COORS ADOLPH CO
Form DEFA14A
January 07, 2005

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

# SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

ý Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

**Adolph Coors Company**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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(1) Amount Previously Paid:
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(2) Form, Schedule or Registration Statement No.:
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CONTACT: *News Media*
Laura Sankey
(303) 277-5035

*Investor Relations*
Dave Dunnewald
(303) 279-6565
Kevin Caulfield
(303) 277-6894

FOR IMMEDIATE RELEASE
1/7/2005

**COORS REPORTS HIGHER FOURTH QUARTER U.S. SALES VOLUME**

GOLDEN, Colo. In response to recent news reports indicating soft U.S. industry beer sales in the fourth quarter of 2004, Adolph Coors Company (NYSE-RKY) today announced that it achieved higher U.S. sales volume and sales to retail for the fourth quarter.

For the 13-week quarter ending December 26, 2004, U.S. sales volume to wholesalers increased 4.2 percent, while wholesaler sales to retail increased 0.8 percent compared to the same period a year ago. Sales volume to wholesalers exceeded sales to retail because the company's distributors rebuilt inventories during the fourth quarter this year to end the year at approximately the same level as last year.

For the company's Americas segment (which includes sales in the U.S., the Caribbean, Latin America and Asia), sales volume to wholesalers in the fourth quarter increased 4.2 percent, and wholesaler sales to retail increased 1.0 percent.

For the 52-week period ended December 26, 2004, U.S. sales volume and sales to retail decreased 0.8 percent and 0.2 percent, respectively, compared to full year 2003. Coors Americas segment sales volume for 2004 decreased 0.7 percent compared to the prior year, while sales to retail decreased 0.3 percent.

Coors chief executive officer Leo Kiely said, "We are pleased with the increase in our U.S. sales to retail in the fourth quarter, which benefited from the comparison to lower sales in the fourth quarter of 2003, when we faced U.S. supply-chain challenges, along with the introduction of Aspen Edge earlier this year and strong growth from our Blue Moon and Zima XXX brands."

Coors management emphasized that Americas or U.S. sales volumes are not necessarily indicative of the company's consolidated or segment financial performance. Fiscal 2004 fourth quarter and full-year financial results for Adolph Coors Company are scheduled to be reported on February 9, 2005.

Founded in 1873, Adolph Coors Company is the third-largest U.S. brewer and the eighth-largest brewer in the world. Coors sells its products in North America, Latin America, Europe and Asia. The company's brands include Coors, Coors Light, Aspen Edge, Killian's Irish Red, Blue Moon, Zima XXX, Keystone, Extra Gold, Carling, Grolsch, Worthington's and Reef. For more information on Coors Brewing Company, visit the company's website, www.coors.com.

# # #

***Forward-Looking Statements***

*This press release includes "forward-looking statements" within the meaning of the federal securities laws, commonly identified by such terms as "looking ahead," "anticipates," "estimates"" "will", "expects", "expected to" or "are scheduled to" and other terms with similar meaning, indicating possible future events or actions or potential impact on the businesses or shareholders of Adolph Coors Company. Such statements include, but are not limited to, statements about the anticipated benefits, savings and synergies of the proposed merger between Adolph Coors Company and Molson, Inc., including future financial and operating results. It also includes financial information, of which, as of the date of this press release, the Company's independent auditors have not completed their review. Subsequent events may occur or additional information may arise that could have an effect on the final quarterly financial information.*

*Although the Company believes that the assumptions upon which the financial information and its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Company's projections and expectations are disclosed in the Company's filings with the Securities and Exchange Commission. These factors include, among others, changes in consumer preferences and product trends, price discounting by major competitors, unanticipated expenses, and increases in costs generally. All forward-looking statements in this press release are expressly qualified by such cautionary statements and by reference to the underlying assumptions. We do not undertake to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.*

*Coors has filed a definitive joint proxy statement/management information circular regarding the proposed transaction with the Securities and Exchange Commission. Stockholders are urged to read the definitive joint proxy statement/management information circular. Stockholders may obtain a free copy of the definitive joint proxy statement/management information circular, as well as other filings containing information about Coors, without charge, at the Securities and Exchange Commission's internet site (http://www.sec.gov). Copies of the definitive joint proxy statement/management information circular and the filings with the Securities and Exchange Commission that will be incorporated by reference in the definitive joint proxy statement/management information circular can also be obtained, without charge, by directing a request to Adolph Coors Company, 311 10th Street, Golden, Colorado 80401, Attention: Shareholder Relations, (303) 279-6565.*

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COORS REPORTS HIGHER FOURTH QUARTER U.S. SALES VOLUME

Arial,Helvetica,sans-serif color=#231f20 size=1>1 1.09[1] 1.12 1.10 Net realized and unrealized gain (loss) (0.15) 2.16 1.41 (4.28) (0.97) 0.48 Dividends to Preferred Shareholders from net investment income (0.04) (0.04) (0.02) (0.30) (0.33) (0.29) Net increase (decrease) from investment operations 0.87 3.22 1.74 (3.49) (0.18) 1.29 Dividends to Common Shareholders from net investment income (0.75) (0.75) (0.25) (0.75) (0.80) (0.80) Net asset value, end of period $ 14.63 $ 14.51 $ 12.04 $ 10.55 $ 14.79 $ 15.77 Market price, end of period $ 15.06 $ 14.89 $ 12.70 $ 10.57 $ 13.60 $ 15.77 **Total Investment Return[2]** Based on net asset value 5.96% 26.97% 16.39%[3] (24.57)% (1.16)% 8.72% Based on market price 6.29% 23.52% 22.54%[3] (17.81)% (9.11)% 18.66% **Ratios to Average Net Assets Applicable to Common Shareholders** Total expenses[4] 1.03% 1.06% 1.23%[5] 1.12% 1.06% 1.07% Total expenses after fees waived and paid indirectly[4] 1.03% 1.06% 1.23%[5] 1.12% 1.05% 1.07% Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6] 1.02% 1.05% 1.21%[5] 1.10% 1.05% 1.07% Net investment income[4] 7.26% 8.08% 9.28%[5] 8.01% 7.27% 7.09% Dividends to Preferred Shareholders 0.24% 0.28% 0.59%[5] 2.18% 2.14% 1.89% Net investment income to Common Shareholders 7.02% 7.80% 8.69%[5] 5.83% 5.13% 5.20% **Supplemental Data** Net assets applicable to Common Shareholders, end of period (000) $ 296,082 $ 293,549 $ 243,571 $ 213,472 $ 299,372 $ 319,131 Preferred Shares outstanding at $25,000 liquidation preference, end of period (000) $ 173,850 $ 173,850 $ 173,850 $ 173,850 $ 177,600 $ 177,600 Portfolio turnover 9% 6% 1% 5% 4% 12% Asset coverage per Preferred Share at $25,000 liquidation preference, end of period $ 67,579 $ 67,215 $ 60,027 $ 55,703 $ 67,154 $ 69,937

[1] Based on average shares outstanding.
[2] Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,
total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
[3] Aggregate total investment return.
[4] Do not reflect the effect of dividends to Preferred Shareholders.
[5] Annualized.
[6] Interest expense and fees related to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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# Financial Highlights

