated authority).

The terms and fees of the annual Audit services engagement for the Trust are subject to the specific pre-approval of the audit committee. The audit committee (or the Chairman pursuant to delegated authority) will approve, if necessary, any changes in terms, conditions or fees resulting from changes in audit scope, Trust structure or other matters.

In addition to the annual Audit services engagement specifically approved by the audit committee, any other Audit services for the Trust not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the audit committee (or the Chairman pursuant to delegated authority).

Audit-Related services are assurance and related services that are not required for the audit, but are reasonably related to the performance of the audit or review of the financial statements of the registrant and, to the extent they are Covered Services, the other Covered Entities (as defined in the Joint Audit Committee Charter) or that are traditionally performed by the Independent Auditor. Audit-Related services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the audit committee (or the Chairman pursuant to delegated authority).

The audit committee believes that the Independent Auditor can provide Tax services to the Covered Entities such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the audit committee will not permit the retention of the Independent Auditor in connection with a transaction initially recommended by the Independent Auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. Tax services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the audit committee (or the Chairman pursuant to delegated authority).

All Other services that are covered and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the audit committee (or the Chairman pursuant to delegated authority).

---

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Requests or applications to provide Covered Services that require approval by the audit committee (or the Chairman pursuant to delegated authority) must be submitted to the audit committee or the Chairman, as the case may be, by both the Independent Auditor and the Chief Financial Officer of the respective Covered Entity, and must include a joint statement as to whether, in their view, (a) the request or application is consistent with the rules of the Securities and Exchange Commission ("SEC") on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request or application submitted to the Chairman between scheduled meetings of the audit committee should include a discussion as to why approval is being sought prior to the next regularly scheduled meeting of the audit committee.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) Affiliates' Aggregate Non-Audit Fees:

| <u>Entity Name</u>                  | <u>Current Fiscal Year</u><br><u>End</u> | <u>Previous</u><br><u>Fiscal Year</u><br><u>End</u> |
|-------------------------------------|--|---|
| BlackRock Municipal Income Trust II | \$293,617                                | \$176,019   |

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser (not including any non-affiliated sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by the registrant's investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence Regulation S-X Rule 2-01(c)(7)(ii) □ \$284,500, 0%

Item 5 □ Audit Committee of Listed Registrants □ The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)):

Dr. Andrew F. Brimmer (retired as of December 31, 2006)  
Richard E. Cavanagh  
Kent Dixon  
Frank Fabozzi

Item 6 □ Schedule of Investments □ The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

Item 7 □ Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies □ The registrant has delegated the voting of proxies relating to Fund portfolio securities to its investment adviser, BlackRock Advisors, LLC and its sub-adviser, as applicable. The Proxy

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

Voting Policies and Procedures of the adviser and sub-adviser are attached hereto as Exhibit 99.PROXYPOL.

Information about how a Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12 month period ended June 30 is available without charge (1) at [www.blackrock.com](http://www.blackrock.com) and (2) on the Commission's web site at <http://www.sec.gov>.

Item 8 ☐ Portfolio Managers of Closed-End Management Investment Companies ☐ as of August 31, 2007.

(a)(1) BlackRock Municipal Income Trust II is managed by a team of investment professionals comprised of Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock, and Walter O'Connor, Managing Director at BlackRock. Each is a member of BlackRock's municipal tax-exempt management group. Mr. Jaeckel and Mr. O'Connor are responsible for setting the Fund's overall investment strategy and overseeing the management of the Fund. Mr. O'Connor is also the Fund's lead portfolio manager and is responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Messrs. Jaeckel and O'Connor have been members of the Fund's management team since 2006.

Mr. Jaeckel joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of Merrill Lynch Investment Managers, L.P. (MLIM) from 2005 to 2006 and a Director of MLIM from 1997 to 2005. He has been a portfolio manager with BlackRock or MLIM since 1991.

Mr. O'Connor joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of MLIM from 2003 to 2006 and was a Director of MLIM from 1997 to 2002. He has been a portfolio manager with BlackRock or MLIM since 1991.

(a)(2) As of August 31, 2007:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type |                                  |                | (iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based |                                  |                |
|-------------------------------|--|----------------------------------|----------------|---|----------------------------------|----------------|
|                               | Other  |                                  |                | Other   |                                  |                |
|                               | Registered Investment Companies                                  | Other Pooled Investment Vehicles | Other Accounts | Registered Investment Companies   | Other Pooled Investment Vehicles | Other Accounts |
| Walter O'Connor               | 80<br>\$24,822,785,939   | 0<br>\$0                         | 0<br>\$0       | 0<br>\$0  | 0<br>\$0                         | 0<br>\$0       |
| Theodore R. Jaeckel, Jr.      | 80<br>\$24,822,785,939   | 1<br>\$24,757,202                | 0<br>\$0       | 0<br>\$0  | 1<br>\$24,757,202                | 0<br>\$0       |

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated

equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and any officer, director, stockholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates, or any officer, director, stockholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for the Fund. In this connection, it should be noted that certain portfolio managers currently manage certain accounts that are subject to performance fees. In addition, certain portfolio managers assist in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) As of August 31, 2007:

#### *Portfolio Manager Compensation*

##### *Compensation Program*

The elements of total compensation for portfolio managers on BlackRock's municipal team include a fixed base salary, annual performance-based cash and stock compensation (cash and stock bonus) and other benefits. BlackRock has balanced these components of pay to provide these portfolio managers with a powerful incentive to achieve consistently superior investment performance. By design, compensation levels for these portfolio managers fluctuate both up and down with the relative investment performance of the portfolios that they manage.