**BlackRock Municipal Income Trust (BFK)**

| | Year Ended April 30, | | Period November 1, 2008 to April 30, | Year Ended October 31, | | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Per Share Operating Performance** | | | | | | |
| Net asset value, beginning of period | $ 13.23 | $ 10.74 | $ 10.08 | $ 14.55 | $ 15.37 | $ 14.71 |
| Net investment income | 1.01[1] | 1.03[1] | 0.52[1] | 1.12[1] | 1.11 | 1.14 |
| Net realized and unrealized gain (loss) | (1.11) | 2.42 | 0.58 | (4.38) | (0.63) | 0.78 |
| Dividends and distributions to Preferred Shareholders from: | | | | | | |
| Net investment income | (0.02) | (0.03) | (0.03) | (0.30) | (0.31) | (0.27) |
| Net realized gain | — | — | — | — | (0.00)[2] | — |
| Net increase (decrease) from investment operations | (0.12) | 3.42 | 1.07 | (3.56) | 0.17 | 1.65 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.95) | (0.93) | (0.41) | (0.91) | (0.99) | (0.99) |
| Net realized gain | — | — | — | — | (0.00)[2] | — |
| Total dividends and distributions to Common Shareholders | (0.95) | (0.93) | (0.41) | (0.91) | (0.99) | (0.99) |
| Net asset value, end of period | $ 12.16 | $ 13.23 | $ 10.74 | $ 10.08 | $ 14.55 | $ 15.37 |
| Market price, end of period | $ 12.35 | $ 13.44 | $ 11.10 | $ 8.75 | $ 15.92 | $ 17.30 |
| **Total Investment Return[3]** | | | | | | |
| Based on net asset value | (1.04)% | 32.75% | 11.15%[4] | (25.69)% | 0.70% | 11.24% |
| Based on market price | (1.07)% | 30.49% | 32.34%[4] | (41.05)% | (2.11)% | 17.39% |
| **Ratios to Average Net Assets Applicable to Common Shareholders** | | | | | | |
| Total expenses[5] | 1.26% | 1.26% | 1.44%[6] | 1.38% | 1.18% | 1.21% |
| Total expenses after fees waived and paid indirectly[5] | 1.24% | 1.15% | 1.26%[6] | 1.15% | 0.88% | 0.83% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees[5,7] | 1.14% | 1.07% | 1.15%[6] | 0.98% | 0.88% | 0.83% |
| Net investment income[5] | 7.84% | 8.37% | 10.48%[6] | 8.34% | 7.43% | 7.65% |
| Dividends to Preferred Shareholders | 0.20% | 0.23% | 0.70%[6] | 2.19% | 2.04% | 1.83% |
| Net investment income to Common Shareholders | 7.64% | 8.14% | 9.78%[6] | 6.15% | 5.39% | 5.82% |
| **Supplemental Data** | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | $ 541,097 | $ 587,250 | $ 474,814 | $ 445,289 | $ 640,981 | $ 674,080 |
| Preferred Shares outstanding at $25,000 liquidation preference, end of period (000) | $ 270,875 | $ 270,875 | $ 293,125 | $ 293,125 | $ 375,125 | $ 375,125 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Portfolio turnover | 18% | 32% | 11% | 13% | 17% | 77% |
| Asset coverage per Preferred Share at $25,000 liquidation preference, | | | | | | |
| end of period | $ 74,941 | $ 79,201 | $ 65,498 | $ 62,989 | $ 67,727 | $ 69,933 |

1 Based on average shares outstanding.

2 Amount is less than $(0.01) per share.

3 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,
total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

4 Aggregate total investment return.

5 Do not reflect the effect of dividends to Preferred Shareholders.

6 Annualized.

7 Interest expense and fees related to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

# Financial Highlights

**BlackRock Pennsylvania Strategic Municipal Trust (BPS)**

| | Year Ended April 30, | | Period January 1, 2009 to April 30, | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Per Share Operating Performance** | | | | | | |
| Net asset value, beginning of period | $ 13.86 | $ 11.87 | $ 10.77 | $ 14.12 | $ 15.01 | $ 15.27 |
| Net investment income | 0.98[1] | 0.92[1] | 0.27[1] | 0.89[1] | 0.99 | 1.02 |
| Net realized and unrealized gain (loss) | (0.81) | 1.83 | 1.03 | (3.36) | (0.74) | (0.09) |
| Dividends to Preferred Shareholders from net investment income | (0.03) | (0.04) | (0.02) | (0.26) | (0.31) | (0.28) |
| Net increase (decrease) from investment operations | 0.14 | 2.71 | 1.28 | (2.73) | (0.06) | 0.65 |
| Dividends to Common Shareholders from net investment income | (0.89) | (0.72) | (0.18) | (0.62) | (0.83) | (0.91) |
| Net asset value, end of period | $ 13.11 | $ 13.86 | $ 11.87 | $ 10.77 | $ 14.12 | $ 15.01 |
| Market price, end of period | $ 12.99 | $ 13.88 | $ 9.85 | $ 8.42 | $ 13.55 | $ 17.43 |
| **Total Investment Return[2]** | | | | | | |
| Based on net asset value | 1.07% | 23.80% | 12.28%[3] | (19.63)% | (0.82)% | 4.09% |
| Based on market price | 0.00% | 49.41% | 19.18%[3] | (34.53)% | (18.04)% | 16.45% |
| **Ratios to Average Net Assets Applicable to Common Shareholders** | | | | | | |
| Total expenses[4] | 1.56% | 1.60% | 1.63%[5] | 1.61% | 1.55% | 1.51% |
| Total expenses after fees waived and before fees paid indirectly[4] | 1.55% | 1.59% | 1.61%[5] | 1.45% | 1.37% | 1.28% |
| Total expenses after fees waived and paid indirectly[4] | 1.55% | 1.59% | 1.61%[5] | 1.45% | 1.35% | 1.23% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6] | 1.43% | 1.57% | 1.61%[5] | 1.42% | 1.35% | 1.23% |
| Net investment income[4] | 7.28% | 6.94% | 7.38%[5] | 6.82% | 6.82% | 6.73% |
| Dividends to Preferred Shareholders | 0.25% | 0.28% | 0.56%[5] | 2.17% | 2.10% | 1.85% |
| Net investment income to Common Shareholders | 7.03% | 6.66% | 6.82%[5] | 4.65% | 4.72% | 4.88% |
| **Supplemental Data** | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | $ 26,574 | $ 28,038 | $ 24,023 | $ 21,799 | $ 28,560 | $ 30,306 |
| Preferred Shares outstanding at $25,000 liquidation preference, end of period (000) | $ 16,325 | $ 16,325 | $ 16,825 | $ 16,825 | $ 17,500 | $ 17,500 |
| Portfolio turnover | 17% | 19% | 8% | 45% | 41% | 7% |
| Asset coverage per Preferred Share at $25,000 liquidation preference, end of period | $ 65,697 | $ 67,939 | $ 60,696 | $ 57,399 | $ 65,817 | $ 68,305 |

[1] Based on average shares outstanding.
[2] Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,
total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
[3] Aggregate total investment return.
[4] Do not reflect the effect of dividends to Preferred Shareholders.
[5] Annualized. Certain expenses incurred during the period January 1, 2009 to April 30, 2009 have been included in the ratio but not annualized. If these expenses were annualized,
the annualized ratio of total expenses, total expenses after fees waived and before fees paid indirectly, total expenses after fees waived and paid indirectly, total expenses after fees
waived and paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.91%, 1.89%,
1.89%, 1.89%, 7.09% and 6.53%, respectively.
[6] Interest expense and fees related to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

**BlackRock Strategic Municipal Trust (BSD)**

| | Year Ended April 30, | | Period January 1, 2009 to April 30, | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| **Per Share Operating Performance** | | | | | | |
| Net asset value, beginning of period | $ 13.00 | $ 10.95 | $ 9.90 | $ 14.27 | $ 15.64 | $ 15.68 |
| Net investment income | 0.94[1] | 0.96[1] | 0.32[1] | 1.02[1] | 1.07 | 1.07 |
| Net realized and unrealized gain (loss) | (0.77) | 1.96 | 1.00 | (4.32) | (1.10) | 0.28 |
| Dividends to Preferred Shareholders from net investment income | (0.02) | (0.03) | (0.02) | (0.26) | (0.32) | (0.29) |
| Net increase (decrease) from investment operations | 0.15 | 2.89 | 1.30 | (3.56) | (0.35) | 1.06 |
| Dividends to Common Shareholders from net investment income | (0.88) | (0.84) | (0.25) | (0.81) | (1.02) | (1.10) |
| Net asset value, end of period | $ 12.27 | $ 13.00 | $ 10.95 | $ 9.90 | $ 14.27 | $ 15.64 |
| Market price, end of period | $ 11.88 | $ 12.95 | $ 10.15 | $ 8.19 | $ 13.96 | $ 18.69 |
| **Total Investment Return[2]** | | | | | | |
| Based on net asset value | 1.19% | 27.36% | 13.44%[3] | (25.70)% | (2.82)% | 6.38% |
| Based on market price | (1.65)% | 36.87% | 27.11%[3] | (37.17)% | (20.44)% | 16.29% |
| **Ratios to Average Net Assets Applicable to Common Shareholders** | | | | | | |
| Total expenses[4] | 1.39% | 1.36% | 1.49%[5] | 1.54% | 1.30% | 1.31% |
| Total expenses after fees waived and before fees paid indirectly[4] | 1.39% | 1.36% | 1.48%[5] | 1.45% | 1.14% | 1.07% |
| Total expenses after fees waived and paid indirectly[4] | 1.39% | 1.36% | 1.48%[5] | 1.45% | 1.13% | 1.04% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees[4,6] | 1.28% | 1.26% | 1.40%[5] | 1.23% | 1.13% | 1.04% |
| Net investment income[4] | 7.38% | 7.91% | 9.48%[5] | 8.04% | 7.12% | 6.89% |
| Dividends to Preferred Shareholders | 0.19% | 0.22% | 0.49%[5] | 2.02% | 2.12% | 1.83% |
| Net investment income to Common Shareholders | 7.19% | 7.69% | 8.99%[5] | 6.02% | 5.00% | 5.06% |
| **Supplemental Data** | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | $ 89,481 | $ 94,736 | $ 79,820 | $ 72,188 | $ 103,882 | $ 113,697 |
| Preferred Shares outstanding at $25,000 liquidation preference, end of period (000) | $ 42,975 | $ 42,975 | $ 47,750 | $ 47,750 | $ 62,000 | $ 62,000 |
| Portfolio turnover | 20% | 32% | 6% | 17% | 21% | 71% |
| Asset coverage per Preferred Share at $25,000 liquidation preference, end of period | $ 77,055 | $ 80,113 | $ 66,791 | $ 62,803 | $ 66,904 | $ 78,856 |

[1] Based on average shares outstanding.

[2] Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,
total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

[3] Aggregate total investment return.

[4] Do not reflect the effect of dividends to Preferred Shareholders.

[5] Annualized. Certain expenses incurred during the period January 1, 2009 to April 30, 2009 have been included in the ratio but not annualized. If these expenses were annualized,
the annualized ratio of total expenses, total expenses after fees waived and before fees paid indirectly, total expenses after fees waived and paid indirectly, total expenses after fees
waived and paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.91%, 1.89%,
1.89%, 1.89%, 7.09% and 6.53%, respectively.

[6] Interest expense and fees related to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Notes to Financial Statements

1. Organization and Significant Accounting Policies:

BlackRock Investment Quality Municipal Trust Inc. (“BKN”) is organized as a Maryland corporation. BlackRock Long-Term Municipal Advantage Trust (“BTA”), BlackRock Municipal 2020 Term Trust (“BKK”), BlackRock Municipal Income Trust (“BFK”), BlackRock Pennsylvania Strategic Municipal Trust (“BPS”) and BlackRock Strategic Municipal Trust (“BSD”) (collectively, together with BKN, the “Trusts” or individually as the “Trust”) are organized as Delaware statutory trusts. BKN, BKK, BFK and BSD are registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as diversified, closed-end management investment companies. BTA and BPS are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Trusts’ financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Board of Directors and the Board of Trustees of the Trusts are referred to throughout this report as the “Board of Trustees” or the “Board”. The Trusts determine and make available for publication the net asset values of their Common Shares on a daily basis.

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

Valuation: US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. Municipal investments (including commitments to purchase such investments on a “when-issued” basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value. Investments in open-end registered investment companies are valued at net asset value each business day.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair value ("Fair Value Assets"). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each 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. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

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

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

Municipal Bonds Transferred to TOBs: The Trusts leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ("TOB Residuals"), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be terminated without the consent of a Trust upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the year ended April 30, 2011, no TOBs that the Trusts participated in have been terminated without the consent of the Trusts.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Trust, which typically invests the cash in additional municipal bonds. Each Trust's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing, therefore the municipal bonds deposited into a TOB are presented in the Trusts' Schedules of Investments and the proceeds from the issuance of the short-term floating rate certificates are shown as trust certificates in the Statements of Assets and Liabilities.

## Notes to Financial Statements (continued)

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense and fees in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At April 30, 2011, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for trust certificates and the range of interest rates on the liability for trust certificates were as follows:

| | Underlying Municipal Bonds Transferred to TOBs | Liability for Trust Certificates | Range of Interest Rates |
|---|---|---|---|
| BKN | $ 24,261,589 | $13,137,401 | 0.26% – 0.32% |
| BTA | $123,390,548 | $87,461,565 | 0.26% – 0.32% |
| BKK | $ 5,319,100 | $ 3,750,000 | 0.31% |
| BFK | $128,680,527 | $75,182,147 | 0.26% – 0.35% |
| BPS | $ 7,728,032 | $ 4,124,755 | 0.26% – 0.46% |
| BSD | $ 23,885,266 | $13,546,164 | 0.26% – 0.33% |

For the year ended April 30, 2011, the Trusts' average trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

| | Average Trust Certificates Outstanding | Daily Weighted Average Interest Rate |
|---|---|---|
| BKN | $12,906,632 | 0.74% |
| BTA | $88,684,976 | 1.07% |
| BKK | $ 3,750,000 | 0.69% |
| BFK | $75,573,519 | 0.75% |
| BPS | $ 3,773,655 | 0.86% |
| BSD | $13,610,207 | 0.75% |

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

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC") require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts) the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

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

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

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

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts' US federal tax returns remains open for each of the two years ended April 30, 2011, the period ended April 30, 2009 and the preceding taxable year of the respective Trust. The statutes of limitations on each Trust’s state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Trust's Board, independent Trustees ("Independent Trustees") may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Each Trust may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations. Investments to cover each Trust's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income — affiliated in the Statements of Operations.

Other: Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. The Trusts have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The

## Notes to Financial Statements (continued)

custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and to economically hedge, or protect, their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

Financial Futures Contracts: The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of the financial futures contracts, interest rates and the underlying assets.

**Derivative Instruments Categorized by Risk Exposure:**
**Fair Values of Derivative Instruments as of April 30, 2011**

| | | Liability Derivatives | | | | |
|---|---|---|---|---|---|---|
| | | BKN | BTA | BFK | BPS | BSD |
| | **Statements of Assets and Liabilities Location** | | | | | |
| Interest rate | Net unrealized | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| contracts: | appreciation/deprecation* | $391,480 | $275,825 | $1,063,895 | $26,269 | 173,375 |

* Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only current day's margin variation is reported within
the Statements of Assets and Liabilities.