##### *Base compensation*

Like that of many asset management firms, base salaries represent a relatively small portion of a portfolio manager's total compensation. This approach serves to enhance the motivational value

---



of the performance-based (and therefore variable) compensation elements of the compensation program.

#### *Performance-Based Compensation*

BlackRock believes that the best interests of investors are served by recruiting and retaining exceptional asset management talent and managing their compensation within a consistent and disciplined framework that emphasizes pay for performance in the context of an intensely competitive market for talent. To that end, BlackRock and its affiliates portfolio manager incentive compensation is based on a formulaic compensation program. BlackRock's formulaic portfolio manager compensation program includes: investment performance relative to the Long Bond (22+) component of the Lehman Brothers Municipal Bond Index, the Lehman Brothers Municipal Bond Index, the 10-year United States Treasury note, certain customized indices and fund industry peer groups. Portfolio managers are compensated based on the pre-tax performance of the products they manage. If a portfolio manager's tenure is less than 5 years, performance periods will reflect time in position. Portfolio managers are compensated based on products they manage. A discretionary element of portfolio manager compensation may include consideration of: financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, capital allocation, compliance and risk control, leadership, workforce diversity, supervision, technology and innovation. All factors are considered collectively by BlackRock management.

#### *Long-Term Retention and Incentive Plan (LTIP)*

The LTIP is a long-term incentive plan that seeks to reward certain key employees. The plan provides for the grant of awards that are expressed as an amount of cash that, if properly vested and subject to the attainment of certain performance goals, will be settled in cash and/or in BlackRock, Inc. common stock.

#### *Cash Bonus*

Performance-based compensation is distributed to portfolio managers in a combination of cash and stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for portfolio managers.

#### *Stock Bonus*

A portion of the dollar value of the total annual performance-based bonus is paid in restricted shares of BlackRock stock. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year "at risk" based on the company's ability to sustain and improve its performance over future periods. The ultimate value of stock bonuses is dependent on future BlackRock stock price performance. As such, the stock bonus aligns each portfolio manager's financial interests with those of the BlackRock shareholders and encourages a balance between short-term goals and long-term strategic objectives. Management strongly believes that providing a significant portion of competitive performance-based compensation in stock is in the best interests of investors and shareholders. This approach ensures that portfolio managers participate as shareholders in both the "downside risk" and "upside opportunity" of the company's performance. Portfolio managers therefore have a direct incentive to protect BlackRock's reputation for integrity.

---

*Other Compensation Programs*

Portfolio managers who meet relative investment performance and financial management objectives during a performance year are eligible to participate in a deferred cash program. Awards under this program are in the form of deferred cash that may be benchmarked to a menu of BlackRock mutual funds (including their own fund) during a five-year vesting period. The deferred cash program aligns the interests of participating portfolio managers with the investment results of BlackRock products and promotes continuity of successful portfolio management teams.

*Other Benefits*

Portfolio managers are also eligible to participate in broad-based plans offered generally to employees of BlackRock and its affiliates, including broad-based retirement, 401(k), health, and other employee benefit plans.

(a)(4) *Beneficial Ownership of Securities.* As of August 31, 2007, neither of Messrs. Jaeckel or O'Connor beneficially owned any stock issued by the Fund.

Item 9  Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers  Not Applicable due to no such purchases during the period covered by this report.

Item 10  Submission of Matters to a Vote of Security Holders  The registrant's Governance Committee will consider nominees to the Board recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11  Controls and Procedures

11(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 and Exchange Act of 1934, as amended.

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

Item 12  Exhibits attached hereto

12(a)(1)  Code of Ethics  See Item 2

12(a)(2)  Certifications  Attached hereto

12(a)(3)  Not Applicable

12(b)  Certifications  Attached hereto

---

Edgar Filing: BLACKROCK MUNICIPAL INCOME TRUST II - Form N-CSR

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 Municipal Income Trust II

By: /s/ Donald C. Burke

Donald C. Burke,

Treasurer of

BlackRock Municipal Income Trust II

Date: October 22, 2007

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/ Robert S. Kapito

Robert S. Kapito,

President (principal executive officer) of

BlackRock Municipal Income Trust II

Date: October 22, 2007

By: /s/ Donald C. Burke

Donald C. Burke,

Treasurer (principal financial officer) of

BlackRock Municipal Income Trust II

Date: October 22, 2007

---