**The Effect of Derivative Instruments in the Statements of Operations**
**Year Ended April 30, 2011**

**Net Realized Loss From**

| | BKN | BTA | BFK | BPS | BSD |
|---|---|---|---|---|---|
| Interest rate contracts: | | | | | |
| Financial futures contracts | $ (79,167) | $ (72,294) | $ (458,914) | $(21,030) | $ (71,021) |

**Net Change in Unrealized Appreciation/Depreciation From**

| | BKN | BTA | BFK | BPS | BSD |
|---|---|---|---|---|---|
| Interest rate contracts: | | | | | |
| Financial futures contracts | $(391,480) | $(275,825) | $(1,063,895) | $(26,269) | $(173,375) |

For the year ended April 30, 2011, the average quarterly balances of outstanding derivative financial instruments were as follows:

| | BKN | BTA | BFK | BPS | BSD |
|---|---|---|---|---|---|
| Financial futures contracts: | | | | | |
| Average number of contracts sold | 42 | 26 | 101 | 3 | 17 |
| Average notional value of contracts sold | $5,043,690 | $3,110,985 | $11,999,515 | $296,284 | $1,955,476 |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

As of April 30, 2011, The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") were the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate of the Trusts for 1940 Act purposes, but BAC and Barclays are not.

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the “Manager”), the Trusts' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Trust's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee at the following annual rates of each Trust's average weekly net assets as follows:

| | |
|---|---|
| BKN | 0.35% |
| BTA | 1.00% |
| BKK | 0.50% |
| BFK | 0.60% |
| BPS | 0.60% |
| BSD | 0.60% |

Average weekly net assets for all of the Trusts, except BTA, is the average weekly value of each Trust’s total assets minus the sum of its accrued liabilities. For BTA, average weekly net assets is the average weekly value of the Trust's total assets minus the sum of its total liabilities.

## Notes to Financial Statements (continued)

The Manager voluntarily agreed to waive a portion of the investment advisory fees or other expenses as a percentage of its average daily net assets as follows:

| | Through | Rate |
|---|---|---|
| BTA | January 31, 2011 | 0.40% |
| | January 31, 2012 | 0.30% |
| | January 31, 2013 | 0.20% |
| | January 31, 2014 | 0.10% |
| BFK | July 31, 2010 | 0.05% |

For the year ended April 30, 2011, the Manager waived the following amounts, which are included in fees waived by advisor in the Statements of Operations:

| | |
|---|---|
| BTA | $549,525 |
| BFK | $115,236 |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds, however the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid through each Trust's investment in other affiliated investment companies, if any. These amounts are shown as, or included in, fees waived by advisor in the Statements of Operations. For the year ended April 30, 2011, the amounts waived were as follows:

| | |
|---|---|
| BKN | $2,049 |
| BTA | $ 521 |
| BKK | $3,553 |
| BFK | $5,341 |
| BPS | $4,006 |
| BSD | $ 897 |

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, LLC (“BFM”), an affiliate of the Manager. The Manager pays BFM for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

BKN has an Administration Agreement with the Manager. The administration fee paid to the Manager is computed at an annual rate of 0.15% of the Trust's average weekly net assets including proceeds from the issuance of Preferred Shares and TOBs.

For the period May 1, 2010 through December 31, 2010, each Trust reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

| | |
|---|---|
| BTA | $ 3,048 |
| BKK | $ 6,111 |
| BFK | $11,948 |
| BPS | $ 618 |
| BSD | $ 1,939 |

Effective January 1, 2011, the Trusts no longer reimburse the Manager for accounting services.

Certain officers and/or trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for compensation paid to the Trusts' Chief Compliance Officer.

4. Investments:

Purchases and sales of investments excluding short-term securities, for the year ended April 30, 2011, were as follows:

| | **Purchases** | **Sales** |
|---|---|---|
| BKN | $140,331,601 | $139,294,799 |
| BTA | $ 26,502,607 | $ 32,328,967 |
| BKK | $ 44,302,466 | $ 40,741,876 |
| BFK | $161,135,851 | $181,705,192 |
| BPS | $ 9,317,589 | $ 7,986,523 |
| BSD | $ 29,295,086 | $ 30,207,149 |

5. Income Tax Information:

Reclassifications: US GAAP require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting.
These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of April 30, 2011 attributable to
amortization methods on fixed income securities, income recognized from pass-through entities, distributions received from regulated investment compa-
nies, the expiration of capital loss carryforwards and the sale of bonds received from tender option bond trusts were reclassified to the following accounts:

| | BKN | BTA | BKK | BFK | BSD |
|---|---|---|---|---|---|
| Paid-in capital | — | — | — | $(11,416,462) | — |
| Undistributed net investment income | $ (20,401) | $ (94,065) | $ (664) | $ (2,193) | $ (321) |
| Accumulated net realized loss | $ 20,401 | $ 94,065 | $ 664 | $ 11,418,655 | $ 321 |

The tax character of distributions paid during the fiscal years ended April 30, 2011 and April 30, 2010 was as follows:

| | BKN | BTA | BKK | BFK | BPS | BSD |
|---|---|---|---|---|---|---|
| Tax-exempt income | | | | | | |
| 4/30/2011 | $17,680,514 | $9,738,600 | $15,838,986 | $43,381,671 | $1,866,130 | $6,577,857 |
| 4/30/2010 | 16,623,854 | 9,208,155 | 15,895,100 | 42,585,886 | 1,528,702 | 6,302,528 |
| Ordinary income | | | | | | |
| 4/30/2011 | $ 40,399 | $ 29,268 | — | $ 32,125 | — | $ 25,538 |
| Total distributions | | | | | | |
| 4/30/2011 | $17,720,913 | $9,767,868 | $15,838,986 | $43,413,796 | $1,866,130 | $6,603,395 |
| 4/30/2010 | $16,623,854 | $9,208,155 | $15,895,100 | $42,585,886 | $1,528,702 | $6,302,528 |

# Notes to Financial Statements (continued)

As of April 30, 2011, the tax components of accumulated net earnings (losses) were as follows:

| | BKN | BTA | BKK | BFK | BPS | BSD |
|---|---|---|---|---|---|---|
| Undistributed tax-exempt income | $ 4,617,824 | $ 3,072,049 | $15,601,011 | $ 11,061,734 | $ 596,933 | $ 1,717,899 |
| Undistributed ordinary income | 1,755 | 551 | 2,651 | 14,252 | 263 | 2,028 |
| Capital loss carryforwards | (10,270,670) | (35,409,855) | (2,762,977) | (36,102,683) | (1,703,952) | (11,079,147) |
| Net unrealized losses* | (13,787,233) | (18,249,367) | (3,943,397) | (54,280,848) | (846,434) | (4,591,591) |
| **Total** | $(19,438,324) | $(50,586,622) | $ 8,897,288 | $(79,307,545) | $(1,953,190) | $(13,950,811) |

* The differences between book-basis and tax-basis net unrealized losses were attributable primarily to the tax deferral of losses on wash sales, amortization methods for premiums and discounts on fixed income securities, the deferral of post-October capital losses for tax purposes, the timing and recognition of partnership income, the treatment of residual interests in tender option bond trusts, the accrual of income on securities in default, the realization for tax purposes of unrealized gains/losses on certain futures contracts and the deferral of compensation to trustees.

As of April 30, 2011, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| Expires April 30, | BKN | BTA | BKK | BFK | BPS | BSD |
|---|---|---|---|---|---|---|
| 2012 | — | — | — | $15,775,833 | — | $ 427,602 |
| 2013 | — | — | $ 264,701 | — | $ 59,917 | 1,011,077 |
| 2014 | $ 22,282 | $ 701,315 | — | 4,991,959 | — | — |
| 2015 | — | — | 524,725 | 606,017 | — | — |
| 2016 | 4,566,913 | 22,052,642 | 411,992 | 10,207,532 | 127,957 | 251,883 |
| 2017 | 4,506,796 | 6,882,935 | — | 2,065,704 | 929,529 | 4,028,776 |
| 2018 | 1,174,679 | 4,821,726 | 471,188 | 2,455,638 | 586,549 | 2,381,683 |
| 2019 | — | 951,237 | 1,090,371 | — | — | 2,978,126 |
| **Total** | $ 10,270,670 | $35,409,855 | $ 2,762,977 | $36,102,683 | $ 1,703,952 | $11,079,147 |

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Funds after April 30, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

6. Concentration, Market and Credit Risk:

The Trusts invest a substantial amount of their assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentration in specific states.

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

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to credit risk, the Trusts may be exposed to counterparty risk, or the risk that an entity with which the Trusts have unsettled or open transactions may default. The Trusts manage counterparty risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to credit and counterparty risks, consist principally of investments and cash due from counterparties. The extent of the Trusts' exposure to credit and counterparty risks with respect to these financial assets is generally approximated by their value recorded in the Trusts' Statements of Assets and Liabilities, less any collateral held by the Trusts.

As of April 30, 2011, BKN, BFK, BPS and BSD invested a significant portion of their assets in the health sector. Changes in economic conditions affecting the health sector would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

7. Capital Share Transactions:

BKK, BFK, BPS and BSD are authorized to issue an unlimited number of shares, including Preferred Shares, par value $0.001 per share, all of which were initially classified as Common Shares. BKN is authorized to issue 200 million shares including Preferred Shares, all of which were initially classified as Common Shares, par value $0.01 per share. BTA is authorized to issue an unlimited number of Common Shares, par value $0.001 per share. BTA is also allowed to issue Preferred Shares but has not done so. The Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

Common Shares

At April 30, 2011, the shares owned by an affiliate of the Manager of the Trusts were as follows:

| | **Shares** |
|---|---|
| BTA | 9,704 |

## Notes to Financial Statements (continued)

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

| | **Year Ended April 30, 2011** | **Year Ended April 30, 2010** |
|---|---|---|
| BKN | 68,294 | 58,180 |
| BTA | 27,526 | — |
| BFK | 136,583 | 152,317 |
| BPS | 2,930 | — |
| BSD | 5,864 | 1,237 |

Shares issued and outstanding remained constant for BKK for the years ended April 30, 2011 and April 30, 2010.

Preferred Shares

The Preferred Shares are redeemable at the option of each Trust, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The Preferred Shares are also subject to mandatory redemption at their liquidation preference plus any accumulated and 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 Articles Supplementary (the “Governing Instrument”) are not satisfied.

From time to time in the future, each Trust may effect repurchases of its Preferred Shares at prices below their liquidation preference as agreed upon by the Trust and seller. Each Trust also may redeem its Preferred Shares from time to time as provided in the applicable Governing Instrument. Each Trust intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

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 (one vote per share) as a single class. However, the 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 or (c) change its business so as to cease to be an investment company.

The Trusts had the following series of Preferred Shares outstanding, effective yields and reset frequency as of April 30, 2011:

| Series | | Preferred Shares | Effective Yield | Reset Frequency Days |
|---|---|---|---|---|
| BKN | T7 | 2,804 | 0.40% | 7 |
| | T28 | 2,234 | 0.38% | 28 |
| BKK | M7 | 2,318 | 0.40% | 7 |
| | W7 | 2,318 | 0.41% | 7 |
| | F7 | 2,318 | 0.41% | 7 |
| BFK | M7 | 2,167 | 0.40% | 7 |
| | T7 | 2,167 | 0.40% | 7 |
| | W7 | 2,167 | 0.41% | 7 |
| | R7 | 2,167 | 0.41% | 7 |
| | F7 | 2,167 | 0.41% | 7 |
| BPS | W7 | 653 | 0.41% | 7 |
| BSD | W7 | 1,719 | 0.41% | 7 |

Dividends on seven-day and 28-day Preferred Shares are cumulative at a rate which is reset every seven or 28 days, respectively, based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, each Trust is required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of Preferred Shares is the higher of 110% of the AA commercial paper rate of 110% of 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate. The low, high and average dividend rates on the Preferred Shares for each Trust for the year ended April 30, 2011 were as follows:

| | Series | Low | High | Average |
|---|---|---|---|---|
| BKN | T7 | 0.35% | 0.50% | 0.42% |
| | T28 | 0.35% | 0.49% | 0.41% |
| BKK | M7 | 0.35% | 0.50% | 0.42% |
| | W7 | 0.37% | 0.50% | 0.42% |
| | F7 | 0.35% | 0.50% | 0.42% |
| BFK | M7 | 0.35% | 0.50% | 0.42% |
| | T7 | 0.35% | 0.50% | 0.42% |

| | | | | |
|---|---|---|---|---|
| | W7 | 0.37% | 0.50% | 0.42% |
| | R7 | 0.35% | 0.50% | 0.42% |
| | F7 | 0.35% | 0.50% | 0.41% |
| BPS | W7 | 0.37% | 0.50% | 0.42% |
| BSD | W7 | 0.37% | 0.50% | 0.42% |

Since February 13, 2008, the Preferred Shares of the Trusts failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.35% to 0.50% for the year ended April 30, 2011. A failed auction is not an event of default for the Trusts but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Trust's auction rate preferred shares than buyers. A successful auction for the Trusts' Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, Preferred Shareholders may not have the ability to sell the Preferred Shares at their liquidation preference.

## Notes to Financial Statements (concluded)

The Trusts 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 is less than 200%.

The Trusts pay commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions.

Preferred Shares issued and outstanding remained constant for all Trusts for the year ended April 30, 2011 and for the year ended April 30, 2010 for BKK.

During the year ended April 30, 2010, the Trusts announced the following redemptions of Preferred Shares at a price of $25,000 per share plus any accrued and unpaid dividends through the redemption date:

| | Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|---|---|---|---|---|
| BKN | T7 | 7/08/09 | 22 | $ 550,000 |
| | T28 | 7/08/09 | 18 | $ 450,000 |
| BFK | M7 | 7/14/09 | 178 | $4,450,000 |
| | T7 | 7/08/09 | 178 | $4,450,000 |
| | W7 | 7/09/09 | 178 | $4,450,000 |
| | R7 | 7/10/09 | 178 | $4,450,000 |
| | F7 | 7/13/09 | 178 | $4,450,000 |
| BPS | W7 | 7/09/09 | 20 | $ 500,000 |
| BSD | W7 | 7/09/09 | 191 | $4,775,000 |

The Trusts financed the Preferred Share redemptions with cash received from TOB transactions.

8. Subsequent Events:

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

Each Trust paid a net investment income dividend on June 1, 2011 to Common Shareholders of record on May 16, 2011 as follows:

| | Common Dividend Per Share |
|---|---|
| BKN | $0.08400 |
| BTA | $0.06250 |
| BKK | $0.06225 |
| BFK | $0.08010 |
| BPS | $0.07600 |
| BSD | $0.07400 |

The dividends declared on Preferred Shares for the period May 1, 2011 to May 31, 2011 were as follows:

| | Series | Dividends Declared |
|---|---|---|
| BKN | T7 | $19,959 |
| | T28 | $16,500 |
| BKK | M7 | $16,855 |
| | W7 | $16,545 |
| | F7 | $16,737 |
| BFK | M7 | $15,757 |
| | T7 | $15,425 |
| | W7 | $15,467 |
| | R7 | $15,147 |
| | F7 | $15,646 |
| BPS | W7 | $ 4,658 |
| BSD | W7 | $12,269 |

Each Trust will pay a net investment income dividend on July 1, 2011 to Common Shareholders of record on June 15, 2011 as follows:

| | Common Dividend Per Share |
|---|---|
| BKN | $0.08400 |
| BTA | $0.06250 |
| BKK | $0.06225 |
| BFK | $0.08010 |
| BPS | $0.07600 |
| BSD | $0.07400 |

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors/Trustees of:
BlackRock Investment Quality Municipal Trust Inc.
BlackRock Long-Term Municipal Advantage Trust
BlackRock Municipal 2020 Term Trust
BlackRock Municipal Income Trust
BlackRock Pennsylvania Strategic Municipal Trust
BlackRock Strategic Municipal Trust (collectively
the “Trusts”):

We have audited the accompanying statements of assets and liabilities of BlackRock Investment Quality Municipal Trust Inc., BlackRock Long-Term Municipal Advantage Trust, BlackRock Municipal 2020 Term Trust, BlackRock Municipal Income Trust, BlackRock Pennsylvania Strategic Municipal Trust, and BlackRock Strategic Municipal Trust, including the schedules of investments, as of April 30, 2011, the related statements of operations for the year then ended, the statement of cash flows for the year then ended for BlackRock Long-Term Municipal Advantage Trust, 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 included confirmation of securities owned as of April 30, 2011, 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 BlackRock Investment Quality Municipal Trust Inc., BlackRock Long-Term Municipal Advantage Trust, BlackRock Municipal 2020 Term Trust, BlackRock Municipal Income Trust, BlackRock Pennsylvania Strategic Municipal Trust, and BlackRock Strategic Municipal Trust as of April 30, 2011, the results of their operations for the year then ended, the cash flows for the year then ended for BlackRock Long-Term Municipal Advantage Trust, 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.

Deloitte & Touche LLP
Princeton, New Jersey
June 27, 2011

## Important Tax Information (Unaudited)

The following table summarizes the taxable per share distributions paid by BKN, BTA, BFK and BSD during the taxable year ended April 30, 2011:

| **BKN** | **Payable Date** | **Ordinary Income**[1] |
|---|---|---|
| Common Shareholders | 12/31/2010 | $ 0.002301 |
| Preferred Shareholders: | | |
| Series T7 | 11/24/2010 | $ 0.14 |
| Series T7 | 12/15/2010 | $ 0.10 |
| Series T28 | 11/24/2010 | $ 0.14 |
| Series T28 | 12/22/2010 | $ 0.10 |
| **BTA** | | |
| Common Shareholders | 12/31/2010 | $ 0.002190 |
| **BFK** | | |
| Common Shareholders | 12/31/2010 | $ 0.000703 |
| Preferred Shareholders: | | |
| Series M7 | 11/30/2010 | $ 0.08 |
| Series T7 | 11/24/2010 | $ 0.08 |
| Series W7 | 11/26/2010 | $ 0.08 |
| Series R7. | 11/26/2010 | $ 0.08 |
| Series F7 | 11/29/2010 | $ 0.08 |
| **BSD** | | |
| Common Shareholders | 12/31/2010 | $ 0.003405 |
| Preferred Shareholders: | | |
| Series W7 | 11/26/2010 | $ 0.41 |

[1] Additionally, all ordinary income distributions consist of Interest Related Dividends and are eligible for exemption from US withholding tax for nonresident aliens and foreign corporations.

All other net investment income distributions paid by BKN, BTA, BKK, BFK, BPS and BSD during the taxable year ended April 30, 2011 qualify as tax-exempt interest dividends for federal income tax purposes.

| | | |
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## Automatic Dividend Reinvestment Plans

Pursuant to each Trust's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Reinvestment Plan Agent") in the respective Trust's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment 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 Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After BKN, BTA, BFK, BPS and BSD declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants' accounts, depending upon the following circum stances, 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 ("open-market purchases"). If, on the dividend payment date, the NAV per share is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment 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 per share 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 per share is greater than the market value per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares.

After BKK declares a dividend or determines to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants' account by the purchase of outstanding shares on the open market, on BKK's primary exchange ("open market purchases"). BKK will not issue any new shares under the Reinvestment Plan.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent 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 Reinvestment 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 Reinvestment 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 maybe payable on such dividends or distributions.

Each Trust reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan; however, each Trust reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants that request a sale of shares through the Reinvestment Plan Agent are subject to a $2.50 sales fee and a $0.15 per share sold brokerage commission. All correspondence concerning the Reinvestment Plan should be directed to the Reinvestment Plan Agent at P.O. Box 43078, Providence, RI 02940-3078 or by calling (800) 699-1BFM. All overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street, Canton, MA 02021.

## Officers and Trustees

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served as a Trustee[2] | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Funds and Portfolios Overseen | Public Directorships |
|---|---|---|---|---|---|
| **Independent Trustees[1]** | | | | | |
| **Richard E. Cavanagh** 55 East 52nd Street New York, NY 10055 1946 | Chairman of the Board and Trustee | Since 1994 | Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 95 Funds 95 Portfolios | Arch Chemical (chemical and allied products) |
| **Karen P. Robards** 55 East 52nd Street New York, NY 10055 1950 | Vice Chair of the Board, Chair of the Audit Committee and Trustee | Since 2007 | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development, (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Director of Enable Medical Corp. from 1996 to 2005; Investment Banker at Morgan Stanley from 1976 to 1987. | 95 Funds 95 Portfolios | AtriCure, Inc. (medical devices) |
| **Michael Castellano** 55 East 52nd Street New York, NY 10055 1946 | Trustee and Member of the Audit Committee | Since 2011 | Managing Director and Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2001; Director, Support Our Aging Religions (non-profit) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010. | 95 Funds 95 Portfolios | None |
| **Frank J. Fabozzi** 55 East 52nd Street New York, NY 10055 | Trustee and Member of the Audit | Since 1993 | Consultant/Editor of The Journal of Portfolio Management since 2006; Professor in the Practice of Finance and Becton Fellow, Yale University, School of Management, since 2006; Adjunct Professor of Finance and Becton Fellow, Yale University from | 95 Funds 95 Portfolios | None |

| | | | | | |
|---|---|---|---|---|---|
| 1948 | Committee | | 1994 to 2006. | | |
| **Kathleen F. Feldstein**<br>55 East 52nd Street<br>New York, NY 10055<br>1941 | Trustee | Since 2005 | President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009. | 95 Funds<br>95 Portfolios | The McClatchy Company (publishing); Bell South (telecommunications); Knight Ridder (publishing) |
| **James T. Flynn**<br>55 East 52nd Street<br>New York, NY 10055<br>1939 | Trustee and Member of the Audit Committee | Since 2007 | Chief Financial Officer of JP Morgan & Co., Inc. from 1990 to 1995. | 95 Funds<br>95 Portfolios | None |
| **Jerrold B. Harris**<br>55 East 52nd Street<br>New York, NY 10055<br>1942 | Trustee | Since 2007 | Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation since 2001; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999. | 95 Funds<br>95 Portfolios | BlackRock Kelso Capital Corp. (business development company) |

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## Officers and Trustees (continued)

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served as a Trustee[2] | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Funds and Portfolios Overseen | Public Directorships |
|---|---|---|---|---|---|
| **Independent Trustees1 (concluded)** | | | | | |
| **R. Glenn Hubbard** 55 East 52nd Street New York, NY 10055 1958 | Trustee | Since 2004 | Dean, Columbia Business School since 2004; Columbia faculty member since 1988; Co-Director of Columbia Business School's Entrepreneurship Program from 1997 to 2004; Chairman, U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003; Chairman, Economic Policy Committee of the OECD from 2001 to 2003. | 95 Funds 95 Portfolios | ADP (data and information services); KKR Financial Corporation (finance); Metropolitan Life Insurance Company (insurance) |
| **W. Carl Kester** 55 East 52nd Street New York, NY 10055 1951 | Trustee and Member of the Audit Committee | Since 2007 | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Department, Harvard Business School from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 95 Funds 95 Portfolios | None |

[1] Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

[2] Date shown is the earliest date a person has served for the Trusts covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock in September 2006, the various legacy MLIM and legacy BlackRock Fund boards were realigned and consolidated into three new Fund boards in 2007. As a result, although the chart shows certain Trustees as joining the Trusts' board in 2007, each Trustee first became a member of the board of Trustees of other legacy MLIM or legacy BlackRock Funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995; and Karen P. Robards, 1998.

| **Interested Trustees[3]** | | | | | |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| **Richard S. Davis**<br>55 East 52nd Street<br>New York, NY 10055<br>1945 | Trustee | Since 2007 | Managing Director, BlackRock, Inc. since 2005; Chief Executive Officer, State Street Research & Management Company from 2000 to 2005; Chairman of the Board of Trustees, State Street Research Mutual Funds from 2000 to 2005. | 165 Funds<br>290 Portfolios | None |
| **Henry Gabbay**<br>55 East 52nd Street<br>New York, NY 10055<br>1947 | Trustee | Since 2007 | Consultant, BlackRock, Inc. from 2007 to 2008; Managing Director, BlackRock, Inc. from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006. | 165 Funds<br>290 Portfolios | None |

[3] Mr. Davis is an “interested person,” as defined in the 1940 Act, of the Trusts based on his position with BlackRock, Inc. and its affiliates. Mr. Gabbay is an “interested person” of the Trusts based on his former positions with BlackRock, Inc. and its affiliates as well as his ownership of BlackRock, Inc. and the PNC Financial Services Group, Inc. securities. Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

## Officers and Trustees (concluded)

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served | Principal Occupation(s) During Past 5 Years |
|---|---|---|---|
| **Officers**[1] | | | |
| **John M. Perlowski** 55 East 52nd Street New York, NY 10055 1964 | President and Chief Executive Officer | Since 2011 | Managing Director of BlackRock, Inc. since 2009; Global Head of BlackRock Fund Administration since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009. |
| **Anne Ackerley** 55 East 52nd Street New York, NY 10055 1962 | Vice President | Since 2007[2] | Managing Director of BlackRock, Inc. since 2000; President and Chief Executive Officer of the BlackRock-advised funds from 2009 to 2011; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock's Global Client Group since 2009; Chief Operating Officer of BlackRock's U.S. Retail Group from 2006 to 2009; Head of BlackRock's Mutual Fund Group from 2000 to 2006. |
| **Brendan Kyne** 55 East 52nd Street New York, NY 10055 1977 | Vice President | Since 2009 | Managing Director of BlackRock, Inc. since 2010; Director of BlackRock, Inc. from 2008 to 2009; Head of Product Development and Management for BlackRock's U.S. Retail Group since 2009, Co-head thereof from 2007 to 2009; Vice President of BlackRock, Inc. from 2005 to 2008. |
| **Neal Andrews** 55 East 52nd Street New York, NY 10055 1966 | Chief Financial Officer | Since 2007 | Managing Director of BlackRock, Inc. since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006. |
| **Jay Fife** 55 East 52nd Street New York, NY 10055 1970 | Treasurer | Since 2007 | Managing Director of BlackRock, Inc. since 2007 and Director in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006. |
| **Brian Kindelan** 55 East 52nd Street | Chief Compliance Officer | Since 2007 | Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock, Inc. since 2005. |

| | | | |
|---|---|---|---|
| New York, NY 10055<br>1959 | | | |
| **Ira P. Shapiro**<br>55 East 52nd Street<br>New York, NY 10055<br>1963 | Secretary | Since 2010 | Managing Director of BlackRock, Inc. since 2009; Managing Director and Associate General Counsel of Barclays Global Investors from 2008 to 2009; Principal thereof from 2004 to 2008. |

[1] Officers of the Trusts serve at the pleasure of the Boards.

[2] Ms. Ackerley was President and Chief Executive Officer from 2009 to 2011.

| **Investment Advisor** | **Custodian** | **Auction Agent** | **Accounting Agent** | **Legal Counsel** |
|---|---|---|---|---|
| BlackRock Advisors, LLC<br>Wilmington, DE 19809 | State Street Bank and Trust Company<br>Boston, MA 02111 | **Preferred Shares:**<br>The Bank of New York Mellon<br>New York, NY 10286 | State Street Bank and Trust Company<br>Princeton, NJ 08540 | Skadden, Arps, Slate, Meagher & Flom LLP<br>New York, NY 10036 |
| **Sub-Advisor** | **Transfer Agent** | | **Independent Registered Public Accounting Firm** | **Address of the Trusts** |
| BlackRock Financial Management, Inc.<br>New York, NY 10022 | **Common Shares:**<br>Computershare Trust Company, N.A.<br>Canton, MA 02021 | | Deloitte & Touche LLP<br>Princeton, NJ 08540 | 100 Bellevue Parkway<br>Wilmington, DE 19809 |

Effective November 10, 2010, Ira P. Shapiro became Secretary of the Trusts.

Effective February 11, 2011, John M. Perlowski became President and Chief Executive Officer of the Trusts.

Effective April 14, 2011, Michael Castellano became a Trustee of the Trusts and a Member of the Audit Committee.

## Additional Information

### Trust Certification

Those Trusts listed for trading on the New York Stock Exchange ("NYSE") have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. Each Trust filed with the Securities and Exchange Commission ("SEC") the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

### Dividend Policy

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

# Additional Information (continued)

### General Information

On July 29, 2010, the Manager announced that a derivative complaint had been filed by shareholders of BSD and BFK on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the trustees, officers and portfolio managers of BSD and BFK (collectively, the “Defendants”) as defendants. The complaint alleges, among other things, that the Defendants breached fiduciary duties owed to BSD and BFK and each of their Common Shareholders by redeeming Preferred Shares at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by BSD and BFK as a result of the prior redemptions and injunctive relief preventing BSD and BFK from redeeming Preferred Shares at their liquidation preference in the future. The Defendants believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

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

During the period, there were no material changes in the Trusts’ investment objectives or policies or to the Trusts’ charters or by-laws that were not approved by shareholders or in the principal risk factors associated with investment in the Trusts. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts’ portfolio.

Quarterly performance, semi-annual and annual reports 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.

Electronic Delivery

Electronic copies of most financial reports are available on the Trusts’ websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts’ electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

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

Householding

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 call (800) 441-7762.

Availability of Quarterly Schedule of Investments

Each Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts’ Forms N-Q are available on the SEC’s website at http://www.sec.gov and may also be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on how to access documents on the SEC’s website without charge may be obtained by calling (800) SEC-0330. Each Trust’s Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at http://www.blackrock.com; and (3) on the SEC’s website at http://www.sec.gov.

Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts’ portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at http://www.blackrock.com or by calling (800) 441-7762 and (2) on the SEC’s website at http://www.sec.gov.

Availability of Trust Updates

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the “Closed-end Funds” section of http://www.blackrock.com. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts.

| | | |
|---|---|---|
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# Additional Information (concluded)

### BlackRock Privacy Principles

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

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

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

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

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

This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a

representation of future performance. Certain Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including

the likelihood of greater volatility of net asset value and market price of the Common Shares and the risk that fluctuations in the short-term dividend

rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed auctions, may reduce the Common Shares yield.

Statements and other information herein are as dated and are subject to change.

Item 2 Code of Ethics The registrant (or the Fund ) 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, principal accounting officer, or controller, 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.

Item 3 Audit Committee Financial Expert The registrant s board of directors (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:

Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards

The registrant s board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester s financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant s financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

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. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

Item 4 – Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP ("D&T") in each of the last two fiscal years for the services rendered to the Fund:

| | (a) Audit Fees | | (b) Audit-Related Fees[1] | | (c) Tax Fees[2] | | (d) All Other Fees[3] | |
|---|---|---|---|---|---|---|---|---|
| **Entity Name** | **Current Fiscal Year End** | **Previous Fiscal Year End** | **Current Fiscal Year End** | **Previous Fiscal Year End** | **Current Fiscal Year End** | **Previous Fiscal Year End** | **Current Fiscal Year End** | **Previous Fiscal Year End** |
| BlackRock Investment Quality Municipal Trust, Inc. | $30,700 | $29,700 | $3,500 | $3,500 | $6,100 | $6,100 | $0 | $0 |

The following table presents fees billed by D&T that were required to be approved by the registrant's audit committee (the "Committee") for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC ("Investment Adviser") and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund ("Fund Service Providers"):

| | Current Fiscal Year End | Previous Fiscal Year End |
|---|---|---|
| **(b) Audit-Related Fees[1]** | $0 | $0 |
| **(c) Tax Fees[2]** | $0 | $0 |
| **(d) All Other Fees[3]** | $3,030,000 | $2,950,000 |

[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 Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax

or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed $10,000 attributable to the registrant or $50,000 per project. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

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

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| Entity Name | Current Fiscal Year End | Previous Fiscal Year End |
|---|---|---|
| BlackRock Investment Quality Municipal Trust, Inc. | $9,600 | $20,377 |

Additionally, SAS No. 70 fees for the current and previous fiscal years of $3,030,000 and $2,950,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the 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 the Fund Service Providers 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.

Item 5 Audit Committee of Listed Registrants

(a) 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 Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano
Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards

(b) Not Applicable

Item 6 Investments
(a) The registrant s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.
(b) Not Applicable due to no such divestments during the semi-annual period covered since

the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies The board of directors has delegated the voting of proxies for the Fund s portfolio securities to the Investment Adviser pursuant to the Investment Adviser s proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund s stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser s Equity Investment Policy Oversight Committee, or a sub-committee thereof (the Oversight Committee ) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser s clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser s Portfolio Management Group and/or the Investment Adviser s Legal and Compliance Department and concluding that the vote cast is in its client s best interest notwithstanding the conflict. A copy of the Fund s Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at www.blackrock.com and (ii) on the SEC s website at http://www.sec.gov.

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of April 30, 2011.

(a)(1) The registrant is managed by a team of investment professionals comprised of Timothy Browse, Director at BlackRock, Inc. ( BlackRock ), 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. Each is jointly responsible for the day-to-day management of the registrant s portfolio, which includes setting the registrant s overall investment strategy, overseeing the management of the registrant and/or selection of its investments. Messrs. Browse, Jaeckel and O Connor have been members of the registrant s portfolio management team since 2008, 2006 and 2006, respectively.

| **Portfolio Manager** | **Biography** |
|---|---|
| Timothy Browse | Director of BlackRock since 2008; Vice President of BlackRock from 2006 to 2007; Vice President of Merrill Lynch Investment Management, L.P. ( MLIM ) from 2004 to 2006. |
| Theodore R. Jaeckel, Jr. | Managing Director at BlackRock since 2006; Managing Director of MLIM from 2005 to 2006; Director of MLIM from 1997 to 2005. |
| Walter O Connor | Managing Director of BlackRock since 2006; Managing Director of MLIM from 2003 to 2006; Director of MLIM from 1998 to 2003. |

(a)(2) As of April 30, 2011:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type: Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts | (iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based: Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| Timothy Browse | 13 | 0 | 0 | 0 | 0 | 0 |
| | $2.82 Billion | $0 | $0 | $0 | $0 | $0 |
| Theodore R. Jaeckel, Jr. | 68 | 0 | 0 | 0 | 0 | 0 |
| | $19.44 Billion | $0 | $0 | $0 | $0 | $0 |
| Walter O Connor | 68 | 0 | 0 | 0 | 0 | 0 |
| | $19.44 Billion | $0 | $0 | $0 | $0 | $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 significant shareholders and any officer, director, shareholder 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 significant shareholders, or any officer, director, shareholder, 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 or significant shareholders ) officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that portfolio managers may manage certain accounts that are subject to performance fees. In addition, portfolio managers may 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 policies that are intended to ensure 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, as appropriate.

(a)(3) As of April 30, 2011:

**Portfolio Manager Compensation Overview**

BlackRock s financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

**Base compensation.** Generally, portfolio managers receive base compensation based on their position with the firm.

**Discretionary Incentive Compensation**

Discretionary incentive compensation is a function of several components: the performance of BlackRock, the performance of the portfolio manager s group within BlackRock, the investment performance, including risk-adjusted returns, of the firm s assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual s performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. BlackRock s Chief Investment Officers determine the benchmarks against which the performance of funds and other accounts managed by each portfolio manager is compared and the period of time over which performance is evaluated. With respect to Mr. Browse, such benchmarks for the Fund include a combination of the MSCI EAFE Index and other relevant peer groups. With respect to Messrs. Jaeckel and O Connor, such benchmarks for the Fund include a combination of market-based indices (e.g. Barclays Capital Municipal Bond Index), certain customized indices and certain fund industry peer groups.

Among other things, BlackRock s Chief Investment Officers make a subjective determination with respect to each portfolio manager s compensation based on the performance of the Funds and other accounts managed by each portfolio manager relative to the various benchmarks.

Performance of fixed income funds is measured on both a pre-tax and after-tax basis over various time periods including 1-, 3-, 5- and 10-year periods, as applicable. With respect to the performance of the other listed Index and Multi-Asset Funds, performance is measured on, among other things, a pre-tax basis over various time periods including 1-, 3- and 5-year periods, as applicable.

**Distribution of Discretionary Incentive Compensation**

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock s ability to sustain and improve its performance over future periods. Providing a portion of annual bonuses in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

*Long-Term Incentive Plan Awards* From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock restricted stock units that, once vested, settle in BlackRock common stock. Messrs. Jaeckel and O Connor have each received long-term incentive awards.

*Deferred Compensation Program* A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred into an account that tracks the performance of certain of the firm s investment products. Each participant in the deferred compensation program is permitted to allocate his deferred amounts among various BlackRock investment options. All of the portfolio managers have participated in the deferred compensation program.

**Other compensation benefits.** In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

*Incentive Savings Plans* BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at $5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation. The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into an index target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares or a dollar value of $25,000. Each portfolio manager is eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* As of April 30, 2011.

| Portfolio Manager | Dollar Range of Equity Securities of the Fund Beneficially Owned |
|---|---|
| Timothy Browse | None |
| Theodore R. Jaeckel, Jr. | None |
| Walter O Connor | None |

(b) Not Applicable

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 There have been no material changes to these procedures.

Item 11 Controls and Procedures

(a) The registrant s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act )) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

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

Item 12 Exhibits attached hereto

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

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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

BlackRock Investment Quality Municipal Trust, Inc.

By: /S/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Investment Quality Municipal Trust, Inc.

Date: July 5, 2011

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

By: /S/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Investment Quality Municipal Trust, Inc.

Date: July 5, 2011

By: /S/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Investment Quality Municipal Trust, Inc.

Date: July 5, 2011